

QinetiQ Proprietary

Sensing

future development

Advanced Sensors

Innovation Project



QinetiQ

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www.advantagewm.co.uk

Advanced Sensors

Innovation Project

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QINETIQ/EMEA/S&DU/PUB0705337

The Issue

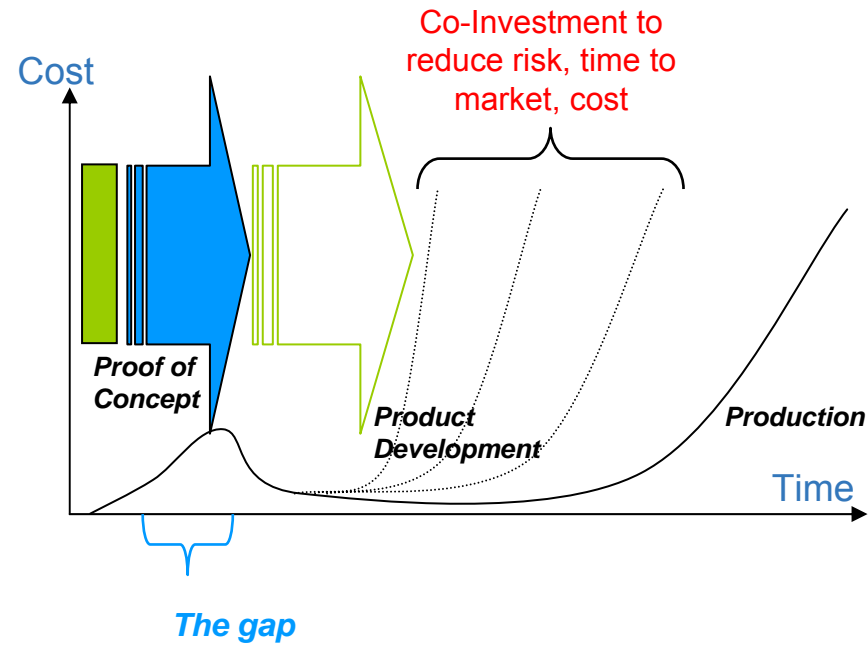
QinetiQ have:

- Mountain of IP
- Limited investment

Market has:

- The knowledge
- The problems
- Product supply chains

Funds to de-risk innovative technologies are hard to come by!

