



# CONTEXT

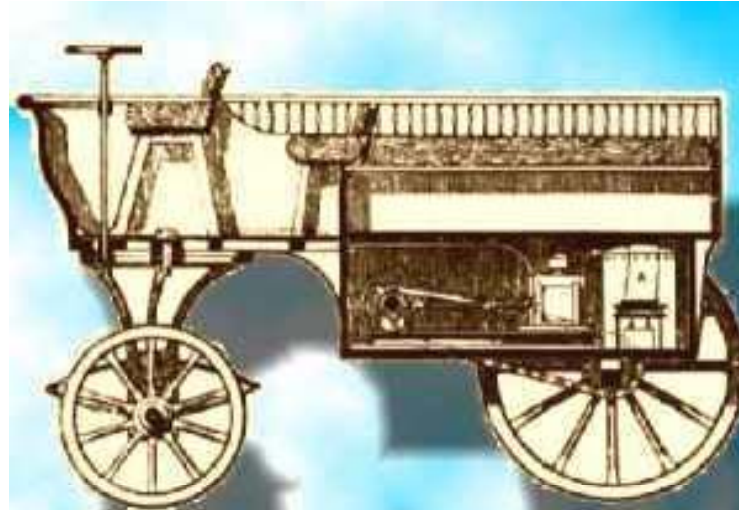
OPTIMIZING  
THE VALUE  
CAPTURED

Creating  $\neq$  Capturing

# Some successes...



Coke  
(1886)



Internal Combustion Engine

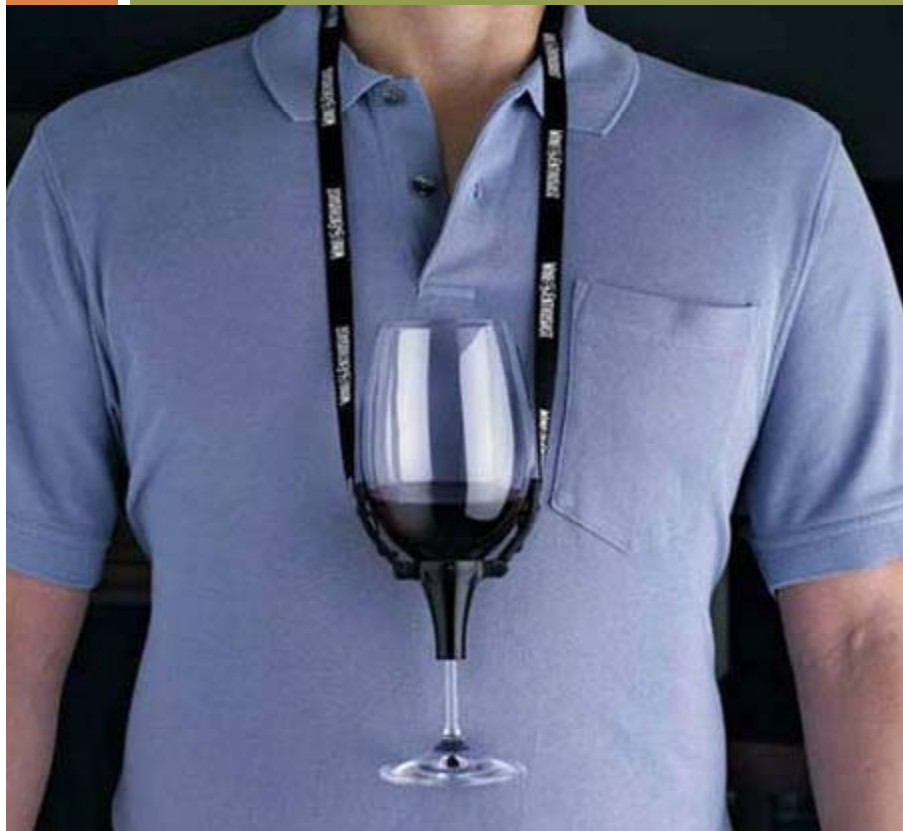


Cellular  
phone  
(1947)



Band-Aid  
(1921)

# Some not so great...



Often the business model (how value is captured) dictates commercial success

- Which of the values below was originally calculated for
  - ▣ High Oil corn?
  - ▣ Bt. Corn for ECB control?

