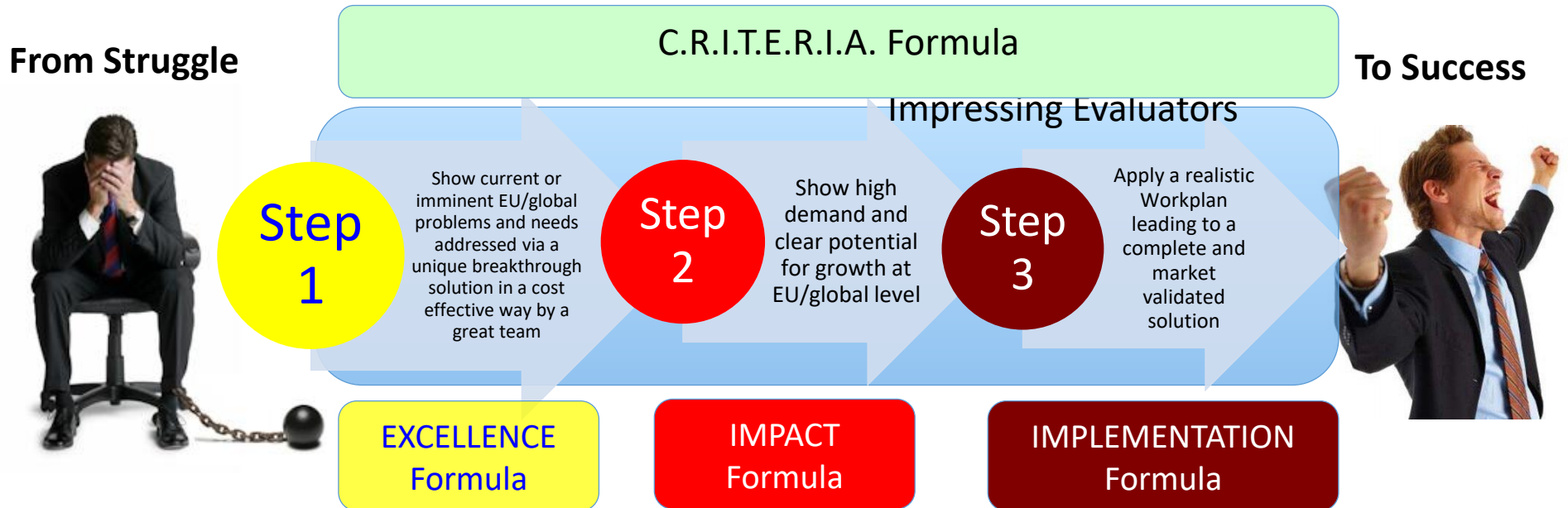


How to write a Successful Proposal in SME instrument by Nikolaos Floratos EC expert, H2020 coach

H2020 SME instrument Winning Formula



General C.R.I.T.E.R.I.A.TM Formula

- C. _____
- R.
- I.
- T.
- E.
- R.
- I.
- A.

Citations/references

- What is the difference between a claim and a fact?
- Citations/references _____ claims into facts!
- Experts are not supposed to _____ !
- Hence, evidence on your arguments is supported by citations/references

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. _____
- I.
- T.
- E.
- R.
- I.
- A.

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. _____
- T.
- E.
- R.
- I.
- A.

Non exhaustive but helpful list RESOURCES is included for EXCELLENCE and IMPACT formulas

Interesting/Inspiring

- Avoid _____ voice
- Avoid weak words that show hesitation such as ... *the project may achieve...*
- Show confidence such as ... *the project expects to/will achieve* ...
- Avoid incremental objectives such as “... *to improve current..*”
- Use strong words such as “*breakthroughs*”, “*pioneers*”, “*innovations*”, ...
- Imagine the proposal as a script of a story
 - Apply the VPS or PSV storyline
 - Villain: A key problem
 - Victim: Key target groups
 - Hero: the project
- Make it more personal!

Inspiring/Interesting

- An experiment in Australia on the accuracy of cancer diagnosis from x-ray images (mammographs) by physicians/doctors
- Accuracy was increased ~30% when physicians/doctors were shown a photo of the patient (even a fake one) along with the x-ray image

An example of a personal touch!

