



Digital Tech Consulting (DTC) helps a Fortune 500 company forecast royalties for its technology intellectual property by providing market research and analysis

Corporate Profile

DTC's client (Company) is a Fortune 500 company with an extensive portfolio of technology patents that are used in a variety of consumer digital products. The Company offers products and services to customers in the consumer electronics, medical and financial industries.

Key Business Issues and Challenges

The Company periodically assesses the market value of co-owned patents to ensure that it receives proper allocation of royalties. Because of the specialized nature of the technology, it was imperative to have accurate and dependable data about the market in which the technologies are used. The Company required an independent market-research service that delivered detailed market intelligence to aid the Company in its research and royalty-collection efforts. The standard market-research services that offered canned reports with general market forecasts and trends fell short of the Company's needs, which included identifying products that used sometimes obscure technologies, forecasting the use of technology by specific regional criteria, and applying those forecasts to licensing terms.

The Solution

Digital Tech Consulting (DTC) provided custom services meeting all of the Company's market-research needs through its boutique market-research business model. Because of its unique model that tailors market research to very specific research criteria DTC delivered analysis that identified companies making products that used the IP, as well as identified missed royalty opportunities from companies using the technology without a license. DTC's research was critical in identifying the markets and their share of use so the Company could properly divide royalties with patent co-owners. Along with custom-research services, DTC also provided the Company with consultations with Senior Level Executives and Analysts on an as-needed basis. The Company now calls on DTC regularly to provide market-research and analysis that helps to value IP in other technology products and services.



Results

The Company benefited from several positive results, including:

- Having a detailed picture of the market size and royalty proceeds of all products and services that used the specific technologies. This resulted in the Company successfully maximizing the royalty potential of its IP ownership.
- Having DTC identify companies using the Company's IP but not paying royalties, thus identifying missed revenue opportunities.
- Being knowledgeable and confident when reporting to top-level executives regarding forecasted revenue from the patents.

Final Thoughts

The Company realized that ordinary cookie-cutter market research would not suit its precise research needs, and attempting to adapt general market research to its needs could result in an inaccurate patent-value picture, as well as put a strain on personnel. DTC designed a market-analysis strategy in which it applied its technical and market expertise to tailor deliverables that addressed all of the companies requirements. DTC also provided a service that allowed the Company to personally interface and consult with DTC on an as-needed basis. Identifying and quantifying market size and the royalty intake has aided the Company in delivering a stronger bottom line from its technology licensing division.