\$420 million per year

\$20 million per year

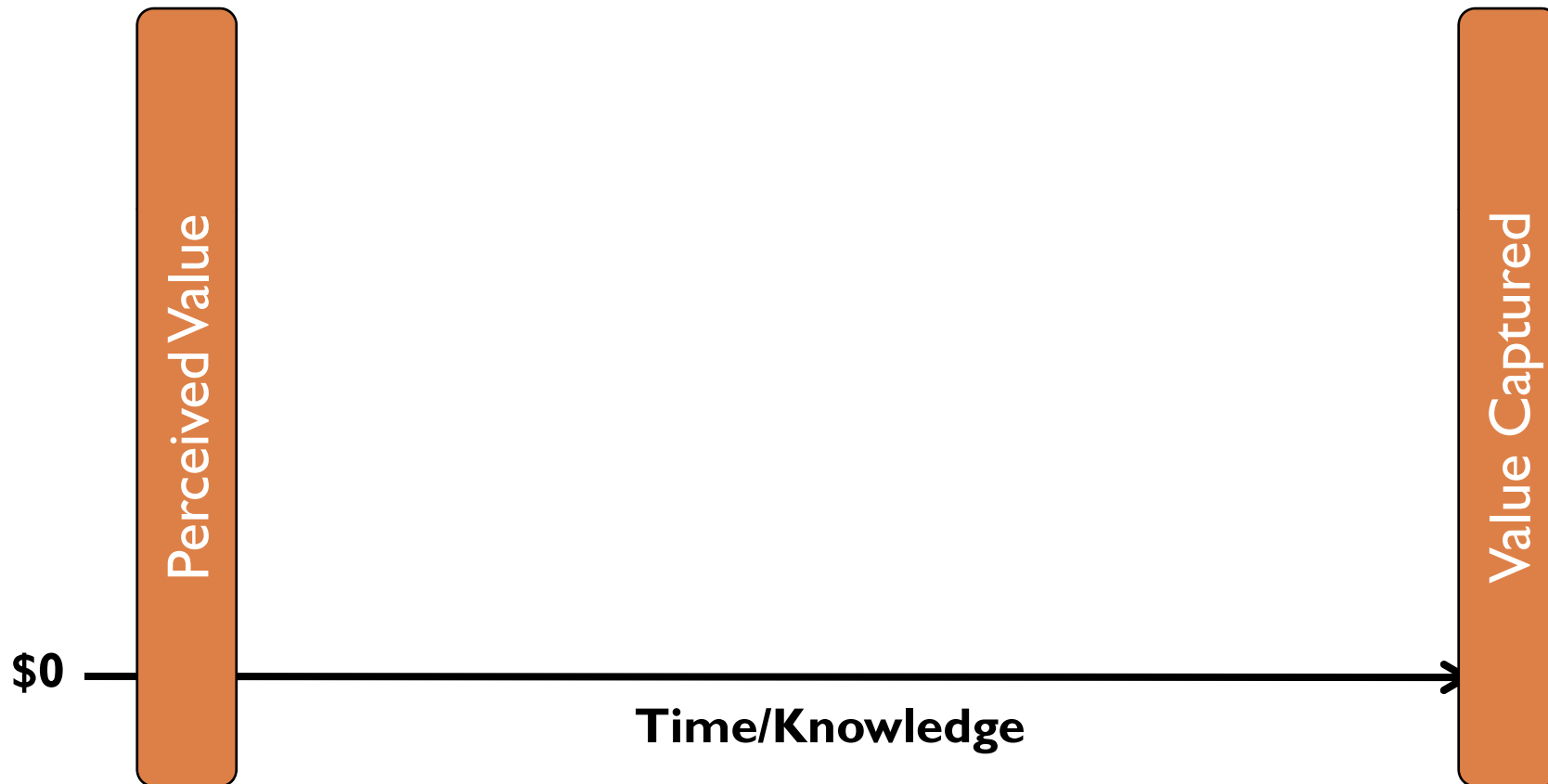
Often the business model (how value is captured) dictates commercial success

- What has more value – High oil corn or ECB corn....?

