

# CRC Research Valuation



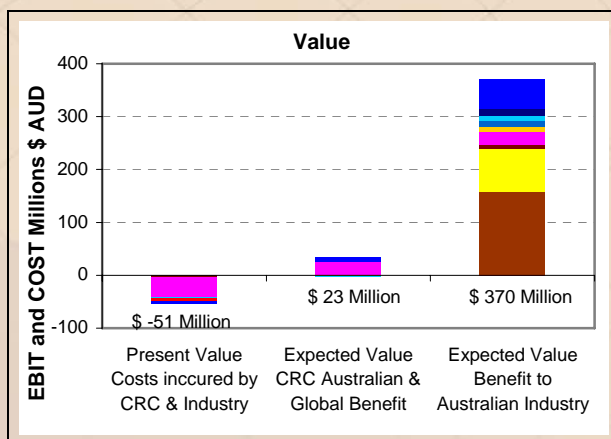
## RMDSTEM's approach to valuing CRC research

- A strong focus on engaging the end-users of CRC's R&D projects, to validate the benefits they have received or expect to receive
- Clear understanding of the market adoption of the products and services resulting from CRC R&D, using carefully selected product and service analogies
- Well-developed data gathering and survey techniques to collect relevant information efficiently and effectively
- Leading edge financial modeling capabilities (in house) to analyse uncertain information and present clear and transparent valuations

Research organisations increasingly need to capture and communicate the value of their research.

There are a number of challenges to overcome when valuing research. Often it is difficult to identify all the outcomes that are generated from research activities particularly where it concerns the creation of new knowledge. In addition, some outcomes can be classified as "public good" and the challenge is to ascribe to them a quantified value that is credible.

Where outcomes provide "private good" the challenge is in discerning and measuring the benefits to individual end-users. Where new products and services result from research there is an additional need to understand the market for such products before being able to sensibly determine the business value.

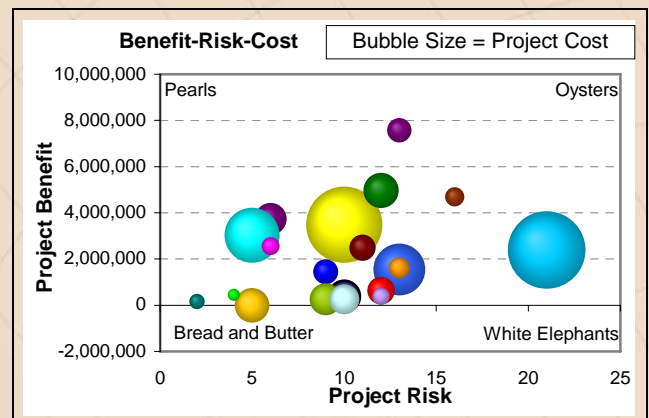


High level "macro-economic" approaches are sometimes used to value research but invariably require the allocation of credits in terms of the underlying knowledge and intellectual property. In most cases, values developed from this approach do not have a strong linkage with individual projects and tend to be abstract from the research being undertaken.

The derived value represents the value of research to the industry, and sometimes the broader community. While useful in understanding the value of research from a industry/ sectoral perspective, this approach has limited use for organisations wishing to value and manage a portfolio of research projects.

Our approach to valuing research is unique. It is based on:

- An outcome based approach to valuation
- Understanding value relative to individual end user stakeholders and stakeholder groups
- Using a combination of quantitative and qualitative methods
- Where quantification is required, avoiding the use of point estimates for estimating benefits
- Where outcomes are speculative (i.e. research outputs have still not been transferred into outcomes), ensuring all the costs, risks and barriers to the realization of these outcomes are identified and accounted for
- Use of leading edge quantitative (Decision Analysis, Monte-Carlo simulation, Quantitative Risk Assessment, Real Options etc) and qualitative (threshold analysis, anchored scales, choice surveys etc) valuation methodologies
- Understanding the opportunities for convergence of research outputs to deliver end-user outcomes



RMDSTEM's CRC clients include:

- CRC Mining (Successful rebid)
- CAST CRC (Successful rebid)
- AJ Parker CRC (Portfolio & projects valuation)
- AT CRC (Strategic planning)
- CRC Wood Innovations (Product valuation)
- CRC Construction Innovation (Valuation of projects, Program evaluation for rebid)
- CRC Rail (Portfolio & projects valuation)