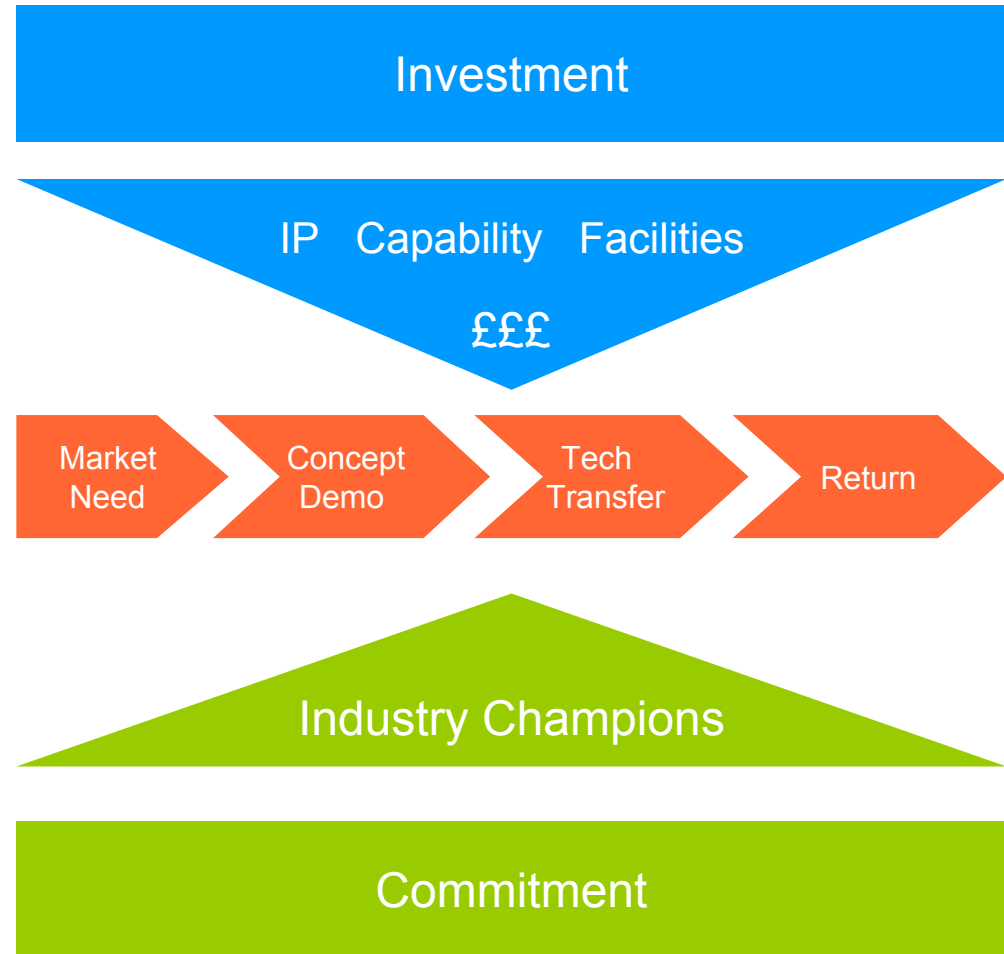


Business Model

£20M investment fund

Objectives

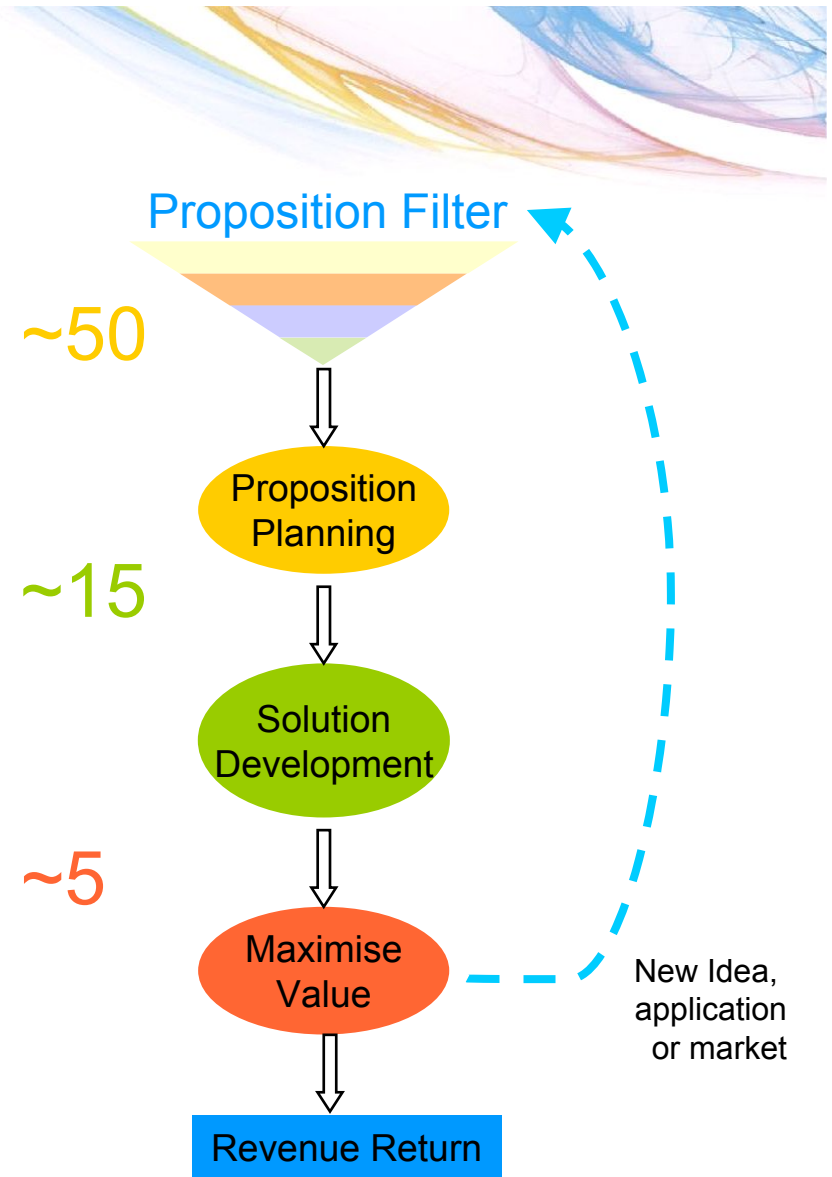
- Identify compelling market needs
- Advanced Sensors
- Match & exploit technologies associated with the IP and capabilities contributed by QinetiQ
- Transfer technologies for product development & volume production
- Generate financial return