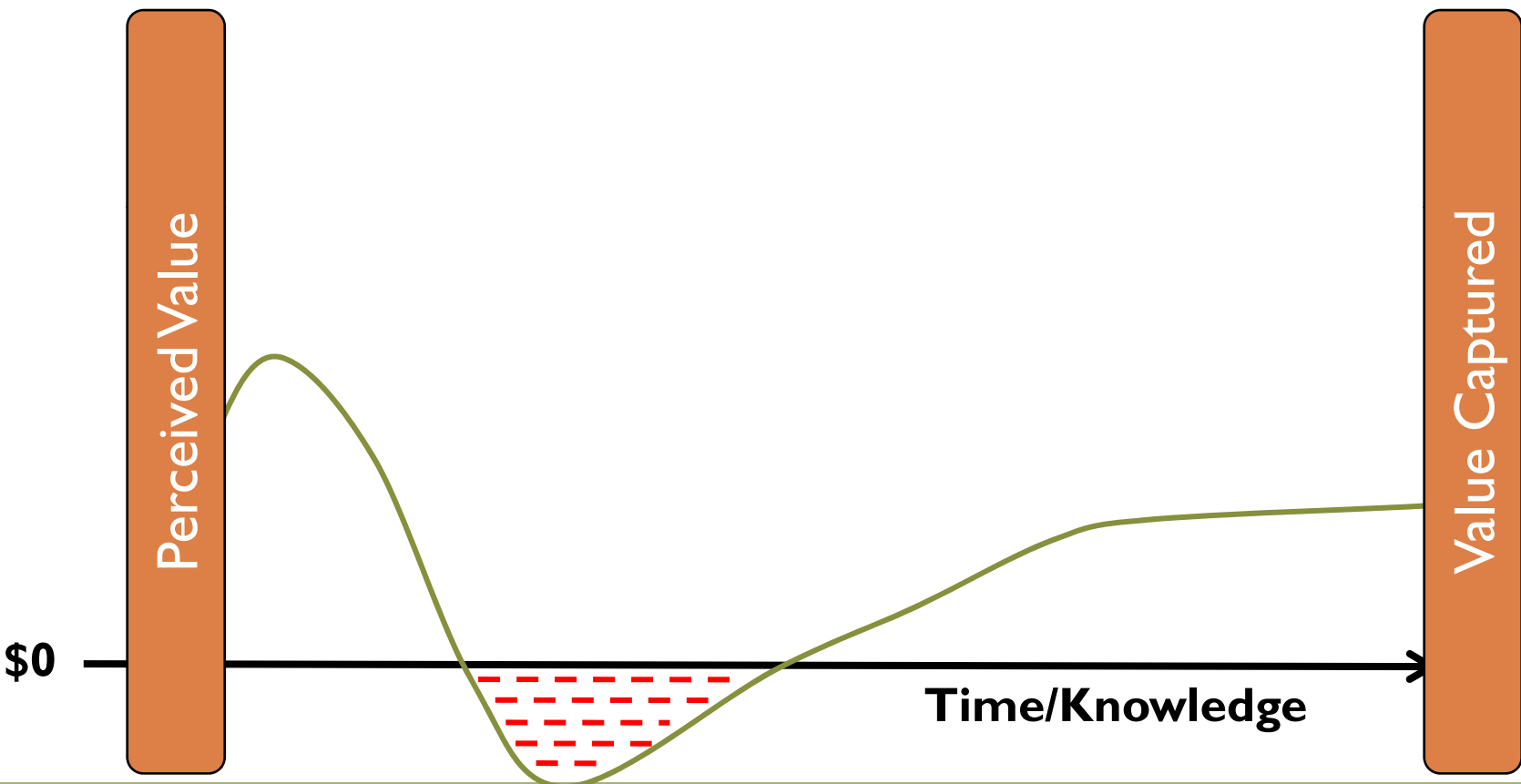
We know what happened, however,

**History never reveals its alternatives**

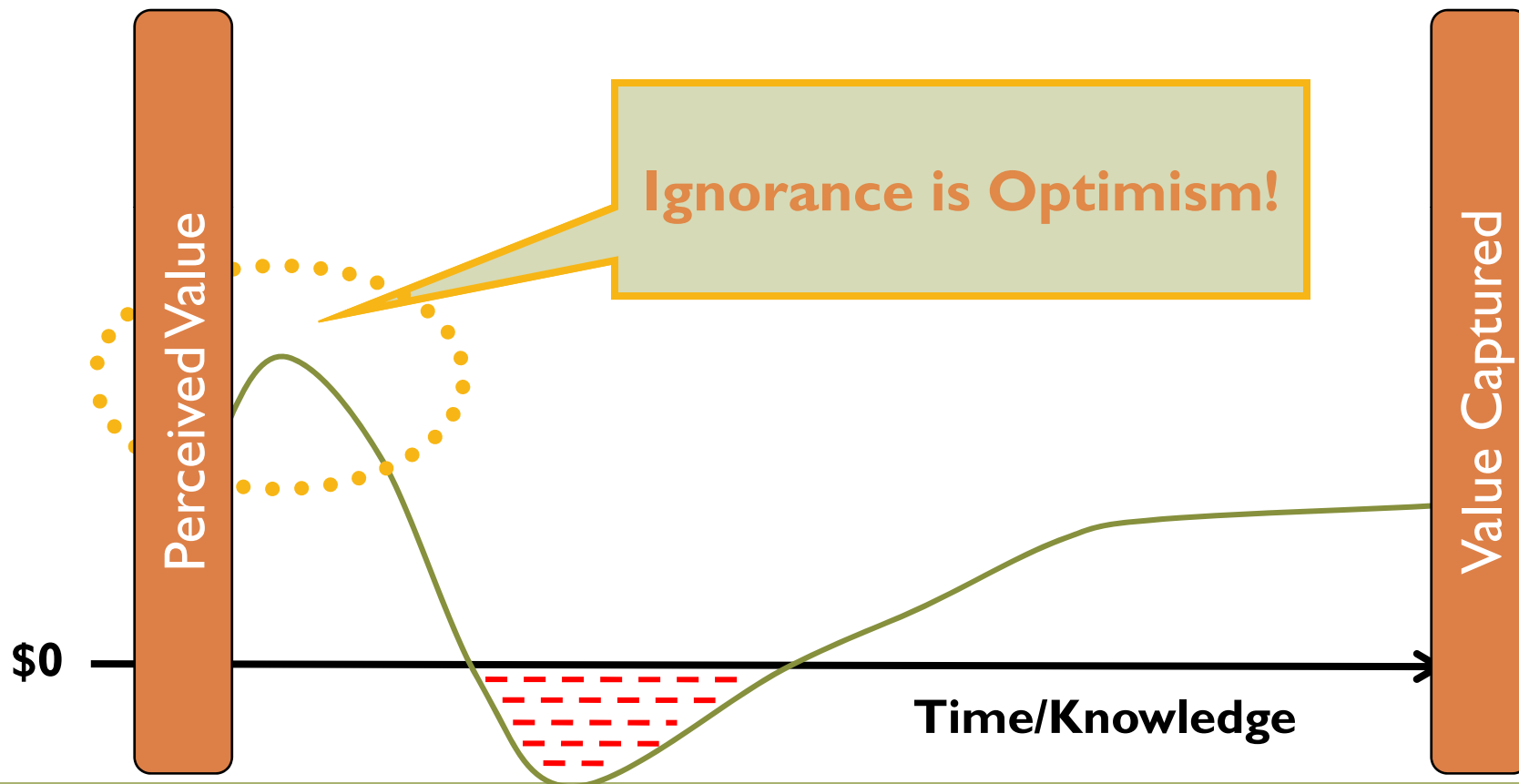
# Value captured differs from perceived value



