



YOUR IP IS WORTH MORE THAN YOU THINK

The need for businesses to embrace IP licensing & venture building

In today's economy, driven by innovation, AI, and industry convergence, intellectual property (IP) is a powerful, frequently underutilized asset that can propel growth and market differentiation. While some organizations have IP strategies in place, many businesses are missing out on vital opportunities. Using real-world examples and best practices, this Viewpoint explores how companies can unlock IP value through licensing and corporate venture building (CVB).

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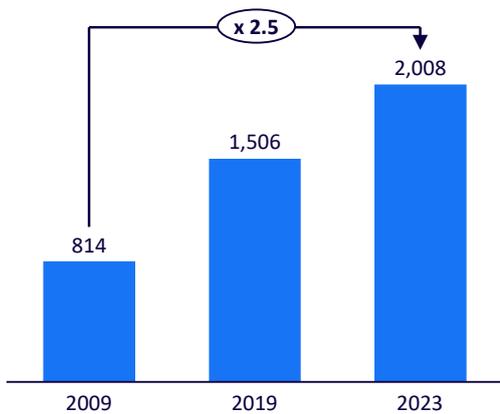
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THE UNTAPPED POTENTIAL

With the rapidly evolving, tech-driven landscape, organizations of all sizes are becoming increasingly knowledge- and capability-centric. This shift is generating an unprecedented volume of IP (as illustrated by the growth in patents shown in Figure 1), much of which remains underutilized and untapped. The scale of this opportunity is growing rapidly, yet many companies miss out on potential value by not monetizing their IP effectively.

Successfully capitalizing on IP requires a new approach. By reimagining themselves as dynamic collections of IP rather than just industry-bound entities, organizations can unlock new revenue through licensing, spin-offs, and strategic partnerships.

Figure 1. Annual patent grants worldwide



Source: Arthur D. Little, World Intellectual Property Institute (WIPO)

For example, a bank is not just a financial institution but also a holder of valuable data analytics, cybersecurity, and transaction technologies with broad applications beyond finance. Companies that adopt this broader view can turn overlooked assets into substantial growth opportunities in new or adjacent markets.

3 KEY IP MONETIZATION STRATEGIES

Monetizing IP involves a spectrum of strategies, from cautious licensing to higher-stakes CVB, with strategic partnerships as a middle ground (see Figure 2). Choosing the best strategy requires balancing risks, rewards, and organizational capabilities for IP exploitation.

This Viewpoint focuses on licensing and CVB due to their direct, practical, and high-impact pathways for scaling IP monetization. In contrast, joint ventures typically demand significant infrastructure and alignment. They are typically more suitable for larger corporations with established governance frameworks. We explore outbound IP exploitation (how to leverage and monetize existing IP assets). For insights into corporate venture capital as an inbound investment strategy, see our Viewpoint, [“Unleashing the Power of Corporate Venture Capital.”](#)

Figure 2. IP monetization strategies

STRATEGY	HOW IT WORKS	BENEFITS	CHALLENGES	EXAMPLES
Licensing & technology transfer	Selling or leasing IP rights to third parties	Generates passive income, expands market reach without direct investment	Risk of losing competitive edge, requires appropriate controls	Rolls-Royce licenses engineering tech to other companies (e.g., Airbus & Siemens) & numerous universities, research institutions
Strategic partnerships & joint ventures	Collaborating with other companies to apply IP in new ways	Access to new markets, shared development costs, faster innovation	Requires strong alignment, can be complex to negotiate	Companies (e.g., Bosch, Unilever) invest in open innovation platforms to collaborate with startups, SMEs & other innovators to focus on specific challenges in product innovation
Venture building & new business models	Creating spin-offs or internal startups to commercialize IP	Greater control over IP, immediate IP monetization, potential for exponential growth	Requires up-front investment, longer time to profitability	TÜV SÜD’s AI quality & risk management venture; Sembcorp’s renewable energy procurement & decarbonization sector

Source: Arthur D. Little, Symbiosis IP, FutureLabs Ventures

MAXIMIZING IP VALUE THROUGH LICENSING

Licensing is a versatile tool for monetizing IP, allowing companies to gain royalties, expand market reach, and diversify revenue streams with minimal risk. As sectors converge and technologies like AI become more ubiquitous, licensing outside an organization's core industry is increasingly viable. For example, "know your customer" technology from financial services has broader applications in sectors such as travel, healthcare, and logistics.

Additionally, many industries are embracing collaborative innovation models, such as technology transfer and open innovation, which increasingly involve licensing IP between organizations in the same sector as they work together in areas such as sustainability. Currently, the World Bank estimates global licensing activity at nearly US \$0.5 trillion.