Project Phases

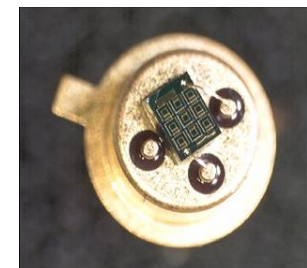
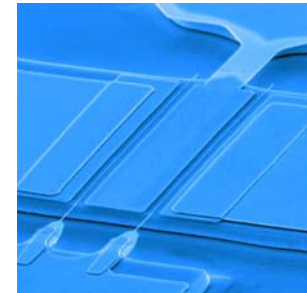
- Phase 1**
 - Identify & qualify proposition
 - Manage IP
 - Technical & Business Planning
- Phase 2**
 - Proof of principle designs
 - Enhance business plans
 - Prototypes
 - Trials & demonstrations
- Phase 3**
 - Business Models
 - Realisation funds
 - Final Licence negotiations
 - Technology Transfer

200+



Model Benefits

- Clear business models – partnership agreement
- Accepted attrition - hope for high risk projects
- Speed of qualification – eliminates bureaucratic processes
- Access to IP base - independent champions selecting appropriate technologies
- Breadth of capability – resource pool of scientists & engineers
- Product innovation – through technology exploitation
- Market focus – championship & ownership from 3rd parties
- Prototype funding - Minimal external £ exposure to 3rd party



Case Study - Orthotic Footwear

Salts Healthcare Limited

- Supply stoma & orthotic products to the medical market
- £25M turnover; 220 employees
- Bespoke orthotic footwear manufacture & retail; standard footwear retail (Schein)