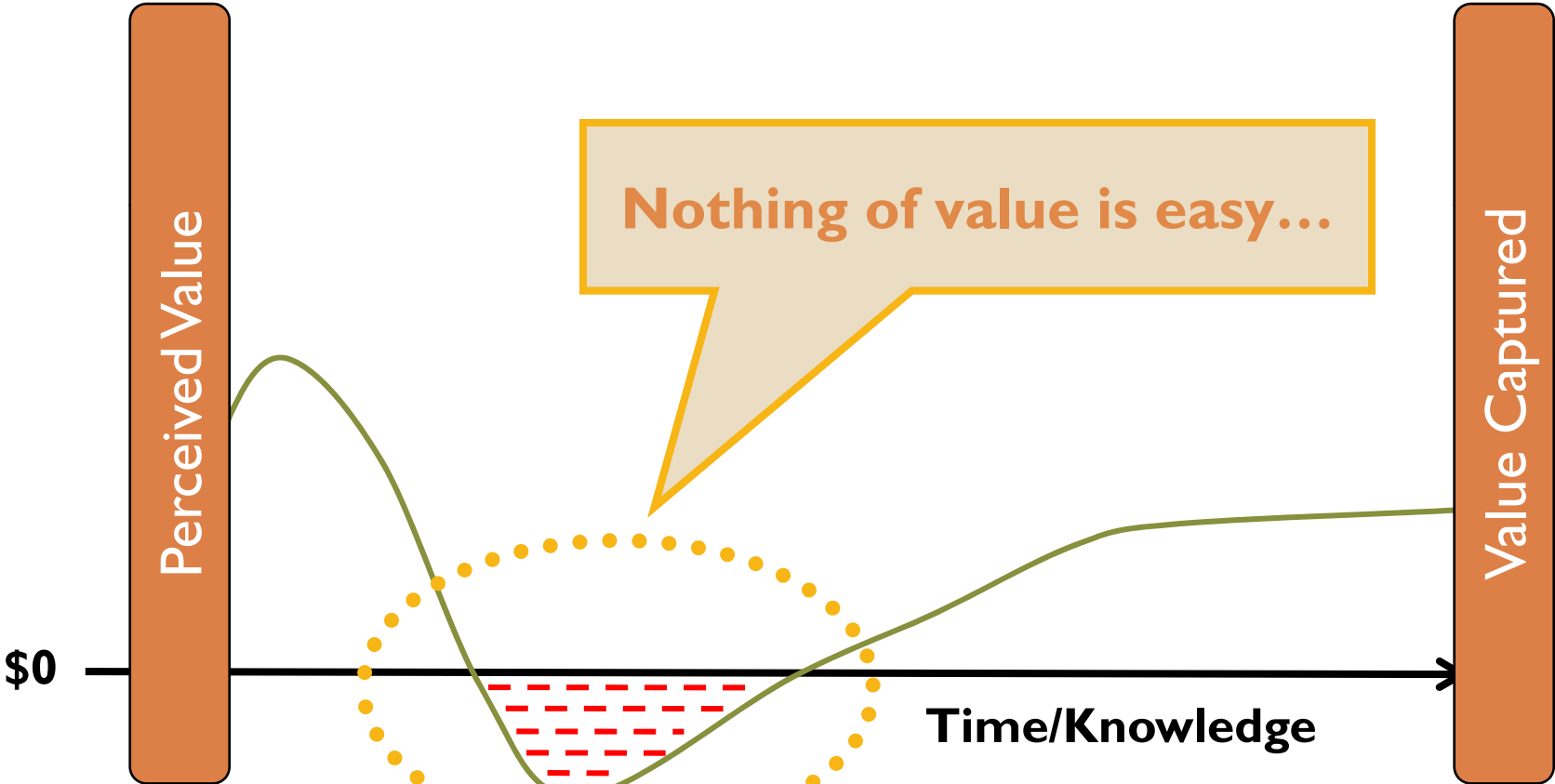
# And most traits follow this pattern



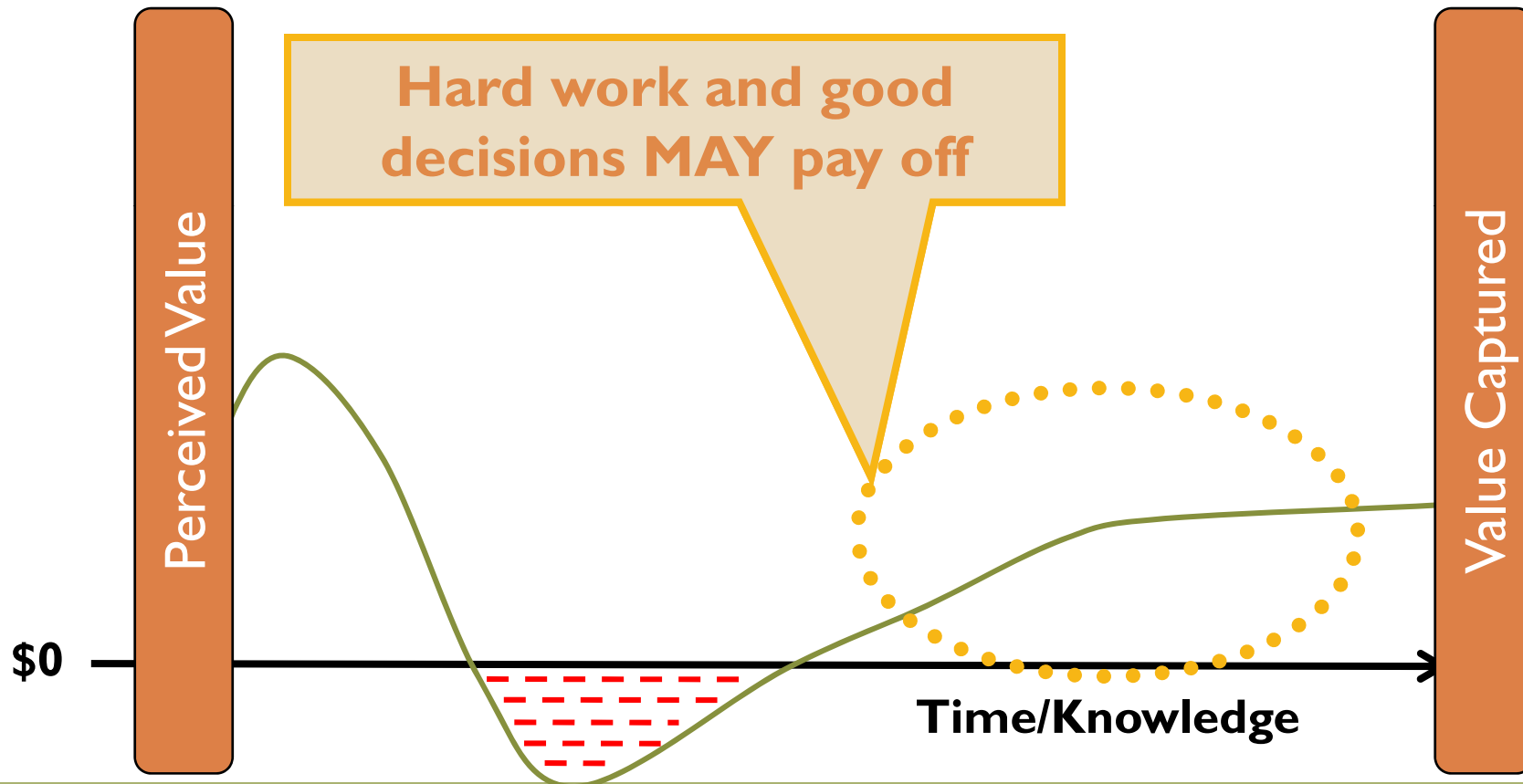
# When information is scarce, it is often easy to imagine great value!



