

SMES AS ENGINES OF ECONOMIC GROWTH IN AFRICA :
(c) The use of the IP system by SMEs in Africa
challenges and successes



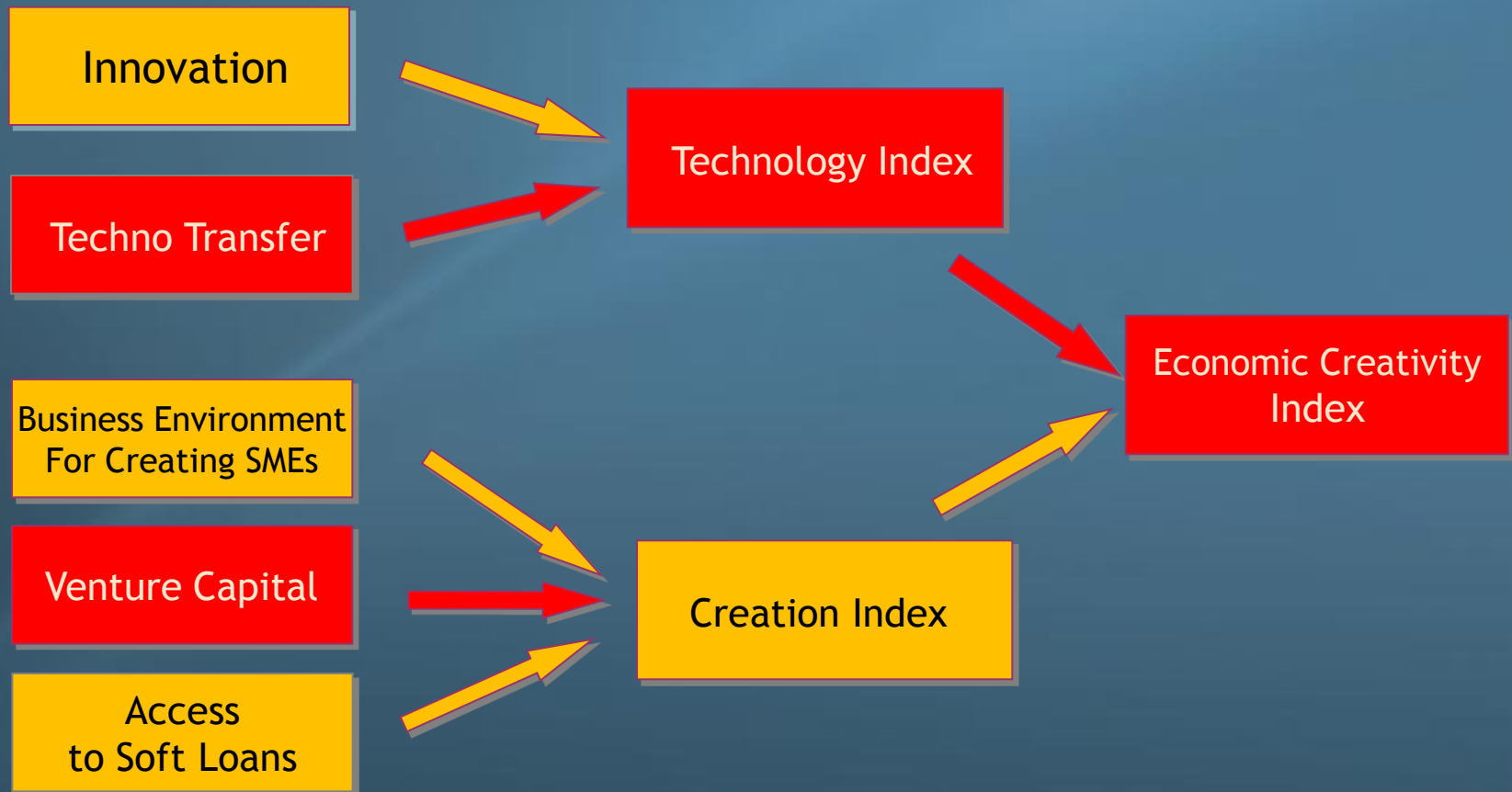
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During WIPO/ARIPO/OAPI Conference on IP, Innovation
and Value Addition for Business Competitiveness in Africa

