

**SETTING ROYALTY RATES AND OTHER FINANCIAL TERMS - *Methods, Skills & Tools***

<b>DAY 1</b>		
9.00	<b>Welcome and Introductions</b>	
9.15	<b>Factors that affect the royalty value of your license</b>	Quality of the IP, Risk, Value and Stages of Development, Quantity of IP, Quantity of Rights, Market Opportunity etc
10.30	<b>Morning Tea</b>	
11.00	<b>When to start royalty negotiations</b>	Should royalty negotiations start at the beginning of a negotiation, or some other time during the negotiation, or before or after a due diligence? Factors influencing the optimal time to start royalty rate negotiations.
11.45	<b>Industry standards of royalty rate structures and royalty rates</b>	The structure of royalty rates and other financial terms – what is to be encountered in different industries. Royalty rates that are common for specific industries and specific transactions. When can industry standards be relied upon. When should industry standards not be relied upon. Royalty rates, royalty tables and royalty statistics for different industry sectors.
1.00	<b>Lunch</b>	
2.00	<b>25% Rule</b>	The 25% rule and when it is and is not appropriate as a royalty setting approach. Limitations and criticisms of the 25% Rule. Practical application of the 25% Rule. Status of the 25% rule given recent critical US court decisions – when can it be used.
2.30	<b>Ranking /Rating Method</b>	The ranking / rating methodology of royalty setting. Its practical application. Assessing its utility.
3.00	<b>Afternoon Tea</b>	
3.30	<b>Practical Exercise – 25% Rule</b>	Participants are divided into groups. Each group will receive a different technology case study. Each group is tasked to assess the appropriate royalty rate in its own case study, using the 25% rule.
4.30	<b>Practical exercise presentations</b>	Each group presents the result of its royalty rate setting. Each presentation by each group is discussed thoroughly to illustrate the principles of the 25% Rule.
5.00	<b>Close</b>	

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<b>DAY 2</b>		
9.00	<b>Comparables analysis: Benchmarking Financial Terms</b>	What benchmarking or comparables analysis is and how it assists in determining royalty rates and other financial terms of a license. Sources of information to benchmark financial terms. How to undertake the analysis.
10.00	<b>Practical Exercise – Comparables Analysis</b>	Participants are divided into groups. Each group will receive a different technology case study, including primary source documents from actual transactions, from which to extract data to undertake a comparables analysis to set the appropriate royalty rate.
11.30	<b>Morning Tea</b>	
12.00	<b>Practical exercise presentation</b>	Each group presents the result of its comparables analysis for its own technology. Each presentation by each group is discussed thoroughly to illustrate the principles of the comparables analysis.
1.00	<b>Lunch</b>	
2.00	<b>Risk Adjusted Net Present Value using Discounted Cash Flow Analysis</b>	A discussion of risk adjusted net present value of intellectual property using a discounted cash flow analysis. Gathering data for the analysis. Principles for the analysis. Elements of the calculation. Using the analysis to set royalty rates and other financial terms.
3.00	<b>Afternoon Tea</b>	
3.30	<b>Practical Exercise</b>	Participants are divided into groups. Each group will receive a different technology case study. Each group will undertake a Risk Adjusted Net Present Value using Discounted Cash Flow Analysis to assess the royalty rate and other financial terms for the transaction.
4.30	<b>Practical exercise presentation</b>	Each group presents the result of its Risk Adjusted Net Present Value using Discounted Cash Flow Analysis for its own technology, and all participants discuss the analysis made by each group. Each presentation by each group is discussed thoroughly to illustrate the principles of the analysis, and how to undertake it.
5.00	<b>Close</b>	