

# MARKET-FOCUSSED R&D REVIEW

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STRATEGIES TO GROW YOUR BUSINESS

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**In this case study, an international ingredients and consumer product company needed guidance on its R&D pipeline and advice on where to focus its efforts. CPL supported the client with information, analysis and expert opinion required for its formal stage gate process. As a result, of this market focussed R&D review, the client obtained a clear picture of which R&D activities should be prioritised and where it should focus its resources.**

## **OBJECTIVE AND SCOPE**

CPL Business Consultants performed a market-focussed review of the Client's potential R&D programs in food, biotechnology and agriculture. The client was developing a suite of R&D programs, with Technology Readiness Levels (TRLs) between 2 and 6, in six specific areas and needed guidance on prioritising these.

The project scope included reviewing all the Client's R&D activities followed by two stage-gate assessments, then deep dives into the most promising opportunities.

### **Gate 1: Identification of R&D programs to include in the strategic R&D review.**

Initially, CPL reviewed the client's R&D pipeline and the resource allocation for each project and, based on its assessment, chose the activities to include in the strategic review in 'Gate 2'. Next, for each R&D program selected at Gate 1 CPL assessed the market potential of selected end products based on:

- Indicative market/segment size
- Time to market
- Indicative growth rate
- Example competitors
- Price points
- Differentiation factors
- Barriers to entry

CPL was then able to rank these opportunities by their market potential. For each product/market combination, CPL also obtained valuation references from relevant M&A activity.

**Gate 2: Identifying a subset of R&D Lines with positive product/market analysis to perform an economic assessment.**

For this, CPL used its proprietary Non-Parametric Analysis (NAMAP) methodology to rank opportunities according to the criteria specified in section 3 above. We then weighted these criteria according to their relative importance and used the rankings to decide which opportunities should proceed to the next stage.

Next, for the subset of products chosen from Gate 2, an economic analysis was developed to integrate information on: –

- Time to market and resources required to bring to market
- Required investment to scale from R&D to commercialisation
- Capital investment required to support production at an industrial/commercial scale
- Operating expenditure
- Return on Investment

CPL then made recommendations on the structures/management processes which could be applied to future R&D activities.

**ADDITIONAL PROJECTS**

*Have a look at our [PowerPoint Introduction](#) and Brochure describing deliverables, differentiators and case studies. You can also review [eight case studies here](#).*