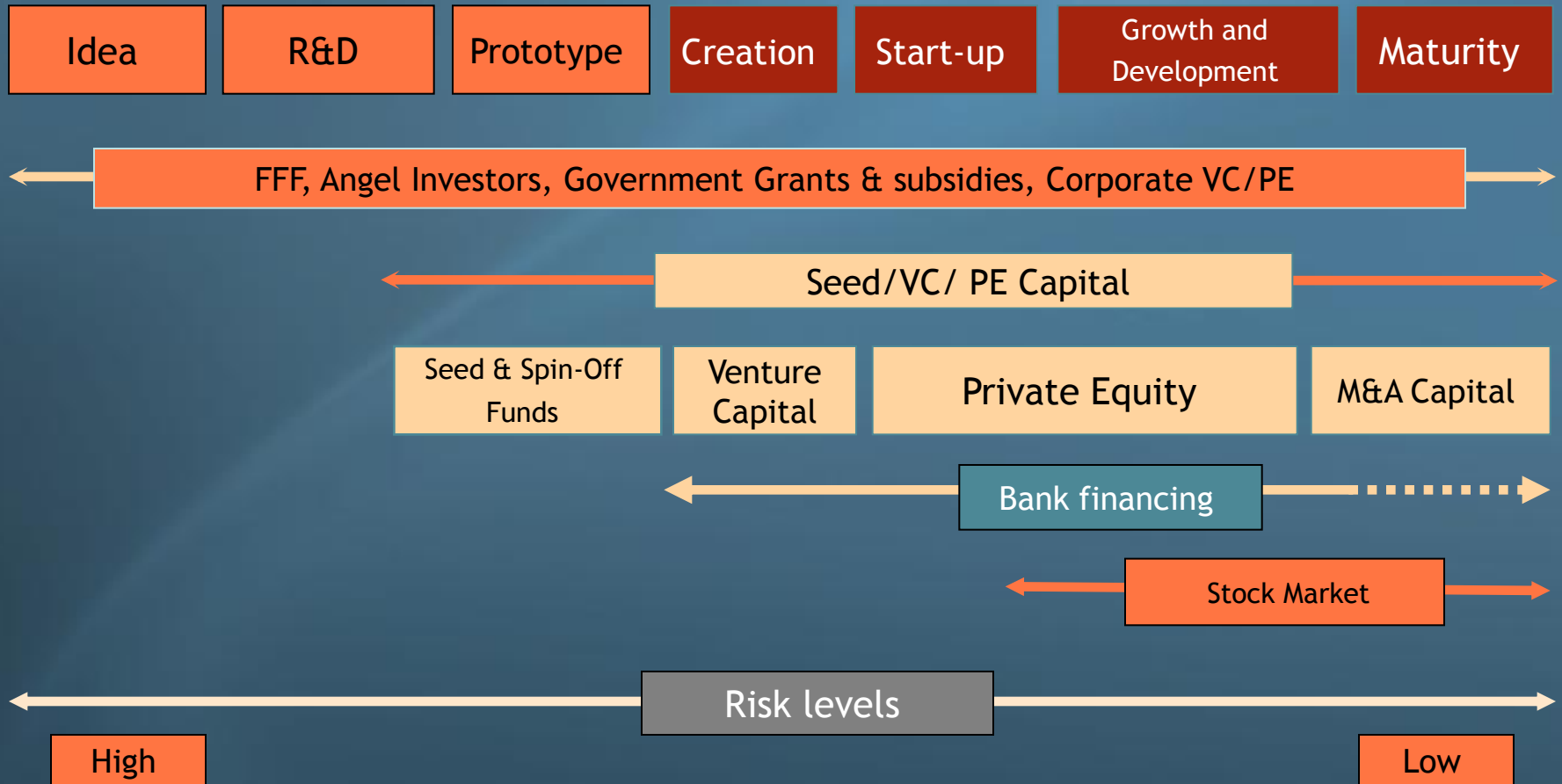
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BRIDGING INVESTMENT IN TECHNOLOGY SMEs : MISSING INGREDIENTS IN Developing World



Source : World Competitiveness Report, Davos 2000.

