



TURKEY IN HORIZON 2020
ALTUN/HORIZ/TR2012/0740.14-2/SER/005



This project is co-financed by the European Union and the Republic of Turkey
Bu proje Avrupa Birliği ve Türkiye Cumhuriyeti tarafından finanse edilmektedir

H2020 SME Instrument Project Writing Camp

Phase 1

2. Impact: business & market

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Istanbul – 2-3.October.2017





How to approach proposal improvement

- **Tech** development vs. **Project** planning vs. **Proposal** writing
- Reflecting on your **ESR** and external **feedbacks**



H2020 SME Instrument @H2020SME · Feb 12

When it comes to innovation SMEs are not pushed by technology but pulled by market opportunities ≠ #startups #Coachcom2020

H2020 SME Instrument @H2020SME · Feb 12

Applying to #H2020 #SMEinstrument? Don't focus on tech only analysis of market, competition, financial plan, team, skills & planning is key

- **You** should be comfortable and at peace with your proposal



Everything starts and ends with customers



- SME Instrument is **business-oriented** and **company-centered**.
- Evaluators have a **VC mentality**, not an academic view.
- Program looks for **innovation plans**, not scientific proposals.
- Project starts with **market need**, not a research question.
- Research, if any, is **innovation-based**, not discovery-based.
- Project should **change people's lives**, not create documents.
- Results should be **quantified**, not left to vague projections.

H2020 SME Instrument @H2020SME · May 26

#H2020 #SMEinstrument applicant tip: you need to demonstrate that your project will generate revenues & create jobs ow.ly/N4TYo

- However, you still need to be a **disciplined** entrepreneur with a **comprehensive**, **robust**, and **evidence-based** proposal.



Impact: Proposal Outline



2.1 Expected impact

a)Users/Market

b)Company

2.2 Measures to maximize impact

a)Dissemination and exploitation of results

b)IP, knowledge protection, and regulatory issues



| Depth of Proposals: Phase 1 vs. Phase 2 | | |
|---|--|--|
| Funding object | Feasibility study for an innovation | Innovation activities based on a feasibility & business plan |
| Funding € | €50K | €0,5–2,5M |
| Duration | 6 months or shorter/longer | Between 1-2 years or longer |
| Outcome | A feasibility report & detailed business plan | A new product, process, or service and its commercialization plan |
| Tech Annex 1-3 | 10 pages | 30 pages |






| All Evaluation Criteria are Interconnected | | |
|---|--|---|
| <p><u>Impact (x1,5)</u></p> <ol style="list-style-type: none"> 1. growth 2. overall strategy 3. European value 4. market demand 5. target users 6. social benefits 7. market & competition 8. commercialization plan 9. IPR | <p><u>Excellence</u></p> <ol style="list-style-type: none"> 1. feasibility objectives 2. value for money 3. innovation roadmap 4. risks and opportunities 5. new market opportunities 6. state-of-the-art | <p><u>Implementation</u></p> <ol style="list-style-type: none"> 1. resources 2. team 3. Work Plan |
| <i>Reference EU Publication</i> | | |



Impact: Evaluation Sub-Criteria

1. potential to boost the growth of the applying company
2. overall strategy and experience of the SME(s)
3. European value a) market, b) competition, c) challenges
4. demand/market (willingness to pay) for the innovation
5. target user needs & comparison with current solutions
6. benefits for society, climate change, or the environment
7. market conditions, size and growth rate, competition
8. initial commercialization plan
9. freedom to operate analysis and current IPR situation








Business Model: Twitter

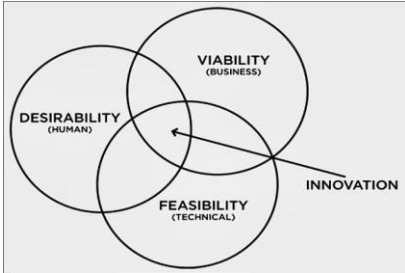
Twitter Business Model

| Key Partners | Key Activities | Value Propositions | Relationships | Customer Segments |
|---|--|---|--|--|
| <ul style="list-style-type: none"> Search Vendors Device Vendors Media companies Mobile Operators | <ul style="list-style-type: none"> Platform Development | <ul style="list-style-type: none"> Stay connected News/Events Targeted Marketing Twitter Apps | <ul style="list-style-type: none"> Channels Website, Desktop Apps, Mobile Apps, SMS Twitter API | <ul style="list-style-type: none"> Users Enterprises Developers |
| Cost Structure <ul style="list-style-type: none"> Employees Servers | | Revenue Streams <ul style="list-style-type: none"> Licensing Data Streams Promoted Accounts Promoted Tweets Promoted Trends Analytics | | |

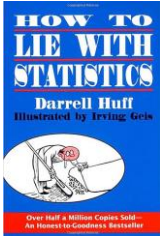

www.businessmodelgeneration.com

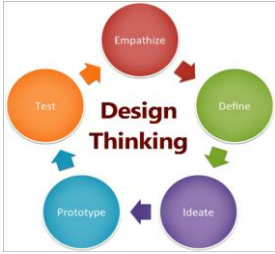








What works for the project works for the evaluator



TURKEY In HORIZON 2020
COMPETITION INNOVATION EXPERIENCES







Growth Projections (1/2)

| | <u>Current</u> | | <u>Phase 1</u> | | <u>Phase 2</u> | | <u>After the Project</u> | | |
|--|----------------|--|----------------|-----|----------------|-----|--------------------------|--------|--------|
| | | | start | end | start | end | 1.year | 2.year | 3-year |
| Revenue € | _____ | | | | | | | | |
| Profit € | _____ | | | | | | | | |
| Job creation | _____ | | | | | | | | |
| # of customers | _____ | | | | | | | | |
| # of products sold | _____ | | | | | | | | |
| # of markets served | _____ | | | | | | | | |
| ... (indicators of your choice) | _____ | | | | | | | | |

Growth Projections (2/2)

- Break-even point
 the minimum revenue & time needed to start making profit




TURKEY
 HORIZON 2020
 COMPETITION OPPORTUNITIES

Break-Even Quantity = (R&I Costs + Fixed Costs) / (Sales Price - Variable Costs)
 100K ea. €2M + €300K / €50 - €27
 (or €5M as revenue)

- Return on Investment (ROI)
 time-bounded revenue expectation as compared to investment

ROI (%) = Total Revenue - Total Costs / Total Costs
 30% €10M - €7,7M / €7,7M (if 200K ea. sold)

Remember to add a timeframe to your estimations








Competition

“car manufacturing for transportation need”

(same product category)

| your innovation | similar offerings | different offerings | alternative solutions | almost non-consumption | time and budget competition |
|-----------------|-------------------------|---------------------|---|---|---|
| New Ford Fiesta | Hyundai i20, Fiat Punto | Toyota Land Cruiser | taxi, bus, metro, car sharing, rent a car | walking, bicycle, hitchhiking, no commuting | pay your debt, go for an MBA, invest in Forex |
| Attribute 1 | | | | | |
| Attribute 2 | | | | | |
| Attribute ... | | | | | |

Questions & Practice






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