Closer inspection and the passage of time reveal imperfection...and place a premium on creativity



# The MARKET and the MODEL determine the final value



# Soooo...

- Three things drive the creation of a sustainable value capture model:
  - **WHAT** questions are asked
  - **WHEN** they are asked
  - And **HOW** they are answered

# WHAT

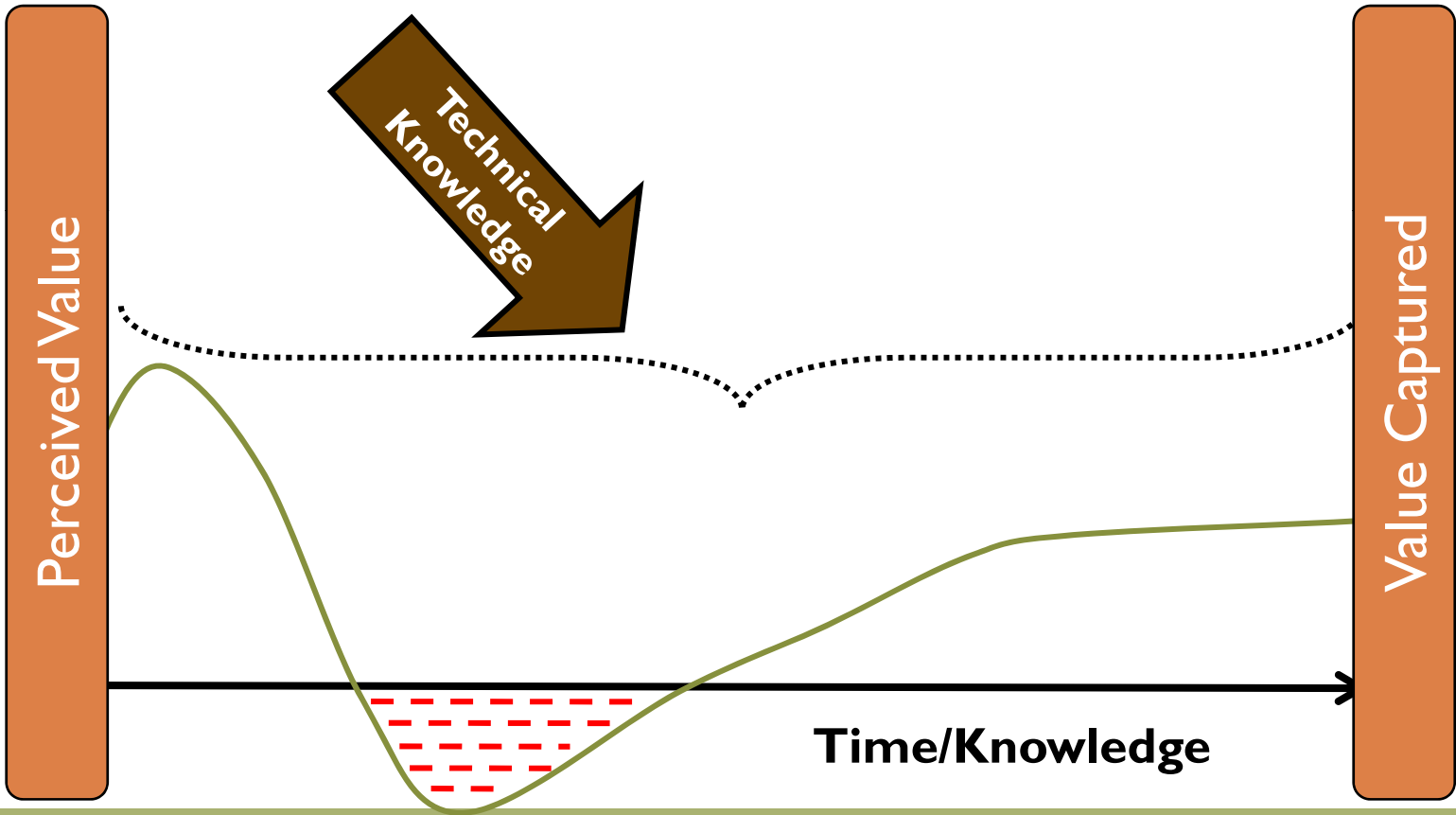
You must ask the right questions

  
ALL

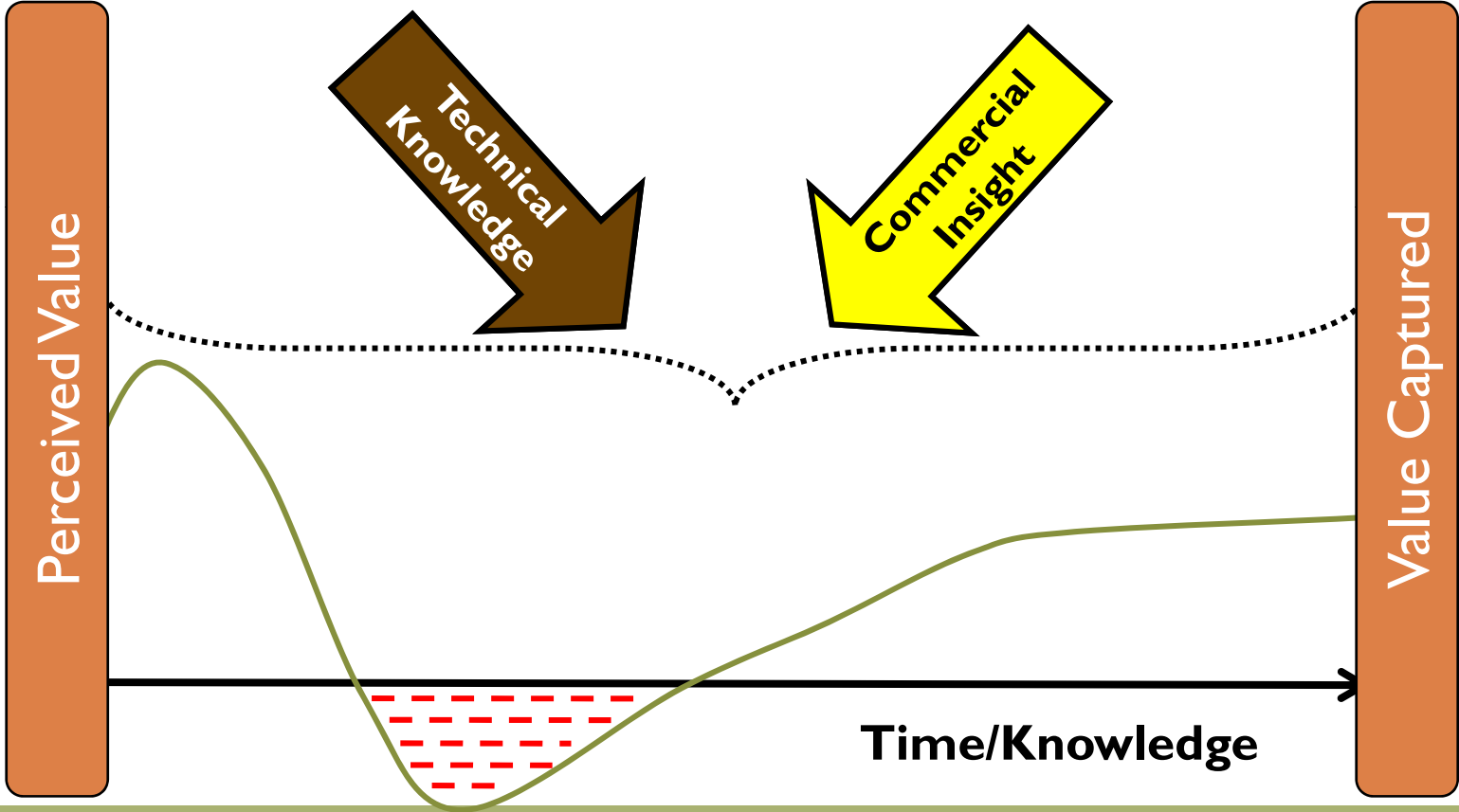
# What is the real asset we control?

