

I'VE GOT AN IDEA. WHAT'S NEXT?

HOW TO
GUIDE
NO 1

INTRODUCTION

This booklet is for people who have an idea for an innovation or business and want to understand **what comes next**. If that sounds like you, you'll probably have dozens of questions, such as:

- ? Is my idea good enough?
- ? What do I need to know about intellectual property (IP)?
- ? What will life as an entrepreneur involve?
- ? How will I find and secure funding?

This guide will look at the first question of how to test whether your idea has commercial potential. The rest of the series will take you through the basics of: **Intellectual Property, Spin-Outs, Access to Finance, Building a Team** and **Pitching**. At the end of each guide, you'll find more useful resources.

WE'RE EXCITED TO HELP YOU TAKE THESE IMPORTANT FIRST STEPS!

WHY CAMBRIDGE?

You couldn't find a better place to embark on a new venture than the University of Cambridge. Supporting entrepreneurship and innovation is core to the University's mission and a wealth of resources and help are available.

Many of the colleges have their own entrepreneurial societies or programmes to tap into and there are also University-wide student-led societies. You'll find a supportive 'give-it-a-go' environment: whatever questions you're wrestling with, there will be someone to chat to or a workshop to attend. The key is knowing where to look!

A good starting point is the IE Cambridge support guide. This works as a signposting tool – it can help you find all the various support programmes and activities happening around entrepreneurship and innovation at the University.

To access the support guide go to ie.cam.ac.uk or download the **IE Cambridge app**.

DYNAMIC ECOSYSTEM

The University is part of one of the most successful ecosystems in the world, with a strong track record of producing and supporting world-class companies and innovations.

It is often referred to as the 'Cambridge Phenomenon', 'Cambridge Cluster' or 'Silicon Fen'.

23



23 billion-dollar businesses based in Cambridge

30+



science and technology parks

5,500



knowledge intensive firms

72k+



people work for knowledge intensive firms

£21bn



in annual revenues generated by knowledge intensive firms

Largest



biomedical campus in Europe



TAKING THE FIRST STEP

You'll first need to work out the quality of your idea for a new innovation or venture. In this guide, we'll take you through the steps that will get you to the right answer. The end result of this process will be what is called your value proposition.

The aim of a value proposition is to succinctly explain the core value and benefits of your innovation for a specific customer.

First, to test the strength of your idea you need to find out where it fits into the market by answering these questions:

- ? **WHAT** problem am I solving?
- ? **WHOSE** problem am I solving?
- ? **IS MY SOLUTION BETTER** than the competition?
- ? Would the **SECTOR SUPPLY CHAIN** be able to support this innovation?

"The science is amazing, but is it of commercial interest?"

Let's use an example to demonstrate how you might think about answering those questions...

WHAT PROBLEM AM I SOLVING?

THE IDEA:

As an example, let's say you have created a new diagnostic device for early detection of cancer.

THE PROBLEM IDENTIFIED:

The need to detect cancer at an earlier stage, as later detection reduces available treatment options, leading to a worse prognosis.

WHAT PROBLEM AM I SOLVING?

The answer could be: **"It's ten times more accurate than other methods, therefore increasing the chance of earlier detection."**

Other answers could be improved speed, lowered cost, simplicity of use, no highly trained staff needed, less invasive than current options, greater accessibility for patients, fewer false positive/negative results.

WHOSE PROBLEM AM I SOLVING?

The next step is to identify the people or organisations who will value your technology, product or service. You will need to assess what their pain points are, and how you will make their life easier if they adopt your innovation.

Returning to the example of the diagnostic device, some of the things you'd need to consider might include:

- ❓ Does the device offer hospital finance teams a chance to reduce costs?
- ❓ Is it for certain types of cancer? Will particular clinics find it especially useful?
- ❓ Who in the pharmaceutical, diagnostic or MedTech industries might be interested?
- ❓ Could this device go directly to patients? Would cancer charities be interested?

The lesson here is to **map the market space and work out who the stakeholders are and who will pay for it.**

IS MY SOLUTION BETTER?

Once you have assessed who the stakeholders are, the next questions to ask include:

- ? **HOW** is the problem being solved at present?
- ? **WHO** else is providing solutions? What are they missing?
- ? **IS MY SOLUTION BETTER** than theirs? If so, how?
- ? Are there **ENOUGH POTENTIAL CUSTOMERS** to create a compelling business case? This is a crucial step to consider as you want to be able to convince any future investors that your business can scale and grow.

What's your **UNIQUE SELLING POINT?**
i.e. the unique value you can add.

EVIDENCE OF MARKET AND CUSTOMER NEED

To sell a technology you need to **have a complete picture of the system** within which your customers operate. You need to demonstrate that you understand who your future customers are and the problems they face. You **need to collect clear evidence**, so that you'll be ready to **convince others** that your idea has real potential.

It's important to **find out whether there is anybody else doing what you propose**, the size of any existing competitors and if they have any patents or trademarks that might affect your idea.