Licensing agreements

Licensing agreements vary based on business needs and strategic goals:

- **Exclusive licenses** — provide exclusive rights to use IP within a specific field, territory, or market segment. Common in biotech and pharmaceuticals, where exclusive rights to a patented drug can provide a competitive edge. For example, Novartis has licensed cardiovascular drugs from Shanghai Argo Biopharmaceutical, generating up to \$4.165 billion for the Chinese company.
- **Nonexclusive licenses** — allow multiple companies to use the IP simultaneously, promoting broader adoption. This is common in software licensing, platform technologies, and scientific research tools, where multiple users benefit from shared advancements. For example, Microsoft's licensing of exFAT (Extended File Allocation Table), Ericsson's Standard Essential Patents (SEPs), and Signify's EnabLED program have licensed core IP to thousands of small players.

These models reduce negotiation complexity and enable predictable, affordable access.

- **Joint development agreements** — used for early-stage or novel IP that's strategically important, enabling companies to codevelop new products or solutions. For example, firms in the renewables sector often codevelop solar panel technology to accelerate innovation and deliver benefits to the overall industry.

exFAT & Via LA licensing examples

Microsoft's licensing of its flash memory file system IP exFAT enabled global manufacturers to standardize file-transfer protocol across consumer electronics. In parallel, Via LA, a patent pool for video compression and decompression standards, allowed thousands of startups and small businesses to obtain nonexclusive licenses for technologies like H.264/MPEG-4. This supported the rise of platforms like TikTok, YouTube, and Zoom, which rely on standardized media storage and video encoding.

Licensing challenges

While licensing is an effective external IP strategy, it comes with challenges:

- **Establishing IP value** — determining the worth of emerging or disruptive technologies
- **Negotiating favorable terms** — balancing royalty rates, exclusivity, and territory rights
- **Timing and market readiness** — evaluating market entry urgency versus technology development
- **Managing IP risk** — protecting proprietary information and mitigating infringement risks

Licensing can be a transformative strategy for companies looking to monetize their IP. However, success requires careful structuring, strong negotiation, and a deep understanding of market dynamics, specialist skills, and diligent evaluation of both short-term objectives and long-term implications, as explained more in the best practice section.

Case study — Establishing IP value

A global chemicals company sought to maximize value from its IP. Working with Arthur D. Little (ADL) in partnership with Symbiosis IP, the company evaluated multiple licensing opportunities. The challenge was determining appropriate royalty rates based on various factors such as technology maturity and market conditions.

As shown in Figure A, a range of factors affected these outputs. ADL and Symbiosis IP used a combination of comparable deal analysis and financial modeling to refine the valuation and create data-driven licensing strategies.

Figure A. Factors affecting license value

FACTORS INCREASING IP VALUE (SHARE)

- Scarcity of alternatives
- Proven track record of technology
- Robust patent position
- Stable/high margin
- Access to additional IP or improvements
- Marketing networks & leads/assistance
- High growth market



FACTORS DECREASING IP VALUE (SHARE)

- Weak/threatened IP/alternative available
- Significant technology development required
- Regulatory approval required
- Highly competitive or small market
- High equipment supplier risks
- Large CAPEX required
- Volatile margin



Source: Symbiosis IP

CVB: THE MULTIPLIER EFFECT

CVB offers a powerful way to unlock IP value by creating agile, high-growth businesses, unlike licensing or partnerships, which typically generate incremental value. CVB enables the creation of entirely new businesses that can generate significantly higher returns:

- **Full value capture.** Companies retain the full future value of their innovations, benefiting from startup-like equity multiples instead of traditional corporate valuations. Depending on the IP's strength, ventures may have immediate market valuations, which can attract external investors.
- **Financial flexibility.** CVB allows businesses to capitalize expenses rather than taking an immediate profit and loss hit, offering a more flexible financial strategy.
- **Strategic partnerships.** CVBs can partner with complementary IP providers to enhance business value.

- **Attracting talent.** By offering equity as an incentive, CVB helps attract top talent and strategic partners focused on long-term growth.

Unlike licensing, which monetizes a portion of an asset's value, CVB builds entirely new businesses with the potential for exponential growth. CVB outcomes typically fall into two categories:

1. **Spin-ins.** Internal ventures that evolve into fully owned lines of business.
2. **Spin-outs.** New ventures that remain strategically aligned with the parent company but grow beyond its core industry. To fuel this growth, the venture typically seeks external funding, allowing the parent company to dilute its stake to a minority position. This provides the venture with the freedom to fully pursue its growth opportunities, while the parent monetizes its initial IP investment.