**BE HONEST WITH YOURSELF  
&  
LISTEN**

# Technical knowledge is typically available



# Commercial insight and understanding are often lacking



For those who want to **CAPTURE**  
value...

...the most commonly  
underfunded research is  
**Commercial** Research

**NOTE:**

In the mid-1990's Monsanto spent up to \$75 million per year researching  
commercial issues and developing business models  
– many of which were discarded -

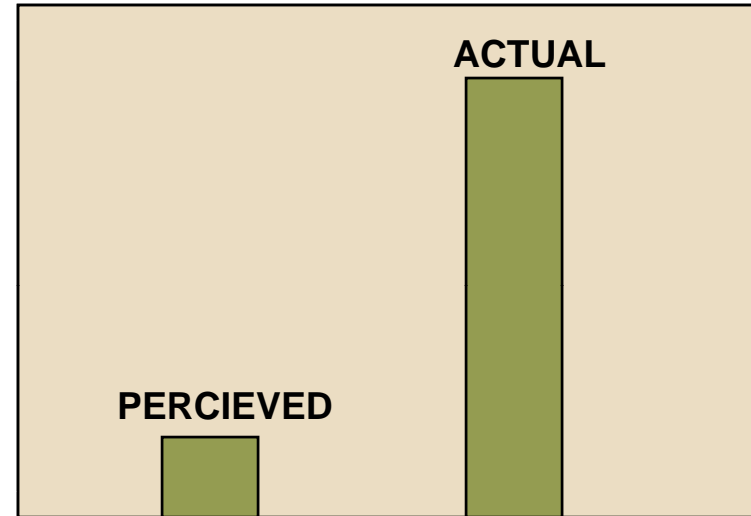


# What value is CREATED

Are there hidden values?

Does the technology create the need for changes?

- Positive
- Negative



Are there any negative value considerations  
If so, how do you address them?

# Understand the value chain

- ▣ What is the full value chain?
- ▣ Where in the chain is value realized?
- ▣ Who is between you and the place value is realized?
- ▣ Are there other controlling entities in the value chain?
- ▣ Who in the chain has the market power?

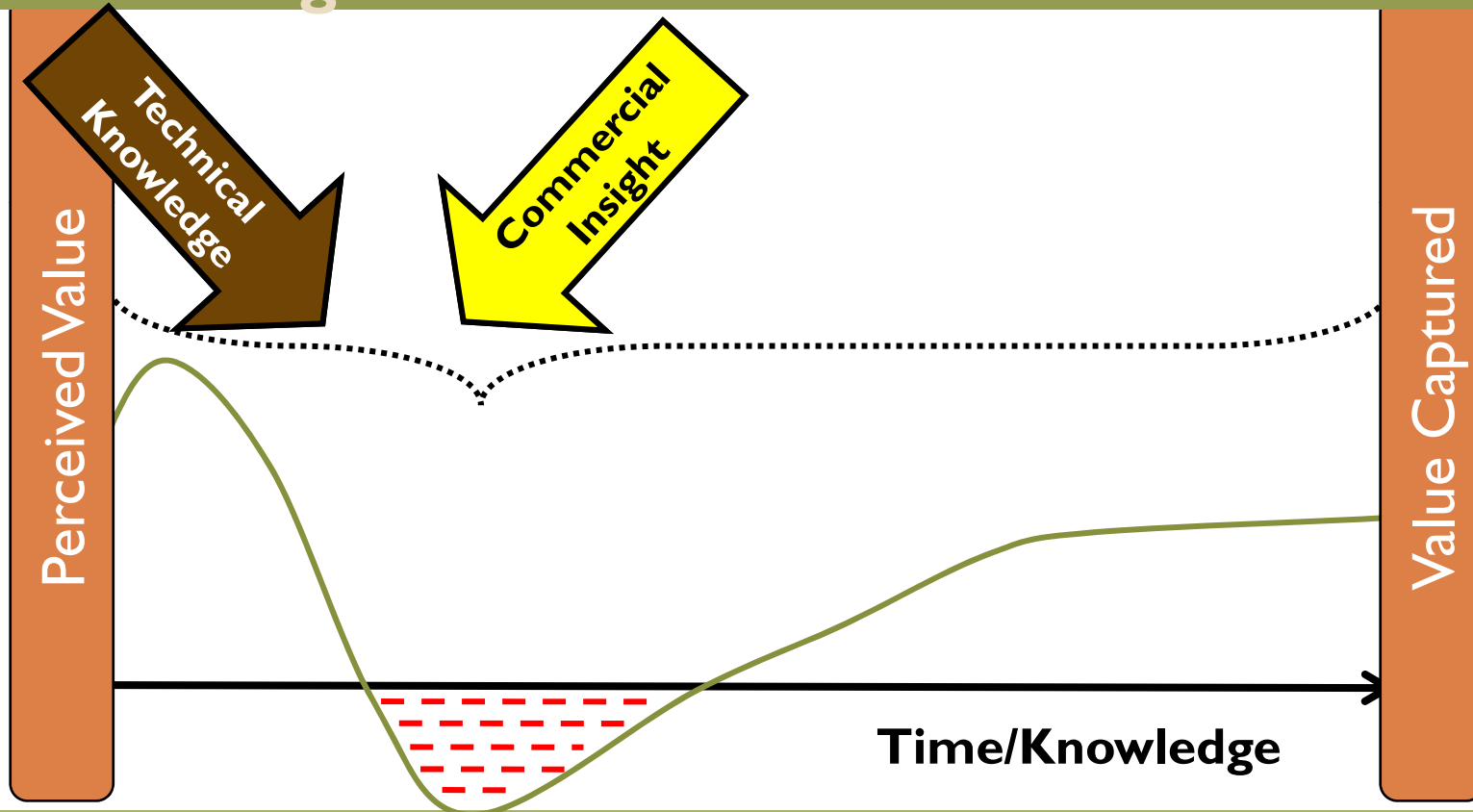
# Identify potential allies/antagonists...