SALTS
HEALTHCARE



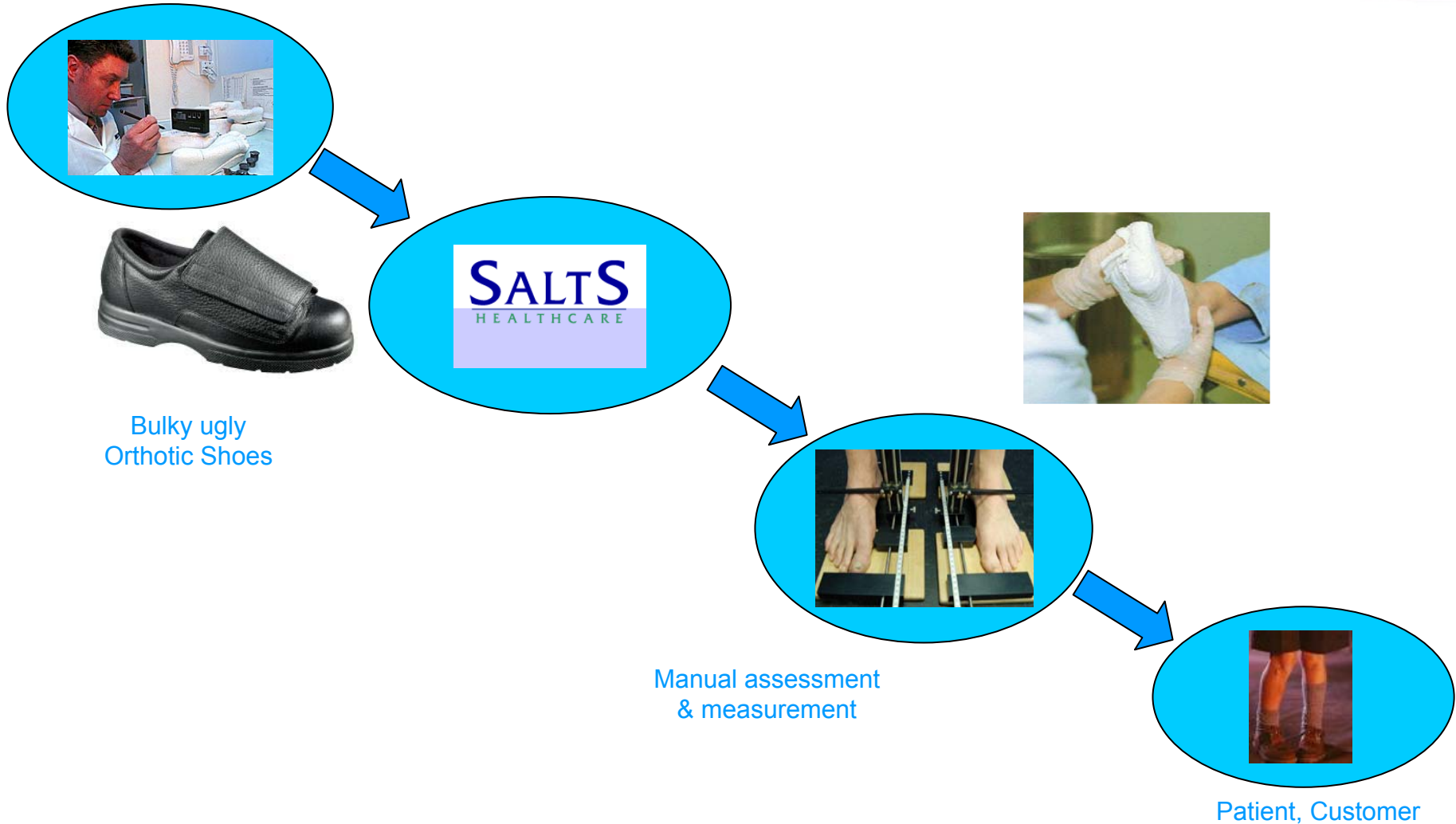
June 07

“The foot is made up of 26 bones, 33 joints and more than 100 muscles, tendons and ligaments. We tend to take this for granted until something goes wrong or we develop pain”.