CVB can be used by companies of all sizes to multiply their valuation by unlocking IP in both existing and adjacent sectors. Although more complex than licensing, CVB shifts the focus from transactional deals to building scalable businesses with market valuations potentially reaching millions or even billions. Examples of successful CVB include:

- **Moody's Analytics.** Incubated within Moody's Corporation, it became a separate business in 2008, reaching over \$900 million in revenues and a market cap exceeding \$4 billion by 2012.
- **OVO.** Launched by Indonesia's Lippo Group, this mobile payment venture achieved a \$2.9 billion valuation in 2019, with a majority stake purchased by Grab in 2021.
- **Boost.** This fintech incubated by Asian telco Axiata, valued at \$320 million in 2020, processed over \$1.2 billion in transactions in 2024.
- **Vipps.** A Norwegian mobile payment app incubated by DNB Bank, it had revenues exceeding \$170 million in 2024 and a valuation of over \$750 million.
- **GoNetZero.** Launched by Sembcorp in 2022, it's now a global leader in carbon management with over 120 clients worldwide.

CVB challenges

While CVB offers significant opportunities, it requires specialized capabilities and presents several challenges:

1. Strategic misalignment

- Ventures often struggle between pursuing disruptive opportunities and staying aligned with the parent company's core.
- Organizations may lack frameworks to evaluate new ventures, risking either premature shutdowns or prolonged underperformance that drains resources.

CVB SHIFTS THE FOCUS FROM TRANSACTIONAL DEALS TO BUILDING SCALABLE BUSINESSES

2. Governance and decision-making

- Complex approval processes can hinder venture creation and scaling.
- Senior executives may lack entrepreneurial venture-building experience, leading to risk aversion.
- Balancing corporate control with the autonomy needed for fast growth.

3. Talent

- Attracting entrepreneurial talent with corporate experience is difficult.
- Providing appropriate equity-based incentives for venture teams can be complex.

4. Funding

- Uncertainty over who funds ventures (central innovation budgets, business unit budgets, or external investors).
- Limited risk appetite from the parent company can hinder venture growth.
- Attracting external investors is harder if the venture is seen as too corporate-controlled.
- A lack of early-stage investor networks.

5. Integration with the core

- Ventures may struggle to leverage corporate assets (customers, distribution networks, IP), unless well-supported by senior leadership.



Case study — Building a scalable AI venture from proprietary IP

TÜV SÜD, a global certification leader, leveraged its expertise in AI quality and risk management, building on its established track record in auditing and certification across industries like healthcare and automotive. While this proprietary methodology positioned TÜV SÜD as a thought leader in the emerging AI space, it remained largely a knowledge asset, used primarily for content creation and client discussions. Without targeted investment and a clear monetization strategy, this unique capability risked becoming outdated, as the market for AI risk management tools expanded rapidly.

To capitalize on this opportunity, TÜV SÜD partnered with FutureLabs Ventures, forming a joint venture–building team. In under nine months, the team validated market demand for AI risk management solutions, confirmed the

uniqueness of TÜV SÜD's IP, and transformed the methodology into a scalable, tech-enabled product. This led to the launch of AIQURIS, a new business focused on AI quality and risk management.

Within 12 months, AIQURIS was spun off as an independent venture, securing \$4.2 million in funding, establishing a clear market valuation, and partnering with clients across diverse industries and geographies. This move allowed TÜV SÜD to enter the AI domain — a new strategic vertical — while rapidly monetizing its IP through equity value and ongoing revenue generation. Additionally, AIQURIS served as a catalyst for attracting top AI talent, positioning the company at the forefront of the growing AI risk management market.

BEST PRACTICES TO VALORIZE IP

For companies with strong R&D and innovation portfolios, a well-rounded external IP exploitation strategy can unlock significant value. However, for many organizations, this is uncharted territory, and they may lack the experience to know where to begin. To maximize opportunities while minimizing risk, companies should follow these four best practice considerations:

1. Plan a changed IP strategy

- Shift from a solely reactive, defensive position of cataloging and protecting IP to a proactive approach focused on its expansion and potential for partnering or monetization.
- Conduct a comprehensive inventory and audit of all current and upcoming IP, ensuring proper registrations of IP rights in key jurisdictions.

2. Understand the opportunities¹

- Perform a full market analysis to identify the most promising IP and determine the best strategy for monetization (e.g., licensing, partnering, or CVB).
- Broaden the evaluation scope to include alternative business models like franchising or white labeling, which may be a better approach in some cases.
- Know the value of your IP, and tailor the offering accordingly for different audiences (investors, buyers, or licensees).

3. Create the right organizational structure

- Given that IP exploitation is new for many businesses, it's critical to ensure you have the right organizational structure and talent.

¹ By partnering with an external venture studio, TÜV SÜD validated a clear, sizable opportunity in AI quality and risk management, which formed the foundation to build a new venture.

