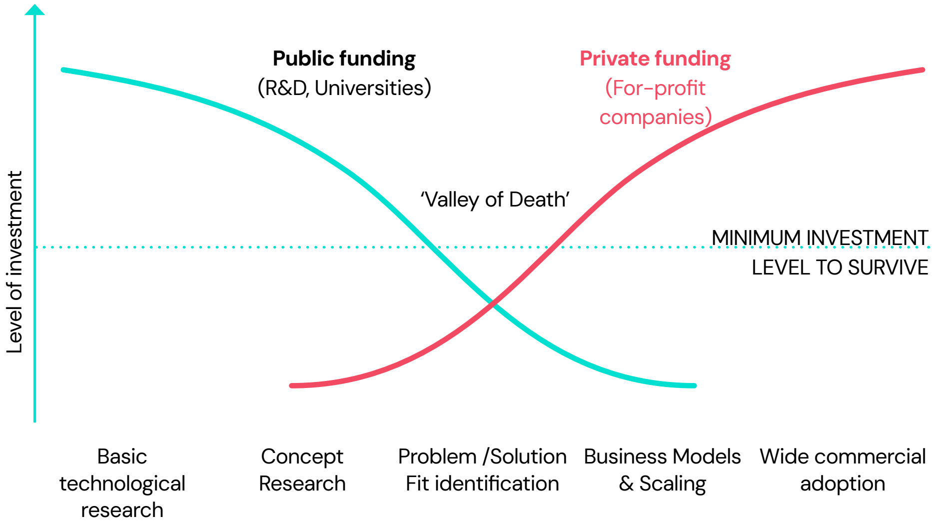
How to avoid the valley of death

What is this?

The Valley of Death refers to the challenging phase in which a new innovation struggles to progress from the development stage to successful commercialisation. Every innovation needs some level of investment, but the type of investment often changes from research funding in the development stage to private investment in the commercialisation or adoption phase. This gap in funding stages is known as the Valley of Death.

How it works

Innovation Valley of Death



By helping your group to plan their funding strategy, you can help them avoid the Valley of Death when launching the innovation.

Step 1

The group need to first conduct comprehensive market research. Divide up the group up into four smaller groups and ask each to focus on researching these areas:

1. Understanding the market landscape – what similar companies are offering and where their innovation is heading
2. Understanding the target audience's needs – do the people who will adopt or buy the innovation want it to be fast? Cheaper? Efficient?
3. Understanding the competitor landscape – Is anyone else offering a similar solution? How do they describe it?
4. Identifying potential barriers or challenges that may arise during the commercialisation process and developing strategies to address them

Step 2

Using the answers from step 1, build a business model that outlines the innovation's:

- ***value proposition*** – a simple statement defining why an organisation would adopt or buy the innovation
- ***target market*** – the group of potential customers or adopters for the innovation
- ***revenue streams*** – how the innovation will generate value or revenue for the organisation
- ***cost structure*** – the fixed and variable costs of taking the innovation to market

Ensure that the group's business model aligns with the market demand and allows for scalability and profitability.

Step 3

For longer Innovation events, your group can take the time to collaborate with industry experts, mentors, and advisors who can provide guidance and support throughout the commercialisation journey.

By leveraging their experience, network, and knowledge they group will gather ideas about how to navigate challenges effectively.

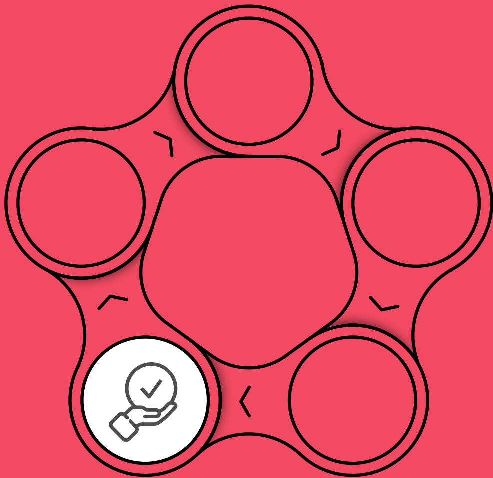
Step 4

As part of the pitch process your group will be learning how to secure funding for developing the innovation. They will also need to think about how they will secure funding and from who for the commercialisation stage where money is needed to produce the innovation and market it or create communications around it.

To do this, the group should write a detailed financial plan that covers development, testing, and marketing expenses, as well as any unexpected challenges that may arise. They could think about how they would secure a range of funding sources such as venture capitalists, angel investors, grants, or strategic partnerships.

Why it works

By conducting market research, building a strong business model, securing funding, and seeking collaboration and expertise, the group can increase their chances of successfully navigating the Valley of Death and positioning their innovation for successful market adoption.



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