Try and meet as many potential customers, service providers, mentors and fellow entrepreneurs as you can to **"sense check" your idea**. This will allow you to understand better whether people will buy your product and how you'll have to present your solution.

Be careful that you are not a solution without a problem. Think **market pull**, rather than **technology push**!

MARKET EVIDENCE

MARKET REPORTS If you have the budget, you can pay for a market report specific to your sector or innovation. This should provide an expert analysis of the existing market and the competition. Often the index of a market report is available for free, and this may be all you need to identify the companies working in a particular area.

GOOGLE IS YOUR FRIEND! A thorough internet search may be more time consuming, but you can tailor it to your specific needs and questions.

CHAT GPT A useful tool to provide you with summaries on reports. You can also use the 'insight' function to get a deeper analysis or perspective on a report.

GOVERNMENT REPORTS You can access public data and information published by government agencies such as the NHS, the Department of Health and Social Care, or the Office for National Statistics.

What data and evidence do you need to demonstrate that your technology solves a real problem, and that the market is big enough to justify the effort and resources involved?

CUSTOMER EVIDENCE

Start sounding out potential customers to find out what they think of your idea and see if they can suggest any improvements.

CUSTOMER INTERVIEWS Try and meet/talk to as many customers as you can. Find out: what are their current problems? Pain points? Would your technology help them? Can they recommend anyone else you should speak to? Would they engage with you on a pilot project?

SURVEYS There are useful tools such as SurveyMonkey, Typeform and Google forms if you would like to conduct a customer survey.

COLLECTING KNOWLEDGE AND ADVICE FROM YOUR NETWORKS It is really important that you start networking early on as it can lead to some very useful introductions. Don't underestimate the benefits of the Cambridge alumni – a simple LinkedIn search can help you find relevant people who will likely be willing to help. Most people in Cambridge are really giving of their time but for others you might need a personal introduction so work on creating your network.

Build the product
the **market wants**,
not what you want.

NEGATIVE FEEDBACK?

You may discover that the problem you can solve is not important to end users, or is better solved by a competing solution.

Don't despair!

Keep talking to potential users of your technology, and think how your technology could be improved, or adapt your technology to solve a different problem altogether.

Developing a credible commercial proposition is usually an iterative process - it may take many iterations for you to come up with a good route forward.

Two of the most important characteristics of entrepreneurs are **adaptability** and **resilience**. So learn from any setbacks and be prepared to be flexible and ready to adjust as needed.

VALUE PROPOSITION

Once you have completed this thorough research of your idea and customer you should be able to fill in the following **value proposition statement**:

WE CAN HELP → [YOUR CUSTOMER]

TO → [CUSTOMER NEED]

BY PROVIDING → [YOUR SOLUTION].

UNLIKE → [COMPETITOR SOLUTION]

OUR IDEA IS PREFERRED BECAUSE → [ADVANTAGE/USP]

AS DEMONSTRATED BY → [EVIDENCE]

Going back to our example of the cancer diagnostic device, a sample value proposition, could look like this:

We can help cancer clinics detect cancer in patients at an earlier stage by use of a simple blood test. Our method is preferred because it is less invasive and 10x more sensitive than existing surgical procedures, as demonstrated by data from a clinical trial carried out in 2023.

WHAT ARE MY OPTIONS?

Hopefully, you have found that your idea does have the potential to be taken further!

What could that look like?

As part of the University, you have a choice:

- ✓ With the help of Cambridge Enterprise, you could **license your IP** to a third party, on an exclusive or non-exclusive basis. This might involve protecting your innovation with a patent or other IP rights.
- ✓ You could **create a spinout**: a company formed with university owned IP, which is licensed into the spinout.
- ✓ Or, if your idea is based on non-university IP, you could **create a start-up**.
- ✓ You may prefer to use your innovation and know-how to work with industry as a **consultant**.

Before you decide, it may be helpful to learn more about **intellectual property rights**. Please take a look at our next booklet for more details!

USEFUL TIPS

- ✓ It is never too early to talk through your idea, especially if it involves IP generated by your research. There are numerous programmes and societies throughout the University to support you in these early stages of building an attractive commercial opportunity.
- ✓ You could try student societies such as **CUE**, **CUTEC** or the **Postdocs of Cambridge Society** to help develop your idea.
- ✓ You could also contact the **Knowledge Transfer Fellow** that sits in your department or school.
- ✓ **Cambridge Enterprise** are always happy to receive enquiries and offer advice.
- ✓ You can also contact **Cambridge Enterprise** if you need some early translational funding to 'bridge the gap' between developing your idea and its commercialisation. This will be explained in more detail in the booklet, '**How to Access Funding**'.

RESOURCES

The IE Cambridge support guide provides all the information you need to know about the many entrepreneurial societies, networking opportunities, accelerators, competitions, innovation centres and programmes happening across the University.

You can access it online at ie.cam.ac.uk or if you want a hard copy, please email uen@enterprise.cam.ac.uk



Download the
Community App



The complete resource for future
Innovators and Entrepreneurs,
located at: **ie.cam.ac.uk**

 #IECambridge



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