

Project VIA – Valuing Intellectual Assets in Renewables Companies in the Highlands and Islands

Company Profile



Background to the Company

Highland Wood Energy (HWE) was founded in 2003 on the belief that heating systems using wood fuel can and will make a significant contribution to the sustainable energy development of Scotland (subsequently confirmed through the British government's renewable heat initiative – RHI). Wood heating makes use of Scotland's substantial timber resource to produce low cost and renewable heating, while at the same time the local economy can reap associated dividends. The company turnover in 2008/09 was approximately £2M.

HWE's products and services encompass the design and installation of wood based combustion or gasification plant for buildings across a range of sectors including local authorities, health authorities, education establishments and country estates. HWE also supplies supply wood based heating systems for domestic use – these can be heat only or heat and hot water. HWE believes that in Scotland it provides its clients with a uniquely comprehensive approach to the use of wood as a buildings heat source.

For organisations that wish to minimise capital expenditure, HWE offers a turnkey heat supply service where it takes responsibility for the complete supply chain, from sourcing the fuel through to delivery of heat i.e. operating as an energy supply company (ESCO).

The Engagement:

While HWE may be considered as a distributor of wood fuelled heating systems, the management realised that much of its success was based on leveraging its Intellectual Assets (IA) associated with its organisational and network capital. HWE was also keen to develop further its brand for company growth, as HWE had recently experienced disappointment with others using HWE's assets without appropriate permissions. These were the prime motivators for HWE engaging with the Intellectual Assets Centre's (IA Centre) VIA project.

An initial face to face meeting with the IA Centre's consultant – [Maurice Alphandary of Collier IP Management](#) enabled Maurice to develop an understanding of the company's ambitious growth plans and what it had already achieved by way of capturing and exploiting its IA. The information from this meeting, together with the output of the IA Benchmark Tool enabled the IA Centre to rapidly focus on the key actions that were needed to capture and protect further the value of HWE's IA.

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Outcome:

The initial engagement with HWE set the scene for providing an understanding of the breadth of what comprises IA, how they underpin business performance and their relative importance. It was quickly apparent that HWE was already making good progress with the development of many facets of its intellectual capital. However, by working together, a number of areas were highlighted where HWE could take action that would better protect and capture the value of its IA, thereby enhancing the value of the company, while at the same time strengthening its market position. The key areas identified for early action are discussed further below.

The company is experiencing growth in demand for its products and services and while it focuses on meeting this demand, it was making widespread use of sub-contractors for the delivery of non-core services. However, the associated contracts did not deal adequately with ownership of Intellectual Property (IP) and this was rapidly addressed. More generally, HWE was not asserting its IP rights and this has now been remedied as and where appropriate through the use of appropriate IP protections. This culminated recently with the successful negotiation of a confidentiality agreement with a global industrial major.

HWE was already beginning to develop a brand associated with its market presence, but there were inconsistencies with its approach, with associated potential for confusion. Much of HWE's market presence centred on the supply of equipment manufactured and branded by others, rather than promoting its own brand, focusing on the company's core business and how HWE meets its client's needs. This is being addressed through the re-development of its marketing literature and the HWE website, with the launch of the new web-site, due in May 2010.

It was also apparent that there existed a lot of valuable knowledge and information that was particular to each of its target markets. The loss of this knowledge could potentially limit the growth ambitions of the company and so processes and procedures have been developed to capture and share this information across relevant staff.

During the course of the VIA engagement, the company moved to new premises and following its official opening and the launch of its new web-site, it plans to focus on developing tools for its partners and customers, with appropriate IP protection, that can be accessed through its web portal. It is also considering applying for several trade marks as it continues to build value.

“Having only paid passing notice to the notion of our Intellectual Property before, the work we have done with the IA Centre has completely changed our attitude. As a company most of our value is related to our knowledge and skills and we are far more aware of how to protect them. Specifically, IA centre representatives have given us extremely valuable input and clear advice on which actions to take to maximise the value and protect our IA in everything from marketing to engineering designs. This has also enabled us to understand the value of our IA and how to use them to strengthen our brand’.” Bruno Berardelli, Managing Director, HWE