- Are there any other products or companies effected by this technology?
  - Positive or negative
  - **Competitive reaction**
- Against Whom/What am I competing?
- Can any government or NGO influence commercialization?
- What is the longevity/sustainability of demand?

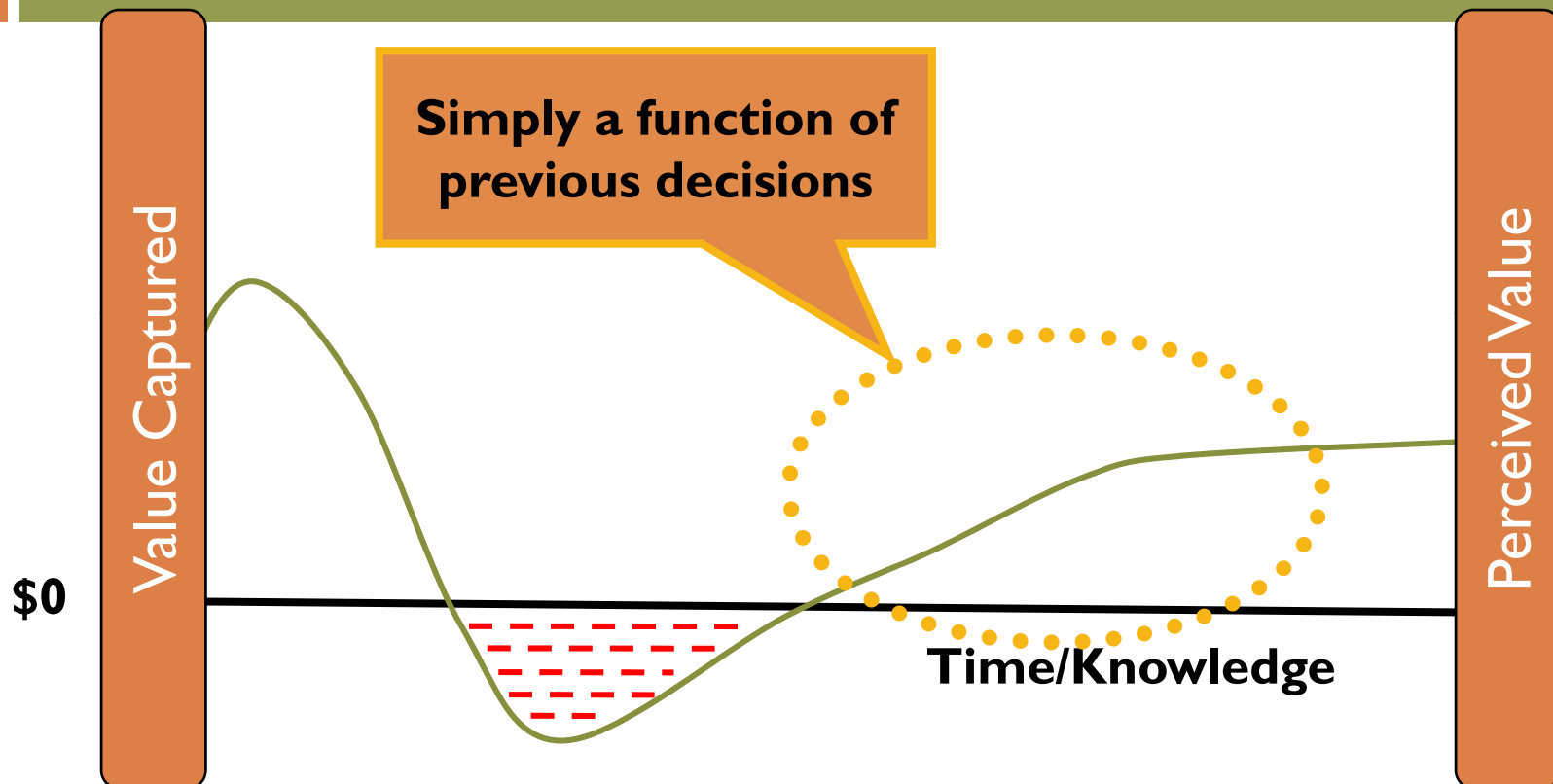
**WHEN** the questions are  
answered is critical...

# Commercial decisions MUST be made early!

Learning late is little better than not knowing.



