

Grass-based circular business models for rural agri-food value chains

Management, IPR and administration

Training material



- GO-GRASS
- 1. Organization and staff
- 2. Intellectual Property Rights
- 3. Risk and risk mitigation
- 4. Administration and certification
- 5. Key learnings







Organization and staff



I would rather invest in a strong management team with a weak business case than invest in a strong business case with a weak management team.





There is no correct formula

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There is a substantial variation throughout the lifetime of the company between:

- Needed human skills
- Professional skills
- Experience
- Knowledge
- Network



... But the entrepreneur spirit will always be main the driving force



Building your core team

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Key skills and team members for replicating e.g. The Danish DEMO

- Project manager
 Overall project coordination, planning, and implementation.
- **Research scientist** Experts in agronomy, specialize in grass and legume research
- Livestock nutrition specialist Formulating diets using organic protein concentrate.
- **Biorefinery technologist** Designing and optimizing biorefinery processes.
- Farming system expert Guidance on efficient grassland management practices.
- Market analyst Market research and commercialization strategies.
- Partnership coordinator Facilitating collaboration with stakeholders

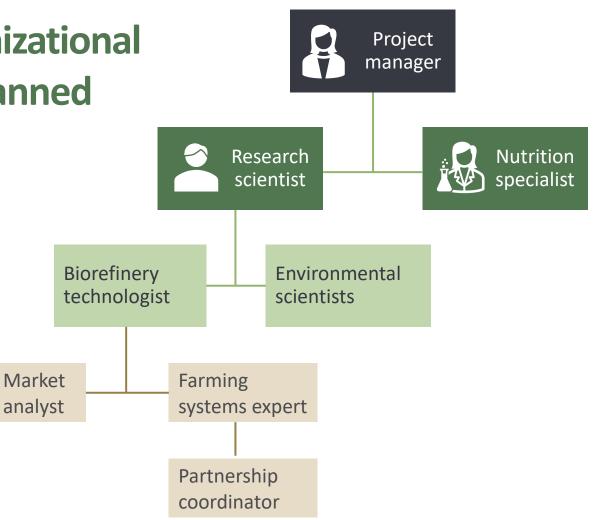
Organizational structure



It should be clear how the organizational structure will help realize the planned business operations.

Consider:

- The current organizational structure
- *Reasoning on why this will support your business*
- Overview of staff recruited and to be recruited





Intellectual Property Rights



Legal right	Purpose	Method	
PATENT	New inventions	Application and examination	
COPYRIGHT	Original/creative or artistic forms	It exists automatically	
TRADEMARKS	Distinctive identification of product/services	Use and/or registration	
REGISTERED DESIGNS	External appearance	Registration	
TRADE SECRET	Valuable information not known to the public	Reasonable effort to keep it a secret	

IPR represents both opportunity and risk!

¹ Picture is from - <u>www.greiner-gpi.com</u>





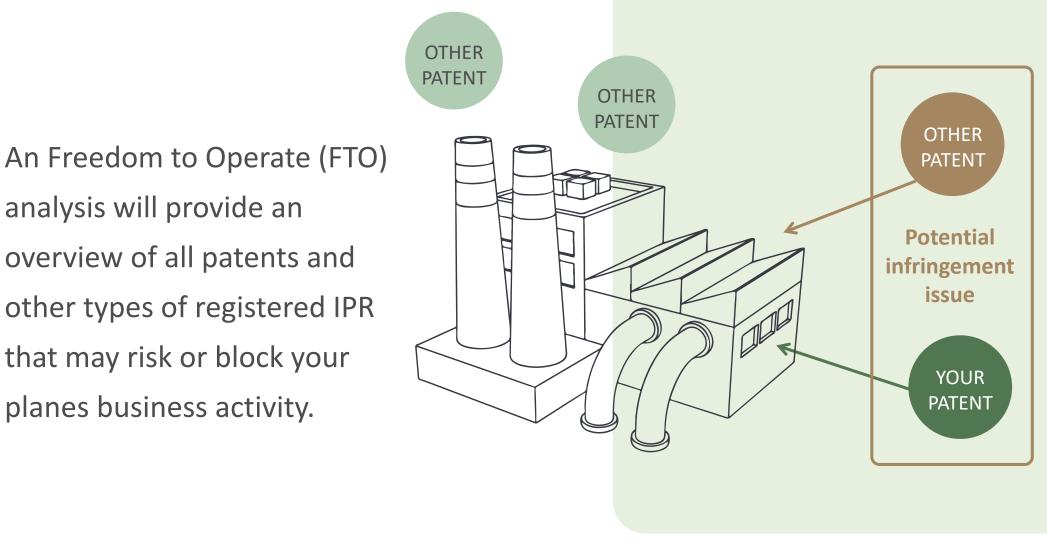


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Freedom to operate

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analysis will provide an overview of all patents and other types of registered IPR that may risk or block your planes business activity.