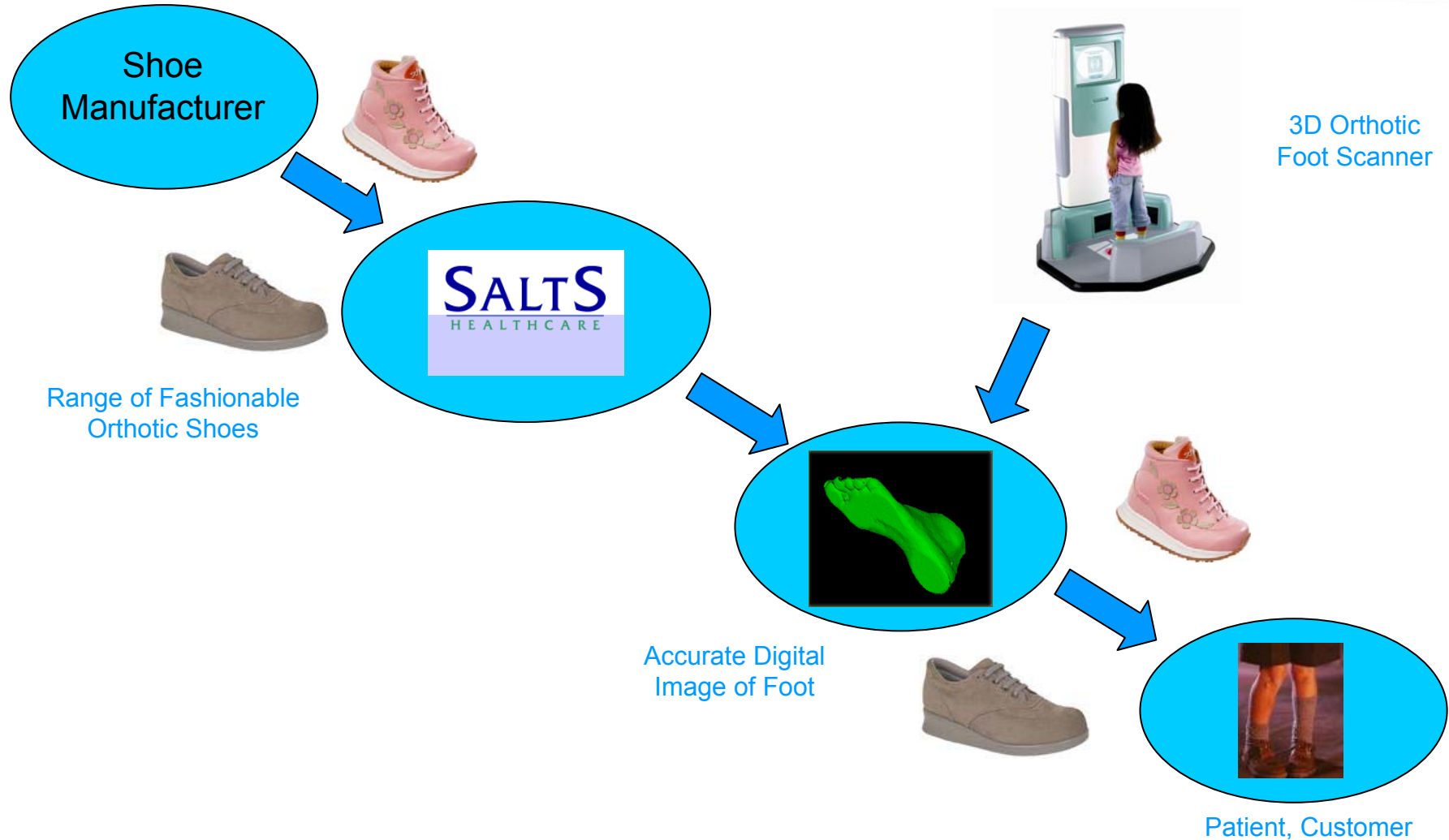


July 07 approval