- Recruit the right mix of entrepreneurial instinct, market knowledge, and legal expertise.
- Consider external partnerships with venture studios or consultancies to temporarily fill skill gaps and mitigate risks.
- Evaluate your tax structure in relation to IP royalties.
- For CVBs, ensure they are insulated from the parent company's core business to maintain agility and a startup mentality, while closely monitoring their progress to decide if a pivot or shutdown is necessary.

4. Understand it is a continuous process

- Maximizing IP returns is an ongoing process; IP and business needs evolve over time.
- Continuously invest in and refresh your IP portfolio to maintain relevance and a competitive edge.
- Monitor your competitors' IP positions, as this can provide insights into potential new partnerships or areas for innovation.

TAKING A STRATEGIC APPROACH TO IP

In a world of low economic growth and increasing global uncertainty, companies must look for new ways to drive growth. A strategic, proactive approach to IP can unlock transformative value, whether through low-risk licensing or potentially higher-impact corporate ventures. In many cases, a hybrid approach that combines both can deliver the greatest returns.

As industry boundaries continue to blur and digital foundations become increasingly intertwined, IP innovations can be deployed across different sectors, opening up new revenue streams that were previously not possible. Success in this new landscape, however, depends on making IP monetization central to your business strategy and operations. By taking a more strategic and proactive stance on IP, companies can not only safeguard their innovation but also turn it into a powerful engine for growth.

This Viewpoint was developed collaboratively by Arthur D. Little, FutureLabs Ventures, and Symbiosis IP. The publication integrates strategic, IP licensing, and venture-building perspectives from all partners. In shaping the venture-building insights, we draw on the Corporate Venture Launchpad 3.0, a corporate venturing program by EDB New Ventures, designed to empower companies to drive deeper innovation through venture creation and startup partnerships. FutureLabs Ventures and Arthur D. Little are proud to be appointed partners of the program.

CONCLUSION

UNLOCKING THE FULL POTENTIAL OF IP FOR GROWTH

SUCCESS DEPENDS ON STRATEGIC CLARITY, DISCIPLINED EXECUTION, AND AN OPENNESS TO COLLABORATE EXTERNALLY

Turning underutilized IP portfolios into growth drivers requires shifting focus from mere protection to active monetization. Success depends on strategic clarity, disciplined execution, and an openness to collaborate externally. Key steps include:

- 1 Mapping and valuing** the full IP portfolio
- 2 Choosing the optimal model** — licensing, venture building, or a hybrid approach
- 3 Partnering with startups and ecosystem players** to scale faster and enter new markets
- 4 Establishing the right structures, incentives, and governance**
- 5 Treating IP valorization as a continuous, adaptive process**

When executed effectively, IP transcends its role as an asset and becomes a powerful multiplier of innovation and enterprise value.



FUTURELABS VENTURES

FutureLabs Ventures (FLV) is a top-tier corporate venture studio established by the former Partners of McKinsey New Ventures, serial entrepreneurs, and experienced tech investors. We build, invest in, and scale tech ventures from zero to multi-\$100 million businesses in partnership with leading corporations. Since its inception, FLV has built and scaled over 30 corporate ventures that have gained real market traction, funding, and, most importantly, are making a true impact. These include [GoNetZero™](#) (decarbonization/energy transition), [Levande](#) (circular economy), [AIQURIS](#) (AI/ML risk management), [Pegasus](#) (digital SME investment bank), and [Autohive](#) (AI data analytics) — co-created with a leading unicorn. FLV has been recognized as a leading player by many corporations and governments, including Singapore's Economic Development Board, MDEC (Malaysia), and DIFC (Middle East), and has partnered with industry leaders such as Electrolux, TÜV SÜD, ING, Cargill, Julius Baer, Sembcorp, SC Ventures, and Carsome.

SYMBIOSIS IP

Symbiosis IP's Chartered Patent Attorneys and European Patent Attorneys specialize in IP services for the life sciences, pharmaceuticals, and chemistry industries. Acquired by professional services business Gateley in 2022, Symbiosis IP works alongside other complementary businesses within Gateley, particularly the IP specialists at Gateley Legal, the patent and trademark attorneys at Adamson Jones, and the trademark attorneys at Groom Wilkes & Wright LLP, to provide comprehensive support across all aspects of IP and patent protection. This includes due diligence, patentability assessments, technology review and development, patent-filing strategy, freedom to operate, patent drafting, prosecution and enforcement, and commercialization and licensing.



Arthur D. Little has been at the forefront of innovation since 1886. We are an acknowledged thought leader in linking strategy, innovation and transformation in technology-intensive and converging industries. We navigate our clients through changing business ecosystems to uncover new growth opportunities. We enable our clients to build innovation capabilities and transform their organizations.

Our consultants have strong practical industry experience combined with excellent knowledge of key trends and dynamics. ADL is present in the most important business centers around the world. We are proud to serve most of the Fortune 1000 companies, in addition to other leading firms and public sector organizations.

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