

WORKSHOP 3: IP Strategy & Financial Viability

Functional Capacity Assessment Framework (FCAF)

1. IP Strategy

Business Context: FCAF is a practitioner-led assessment framework (not software). The core value lies in proprietary methodology, scoring systems, training materials, and professional certification — similar to McKenzie Method or Functional Movement Screen (FMS).

Key IP Assets Identified:

- **Functional Capacity Assessment Framework™** — Core five-domain protocol and methodology
- **Functional Capacity Score™** — Composite 0–100 metric and calculation logic
- **Practitioner Manual & Clinical Implementation Guide™** — Administration, scoring, and workflow documentation
- **Assessment Reports™** — Patient-facing one-page report templates and visual design system
- **Practitioner Certification Program™** — Training curriculum, rubrics, and credentialing framework

Protection Steps (Year 1 Priority):

Asset Type	Protection Action	Timeline & Cost
Trademarks	File for “FCAF” and “Functional Capacity Score” in Canada + USPTO	Immediate • ~\$800–1,200 total
Copyrights	Register key manuals, reports, and training materials with U.S. Copyright Office; include © notices on all documents	Within 3 months • ~\$100–200 per registration
Trade Secrets	Implement NDAs for all pilot participants and collaborators; document internal scoring protocols as confidential	Ongoing • Low cost (templates)
Domain & Branding	Secure fcaf.ca / .com and consistent social handles	Immediate • ~\$50–100/year

2. Financial Model (Conservative Year 1 Projection)

FCAF is designed as a low-capital, bootstrapped venture that leverages the founder's existing Kinesiology practice. Primary revenue in Year 1 comes from premium client assessments; future revenue shifts to practitioner training and licensing.

Revenue Stream	Assumptions	Monthly	Annual
Client Assessments (FCAF)	20 clients/quarter @ avg \$200 premium fee	\$1,333	\$16,000
Total Revenue		\$1,333	\$16,000

Cost Structure:

Category	Monthly	Annual	Notes
Variable Costs (printing, Canva Pro, misc)	\$150	\$1,800	Minimal; mostly time-based
Fixed / Allocated Costs	\$200	\$2,400	Portion of existing practice overhead + IP filing
Total Costs	\$350	\$4,200	

Breakeven Analysis:

- **Breakeven volume:** ~2–3 assessments per month (extremely low due to minimal fixed costs and existing client base).
- **Year 1 Net Profit:** ~\$11,800 (highly profitable from Month 1).
- **Key Insight:** The venture is cash-flow positive immediately. The main constraint is founder time, not capital.

3. Integration: How IP Strategy Supports Financial Sustainability & Investor Confidence

A strong IP foundation directly enhances FCAF’s financial viability and attractiveness to future partners or investors:

- **Increased Valuation:** Registered trademarks and copyrights signal professionalism and create intangible assets that increase business value. Potential licensees or acquirers see protected methodology and brand equity, not just founder-dependent services.
- **Licensing Revenue Potential:** Protected IP enables future licensing of the framework, training materials, and certification program to clinics and professional associations — a high-margin, scalable revenue stream with low marginal cost.

- **Investor / Grantor Confidence:** Grant applications and future angel/strategic partners favor ventures with secured IP. It demonstrates that the founder understands asset protection and has built defensible competitive advantage (critical in health innovation where ideas are easily copied).
- **Risk Mitigation:** Early trademark and copyright registration prevents costly rebranding or legal disputes later. Trade secret protocols protect core methodology during pilot testing and training rollout.

4. Reflection (248 words)

Protecting intellectual property is not merely a legal checkbox — it is a strategic foundation that directly shapes the financial viability and long-term sustainability of a health innovation venture like FCAF. In the early stages of a practitioner-led framework, the most valuable assets are not code or hardware but proprietary methodology, validated scoring systems, and professional training materials. Securing trademarks for key names (FCAF, Functional Capacity Score) and copyrights for manuals and reports creates defensible brand equity and enables future licensing revenue with minimal marginal cost.

From a financial perspective, strong IP protection increases business valuation and investor confidence. Grant funders and strategic partners in healthcare prefer ventures that have taken deliberate steps to protect their innovations, as this signals professionalism and reduces risk of idea theft. For FCAF, this means the framework can evolve from a founder-dependent service into a licensable professional system (similar to McKenzie Method or FMS), opening high-margin revenue streams through certification and licensing while preserving the low-capital, bootstrapped model that fits limited founder time.

Ultimately, IP strategy and financial modeling are inseparable. The decision to prioritize trademarks and copyrights in Year 1, rather than rushing into software development, reflects a deliberate choice to build evidence and protected assets first. This approach minimizes financial risk, maximizes future optionality, and ensures that any technology layer added later rests on a foundation of validated, ownable intellectual property.

References: Ries, E. (2011). *The Lean Startup*. Crown Business. | Canadian Intellectual Property Office (2019). *Your IP Strategy Guide*. | WHO (2020, 2023) Healthy Ageing & Osteoarthritis fact sheets.