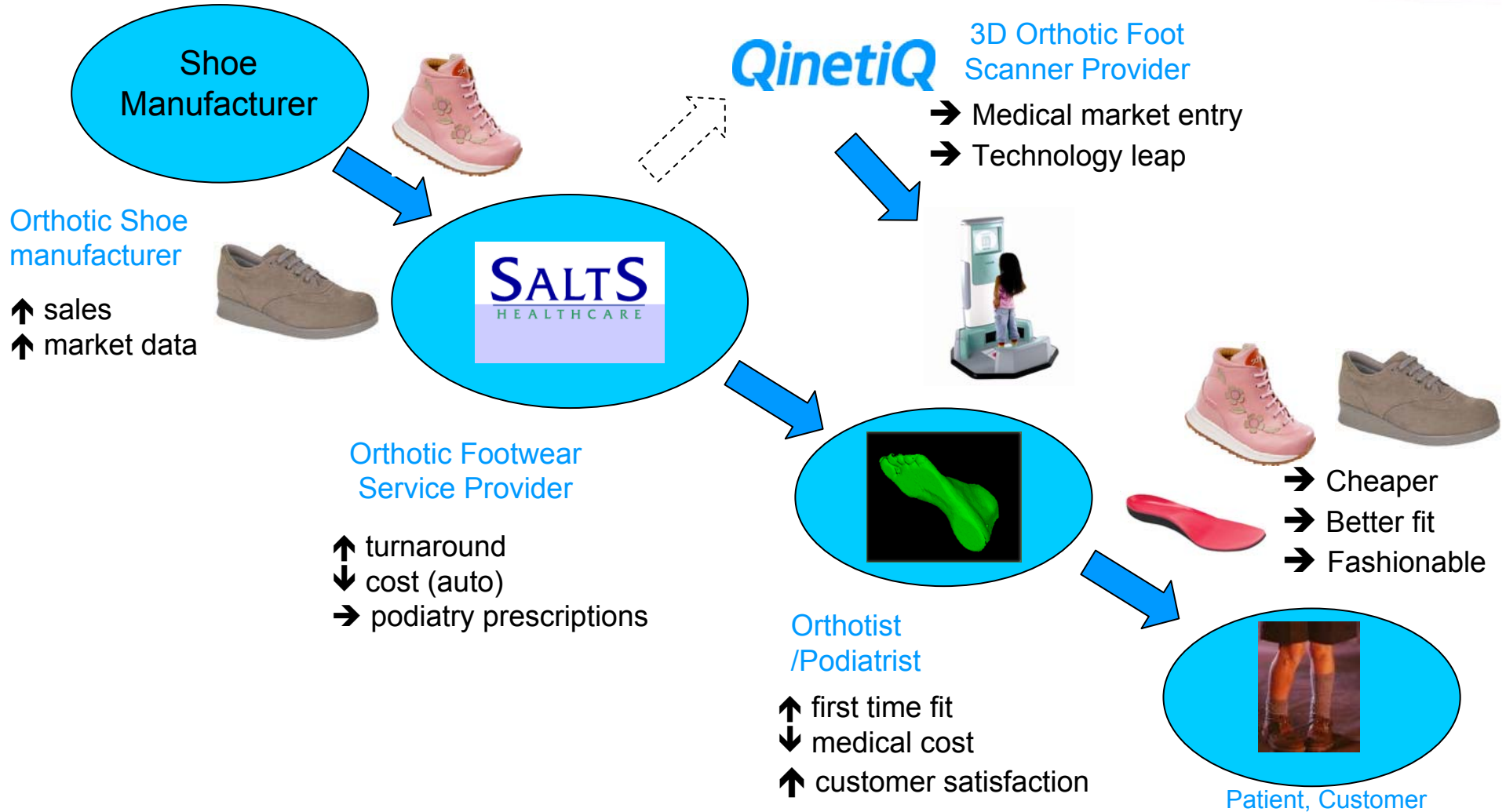
Need (From this ...)



Need (... To this)