The importance of IPR



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IPR can protect you from competition and allow licencing strategy towards other businesses

Licencing is when the owner of the IPR transfers the right to use to another party



Without IP protection, others may copy you, as copying is always cheaper than researching and developing a product.



IP protection is a costly process – does your IP have a potential to generate income?



The value and cost of IPR



- Protects you from others copying
- It can create a strong market position
- Strong bargaining position
- Insight in competing inventions
- Potential licensing

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The cost of IP protection

- Lengthy and costly process
- It disclose your invention to the public
- Protection only in the specific countries it was registered
- Cost more to protect in many countries
- Costly policing and legal enforcement

Potential IP in the Dutch DEMO

The Dutch demo is exploring licensing and patenting possibilities for its products:



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Regarding the Grass-Cleaning technology: The IP on the grass-cleaningtechnology will be a free licence on the first agreement with the target user.Later the agreement will be renegotiated against a fee.



Cellulose: The Background and Foreground IP to implement the grass cellulose into the paper products are the ownership of the company Schut papier.



The production process for manufacturing grass cellulose fibres from grass: currently exploring patenting possibilities.





Risk and risk mitigation

What to consider

- Relevant risks connected to:
 - Market

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- Customer and Sales
- Competitor
- Product/Service
- Operation and processing
- Organizational/Management
- Financial
- Political/National/Economical
- Likelihood of occurrence
- Impact of happening
- Mitigation strategy





Example of risks and mitigation plan Swedish DEMO

Risk	Likelihood	Impact	Mitigation strategy
Investment will be too high in relation to profit.	Low	Medium	Involving a big company to negotiate prices when buying from other countries will help to keep investment at a reasonable level.
Others can copy the concept even if it takes time.	Low	Medium	The focus is on getting the business profitable as soon as possible and also marketing the product and the brand
Companies with big-scale production produce similar products, and sell at lower prices.	Medium	Medium	The situation will be monitored regularly to see if the likelihood of it increases. As of now, it is a big cost and negative for climate to gather big volume from all over the geography.
Immature technique, difficult to regulate due to shifting quality of raw material.	Medium	High	Automatic control via sensors and technique controlling the quality.



Mitigation vs contingency

Mitigation strategy:

- What you should be doing now (proactively)
- Actions you take (in advance) to reduce the likelihood of the risk materializing, or its impact

Contingency plan:

- What you will do in future, after risk materializes (reactively)
- Actions you take after risk materialized, to minimize impact.

Risk mitigation plan – make it now and put it into action immediately (do this so that X does not happen)

Risk contingency plan – make it now and put it on hold until/if needed (if X happens then do this)

Dutch DEMO example

Risk of scaling up to the pilot scale can be the price and difficulty of obtaining building materials

Our **mitigation plan** is to set a price with contractors and stay on top of the pilot

> Our **contingency plan** is to maintain a supplier network so we can switch to keep our prices.





Administration and certification

Key administrative functions



- Overview of relevant IPR
- Contracts and agreements with e.g.,
 - Partners
 - Suppliers
 - Staff
- Leasing contract (e.g., licence)
- Formal documentation of the organization (with partners)





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Certification and regulatory compliance

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Selling your products requires compliance (national, regional, local) or certification in most markets.

- Organic certification (EU Organic certification)
- Sustainable certifications (Roundtable on Sustainable Biomaterials)
- Biodegradability and compostability certifications
- Carbon footprint and Life cycle assessment (ISO 14040 and ISO 14044)

If needed, allocate resources to secure efficient processes addressing, certification, authorization and regulatory compliance.





Labels in the bio-economy sector are essential for product commercialization as they:

- differentiate products,
- build consumer trust, \bullet
- facilitate market access,
- ensure regulatory compliance,
- communicate sustainability attributes, and
- provide a competitive edge.

They are a powerful tool for driving the adoption and market success of bio-based products in a rapidly evolving marketplace.



BIC





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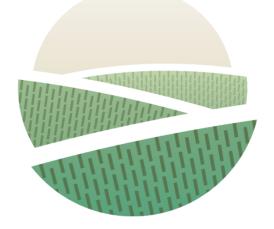
Key learnings



At the end of this training, you should be able to:

- Describe the management team and your organizational structure
- Explain if and why IP protection and FTO are relevant
- Summarise risks and mitigation strategy
- Have an overview of key agreements
- Recognize the need for certification, labels and/or compliance





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