CLARIFYING THE OVERALL FINANCING SCHEME



Gaps & Gaps in Investment

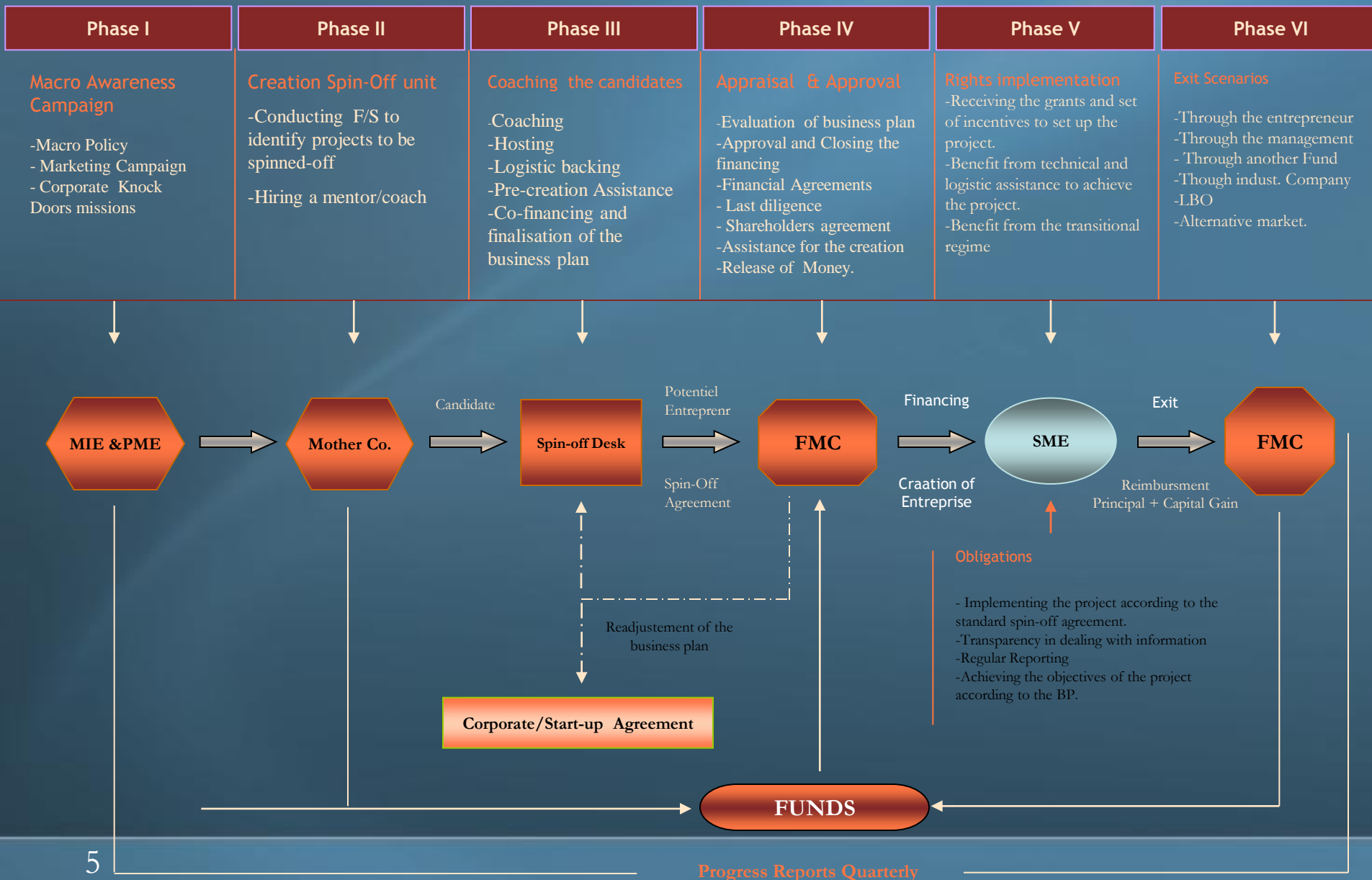
Financial (LP) Gaps

- Shortage of funds (crisis)
- Region weak image for technology
- Remember High Risk, but forget High Return
- GPs lack record, BMP
- Lack of interest
- Lack of govt incentives
- Nevertheless It is also a matter of network

Investment (GP) Gaps

- Weak Exit possibilities
- LP terms are binding
- Weak deal flow,
- Entry barrier low,
- Market need low
- Lack of mangmt skills,
- Missing IP legal framework
IP diligence, IP expertise
- Bad timing
- Lack of interest

CORPORATE VC BRIDGING BOTH FINANCING & INVESTMENT GAPS



FILLING THE TECHNOLOGY GAP : THE TTO-VC INVESTMENT MODEL (case LS)

Technology Fund

- Licensing-driven Fund
- VC & PE
- Life Science specific
- High Value target

Tech Transfert Co.

- Techno contracts
- Techno Search
- IP Diligences
- IP Drafting/Listing
- Techno Auditing
- Techno Valuation
- Techno Licensing
- Techno Assistance

Fund Management Co.

- Deal sourcing
- Investment Due Dilig.
- Validation of DD with Consulting firm,
- Following-up investees
- Exit coordination with Tech Transfert Co.

Life Science Consulting (optional)

- Market Diligence
- Techno Diligence
- Techno Auditing
- Techno Coaching
- Techno formation

Why Technology Licensing OUT Could lead to Successful Early Stage Technology Investment

- Because It guides potential entrepreneurs/researchers towards market demand, and BAs/VCs towards a start-up which products or services are promising,
- Because it secures VCs for better protection of IP rights,
- Because it helps assess value of technology at exit stage essentially
- Most importantly it helps VCs exiting, by commercializing the technology through trade sales transaction, with the help of the T'Office.

Why Technology Licensing IN could lead to Successful Later Stage Investment

- Because Technology « if well managed » rather than financial restructuring is behind strengthening the competitive advantage of a company and lastening its activity,
- By injecting proven new technology through a LIcensing contract we give chance to a company to remain competitive for a while,
- A licensing contract will secure access to new technology in a very short time, better transfer through continuous technical assistance, access to all improvements in technology and its impact on lasting the competitiveness....,
- Most importantly it increases the value of the project at the entry which could be recovered at the time of exit, with significant additional capital gain,
- Finally it helps VCs exiting hopefully with multiples, by commercializing the technology through trade sales transaction, with the help of the TTOffice

WHY SHOULD LPS BE INTERESTED IN INVESTING IN TECHNOLOGY IN AFRICA

- Seeding for future PE deals,
- Growing AFRICA as a technology market (ex : East Asia, ASEAN, East Europe, Latin America, ...) for developed economies
- Techno start-ups could play crucial role in such a target,
- Techno start-ups contribute to the burning need for Building a SME fabric in emerging AFRICA,
- Environment is inciting + potential for research breakthrough is high + young graduates available...
- Opportunities for strategic alliances in different fields with developed countries.

Thank you
for your attention

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