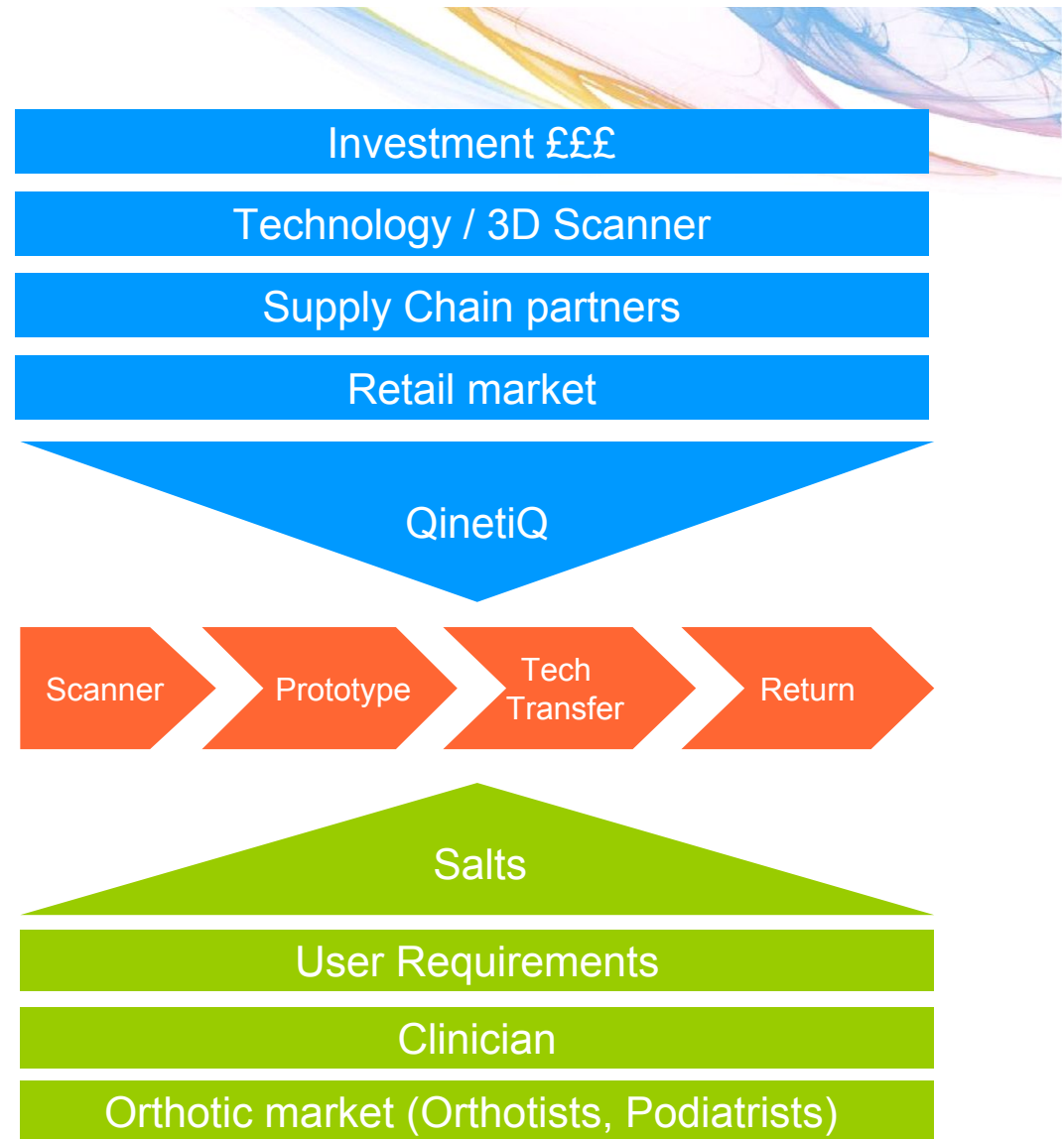
Value chain



Partnerships

Objectives

- Develop bespoke 3D orthotic footwear scanner
 - “FootSee” 3D foot gauge scanner platform as baseline
 - CE-marked product; established supply chain; volume production; retail customers
- Tailored to Salts Techstep (Tier 1) / Clinician’s (End User) requirements
- **Develop a new capability in imaging the under-side of the foot**
 - June 2008 (prototype)



Model contribution

Stimulates market pull

Independent qualification

- Experts from multiple domains
- Target market too small to invest in isolation – multiple markets for investor

Focus for technology leap

- Proposition provides market platform for technology entry
- Highly correlated teams for requirements definition (market & technical experts)

Investment

- De-risks innovation step for 3rd party
- Robust prototype attracts further funding
- Underpins a strategic roadmap for technology exploitation – early entry/revenue stream



Project Summary

Access to QinetiQ technologies and capabilities

Easily accessible investments for proof of concept

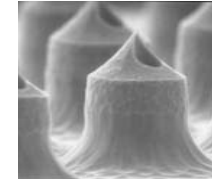
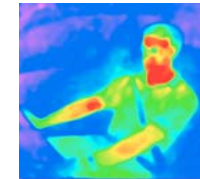
Restricted to advanced sensors

Qualification based on

- Proposition credibility and return
- Matching capability to the need
- Investment case submission
- Sustainable supply chains
- Product development investment routes

Alternative routes to funding

- Access to finance – a myriad of funding routes
- Exposure to QinetiQ R&D teams



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