Monetising Intellectual Property

Bridging the gap between IP and Profit

Windward Commodities
Barbados, August 2020
Introduction; Windward Commodities – Intellectual Property
Introduction: Defining IP, brands and commodities

Intellectual Property
“an intangible asset that is the result of creativity and can be legally protected”

A brand
“intellectual property that distinguishes one product from another to the end customer”

A commodity
“a primary agricultural product typically traded in bulk with minimal processing”
### Introduction: Types of brand

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<thead>
<tr>
<th>Certification Marks™</th>
<th>Geographical Indicators GI</th>
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<tbody>
<tr>
<td><img src="image" alt="FAIRTRADE" /></td>
<td><img src="image" alt="Darjeeling Tea" /></td>
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<tr>
<td><img src="image" alt="RTRS" /></td>
<td><img src="image" alt="Anna Blue Mountain Coffee" /></td>
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<td><img src="image" alt="Bonsucro" /></td>
<td><img src="image" alt="Famous Potatoes" /></td>
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<td><img src="image" alt="Certified" /></td>
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<th>Product Brands™</th>
<th>Varietal Brands™</th>
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<tr>
<td><img src="image" alt="Coca-Cola" /></td>
<td><img src="image" alt="Tenderstem" /></td>
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<td><img src="image" alt="Tate &amp; Lyle" /></td>
<td><img src="image" alt="Pink Lady" /></td>
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<td><img src="image" alt="Chiquita" /></td>
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<td><img src="image" alt="Zespri" /></td>
<td><img src="image" alt="Kiwi Fruit" /></td>
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Problem: The value that producers receive is declining

![Bar chart showing producer price FOB as a percentage of retailer price for cocoa, bananas, and sugar.]

- **Cocoa**: Decline from 60% in 2008 to 28% in 2014
- **Bananas**: Decline from 43% in 2008 to 19% in 2014
- **Sugar**: Decline from 39% in 2008 to 18% in 2014
Problem: The commodity bottleneck
Problem: Certification has serious and growing limitations
Problem: Intellectual Property does not have intrinsic value
Opportunity: Product similarity is not a barrier to branding

- Tap water: US$0.002/ litre → US$2.03/ Litre
- Salt: US$0.76/ kg → US$24.00/ kg
- Sugar: US$320/ MT → US$1,120/ MT
# Opportunity: Balancing risk and reward

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</table>

- **Certification marks**: Fair Trade, RTRS, Bonsucro
- **Geographical indicators**: Darjeeling Tea, Costa Rican Coffee
- **VARIETAL BRANdS**: Tenderstem, Fresh, Zespri
- **PRODUCT BRANDS**: Coca-Cola, Tate & Lyle, NESCAFE
Approach: Structured investment creates value from IP
Approach: Four core strategies for IP monetisation

- revenue maximisation
- brand licensing
- IP sale
- IP collateralisation

[Images of products representing each strategy]
Revenue maximisation

Branding Barbados Sugar case study
Revenue maximisation: Creating an integrated Barbados brand
Revenue maximisation: Creating an added-value product range

Lower value ➔ Higher value

Higher value ➔
Revenue maximisation; ingredient branding and tourism links

Made with genuine Barbados cane sugar

Made with genuine Barbados cane sugar

Ingredients: Natural roasted cocoa beans, gold cane sugar, roasted coffee beans, cocoa butter, whole vanilla beans.

Devour chewy coconut embedded in fine dark chocolate for a deliciously healthy treat for head to toe wellness. All natural and pure. From bean to bar.
Brand licensing

Zimbabwe smallholder chillies case study
IP licensing; A common commercial model
IP licensing; empowering smallholder chili farmers
IP sales

Mexican co-operative coffee case study
IP sales; developing IP for Mexican co-operative coffee
IP sales; sale to Ecom Trading
IP collateralisation

Corporate cases studies for trademarks, data & patents
IP collateralisation; the future is intangible
Final thoughts: Bridging the gap between IP and Profit

Intellectual Property does not have intrinsic commercial value so creating profit from it requires expertise, investment and a structured approach to brand building. Realising this through mechanisms such as licensing is a highly specialist field.

- **Intellectual Property is the start, not the end, of the investment process**
  Investment in creating and registering IP must be supported with ongoing expenditure in developing brand value through structured marketing and sales activities and ensuring that IP value is protected over time.

- **Creating demand and adding value means broadening expertise**
  This is critical as value moves from upstream to downstream. This requires buying in or outsourcing a range of skills in IP, marketing, social media, sales, category management, distribution and quality.

- **Clear objectives for Intellectual Property monetisation are critical**
  Once IP is built and has value, creating profit depends on product sales (e.g. increased margins), licensing (e.g. royalties), collateralisation (e.g. leveraging value on balance sheet) or sales of the IP (e.g. transfer of IP ownership).
Thank you

Questions, queries or comments?

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