Project Writing Camp:

Developing a successful proposal for

SME Instrument Phase 1

Name of the organization and participant

2. Impact: business & market

Practice

**Growth Projections**

SME Instrument is all about business growth and job creation. You should first be able to create a sustainable and profitable business. This is the main determinant of your project success. Now, let us try to quantify your growth forecasts in below table.

Please add as many indicators of your choice as you need to monitor your business growth. Though it is advisable to share the most critical 4-7 measures in your proposal. You may disregard the default indicators below if they do not apply to your business.

Below table is just for practice. You had better develop your own communication style and visual to best highlight your growth. Enjoy!

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Phase 1 | Phase 2 | After the Project |
|  | **current** | **start** | **end** | **start** | **end** | **year 1** | **year 2** | **year 3** |
| revenue € |  |  |  |  |  |  |  |  |
| profit € |  |  |  |  |  |  |  |  |
| # of jobs created |  |  |  |  |  |  |  |  |
| # of customers |  |  |  |  |  |  |  |  |
| # of products sold |  |  |  |  |  |  |  |  |
| # of markets served |  |  |  |  |  |  |  |  |
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**Would you elaborate on your break-even point in terms of sales quantity, revenue, and time?**(Reminder: Break-Even Quantity = (R&I Costs + Fixed Costs) / (Sales Price - Variable Costs)
Ex: 100K ea. (or €5M as revenue) = €2M + €300K / €50 - €27)

**What Return on Investment (ROI) would you expect from your project? And, when would that happen?**(Reminder: ROI (%) = Total Revenue - Total Costs / Total Costs
Ex: If 200K ea. sold => 30% = €10M - €7,7M / €7,7M

**Competition Analysis: No room for competition myopia**

A comparative analysis is key (1) to understand the value of your innovation from the customers’ standpoint and (2) to decide how to position it in the market.

Today, companies are exposed to both direct and indirect competition. Your target customers may even be approached by brands operating entirely in different industries. When the time and money you think saved for your product is spent for a supposedly unrelated consumption, you understand whom or what you are actually competing with!

The first line of the below table is an example of competitor identification. In this process, you should consider the entire life (or business processes) of your customers (or business customers). Then, you need (1) to list the most attractive 4-7 attributes of your value proposition and (2) to emphasize on the market opportunities and your strengths. This study will guide your commercialization plan where you explain how to best capture value.

Below table is just aimed to develop your understanding. You had better develop your own communication style and visual to best highlight your competitive positioning. Enjoy!

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (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 |
| *(above example assumes that you are a car manufacturer solving transportation needs.)* |
| Innovation |  |  |  |  |  |
| Attribute 1 |  |  |  |  |  |
| Attribute 2 |  |  |  |  |  |
| Attribute 3 |  |  |  |  |  |
| Attribute 4 |  |  |  |  |  |
| Attribute 5 |  |  |  |  |  |
| Attribute 6 |  |  |  |  |  |
| Attribute 7 |  |  |  |  |  |