Profile photos/logos



Dr. Gandhi Pau (PC/PO)

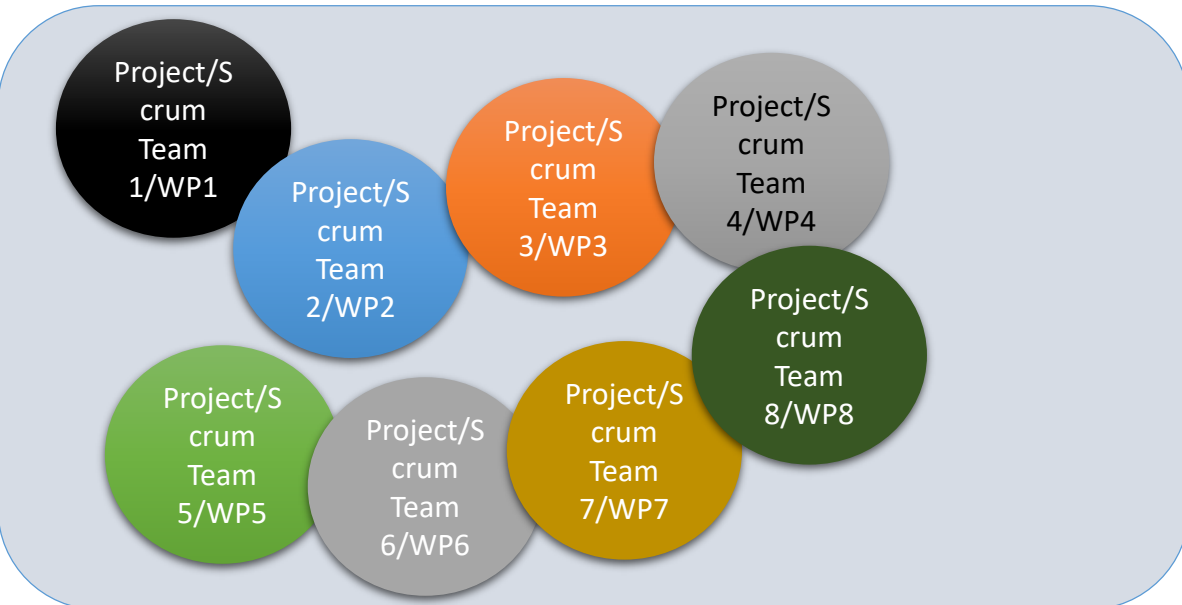


Dr. Giannis Arzis (TL/PO)

Project Manager

Technical Manager

Project/Scrum Teams



Advisory Committee (AC)



Dr. Gandhi Pau (chair)

DE Manager



Mr. John Schwan

Communication Manager (CM)



Ms. Sarah Leute

Innovation Manager (IM)



Mr. Nick Stevenson

Ethics Manager (EM)



Mrs. Maria Jhann

ext. Quality Evaluator



Mr. Peter Floratos

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. Interesting/Inspiring
- T. _____
- E.
- R.
- I.
- A.

Tangible

- Tangible= Measurable + Specific
 - Tip: Anything that can be measured, is specific
 - Tangible (Measurable + Specific) CARTIO:
 - Challenges
 - Activities
 - Results
 - Targets
 - Impacts
 - Objectives
- e.g. - Y number of people suffer from X and we expect Z numbers will benefit across EU when we achieve A;

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. Interesting/Inspiring
- T. Tangible – Specific
- E. _____
- R.
- I.
- A.

Executive Summary/Abstract

Executive Summary and Abstract is the first thing most of evaluators read. See it as an Elevator pitch. Abstract is limited in words and formatics but Executive Summary is not (but 1 page max). Hence, concise and impressive based on key information (Answer the 4 Whys):

1. **Why this project?**
 2. An EU/Global Problem and **why now?** (why it is urgent to deal now and not in some years from now)
 3. Your breakthrough solution (Unique, innovative, non-replicable), its current TRL with emphasis on innovative part and how it was developed
 4. Expected demand and growth
 5. Any external interest (potential/current investors, LoS (10-15), etc)
2. **Why you?**
 1. The current value of the company including the key personnel that justify that the proposed innovation is quite advanced and it cannot be replicated by others if they have resources and experience – i.e. Strong IP strategy
 2. Highlight the ability to access customers
3. **Why in this way?** (why via this methodology/approach)
 1. E.g. involvement of potential clients in demonstration WPs (phase 2) or in user Needs Analysis (phase 1) for the feasibility study
 2. In phase 2 focus on activities such as focus on activities such as demonstration, testing, prototyping, pilot lines, scale-up studies, performance verification, market replication and bringing your innovation (product, process, service etc.) to industrial readiness and maturity for EU/global market introduction.
4. **Why SMEi funding?** (for market validating in at least some EU markets)

Avoid copy and paste from the proposal section!!

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. Interesting/Inspiring
- T. Tangible – Specific
- E. Encapsulation/Abstract (4Whys)
- R. _____
- I.
- A.