# Once commercialization agreements are set...

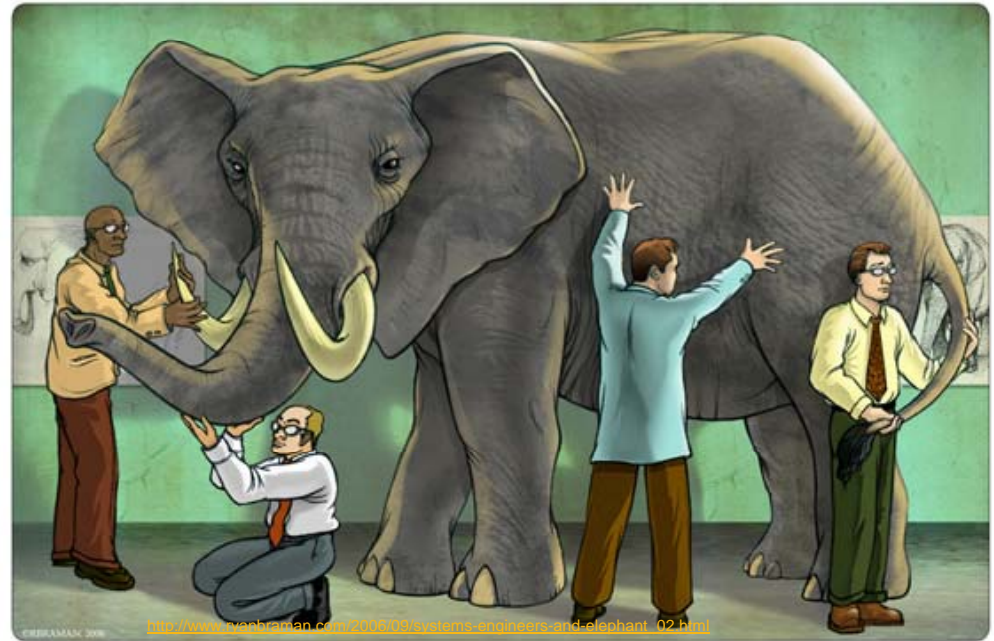


## ...the diamond is cut!

HOW the questions are  
answered...

# How...

- Completely
  - ▣ Multiple Perspectives
  
- Deeply
  - ▣ “You don’t know what you don’t know”



# How...

- Objectively

- “It is what you know for sure that keeps you from learning”

# How...

- Creatively
  - ▣ Past success with a value capture model is not necessarily an indicator of future success
  - ▣ Effective value capture is not necessarily easy or popular

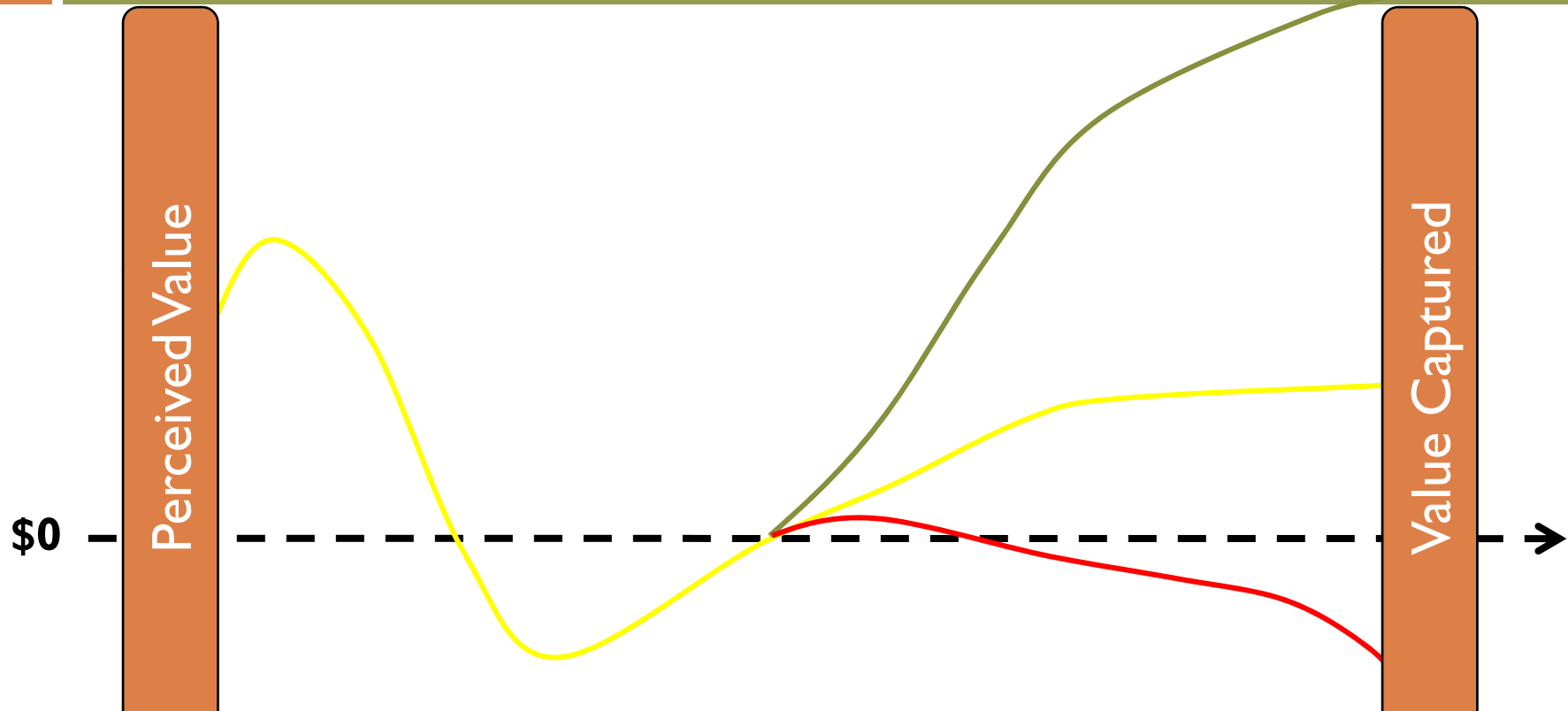
# How...

- Currently:

What was true last year may not be true tomorrow



If the goal is to make money....



...the choices are critical

# We live in a world of multiple and divergent views and directions



# May we all choose wisely!





# CONTEXT



## THANK YOU

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