The power of “Cognitive Ease”

When you are in a state of cognitive ease, you are probably in a good mood, like what you see, believe what you hear, trust your intuitions, and feel that the current situation is comfortably familiar. You are also likely to be relatively casual and superficial in your thinking. When you feel strained, you are more likely to be vigilant and suspicious, invest more effort in what you are doing, feel less comfortable, and make fewer errors, but you also are less intuitive and less creative than usual.

[Daniel Kahneman, Thinking Fast and Slow]

Restructuring Excellence Section

Current Excellence structure in template

1. Excellence

- Challenges and Solutions
- Approach

Restructure the sections with headings and subheadings that allow the evaluators to find easily the answers to their questions

Excellence Evaluation Criteria in Evaluators' form

2. Excellence

Note: The following aspects will be taken into account:

- High-risk/high-potential innovation idea that has something that nobody else has. It should be better and/or significantly different to any alternative. Game-changing ideas or breakthrough innovations are particularly sought after.
Its high degree of novelty comes with a high chance of either success or failure.
- Realistic description of current stage of development (Phase 2 only: TRL 6, or something analogous for non-technological innovations), and clear outline of steps planned to take this innovation to market.
- Highly innovative solution that goes beyond the state of the art in comparison with existing or competing solutions, including on the basis of costs, ease of use and other relevant features as well as issues related to climate change or the environment, the gender dimension, any other benefits for society, or (Phase 1 only) includes plans for obtaining this information.
- Very good understanding of both risks and opportunities related to successful market introduction of the innovation from both technical and commercial points of view or

* Experts will also be asked to assess the operational capacity of applicants to carry out the proposed
** Experts will also be asked to assess 'best value for money' of the subcontracts for Phase 2.

(Phase 1 only) includes convincing plans for obtaining this information.

- Objectives for the feasibility study and the approach and activities to be developed are consistent with the expected impact of the innovation.
- Taken as whole, to what extent the above elements are coherent and plausible.

Comments:

Restructuring Impact Section

Current Impact structure in template

2. Impact

- Entering the market
- Business Model
- Financing
- IPR and legal framework
- Communication and access to research data

Restructure the sections with headings and subheadings that allow the evaluators to find easily the answers to their questions

Impact Evaluation Criteria in Evaluators' form

1. Impact

Note: The following aspects will be taken into account:

- Convincing description of substantial demand (including willingness to pay) for the innovation; demand generated by new ideas, with the potential to create new markets, is particularly sought after.
Total market size envisaged.
- Convincing description of targeted users or customers of the innovation, how their needs have been addressed, why the users or customers identified will want to use or buy the product, service or business model, including compared to what is currently available if anything at all.
- Good understanding of need for a realistic and relevant analysis of market conditions, total potential market size and growth-rate, competitors and competitive offerings, key stakeholders, clear identification of opportunities for market introduction; potential for market creation is particularly sought after.
- Realistic and relevant description of how the innovation has the potential to scale-up the applicant company (or companies). This should be underpinned by a convincing business plan with a clear timeline, and complemented, where possible, by a track-record that includes financial data.
- Alignment of proposal with overall strategy of applicant SME (or SMEs) and commitment of the team behind them. Demonstration of need for commercial and management experience, including understanding of the financial and organisational requirements for commercial exploitation and scaling up (and - Phase 2 only) as well as key third parties needed.
- Outline of initial commercialisation plan and how this will be developed further (in-house development, licensing strategy, etc.).
- European/global dimension of innovation with respect to both commercialisation and assessment of competitors and competitive offerings.
- Realistic and relevant description of knowledge protection status and strategy, need for 'freedom to operate' (i.e., possibility of commercial exploitation), and current IPR situation or a plan for obtaining this information. Where relevant, description of potential regulatory requirements.
- Taken as whole, to what extent the above elements are coherent and plausible.

Comments:

Restructuring Implementation Section

Current Implementation structure in template

3. Implementation

- Team
- Workpackage, deliverables, milestones risks
- Resources

Restructure the sections with headings and subheadings that allow the evaluators to find easily the answers to their questions

Implementation Evaluation Criteria in Evaluators' form

3. Quality and efficiency of the implementation

Note: The following aspects will be taken into account:

- Technical/business experience of the team, including management capacity to lead a growing team
If relevant, the proposal includes a plan to acquire missing competences.
- Availability of resources required (personnel, facilities, networks, etc.) to develop project activities in the most suitable conditions.
Where relevant, complementarity of partners in a consortium.
- Realistic timeframe and comprehensive description of implementation (work-packages, major deliverables and milestones, risk management) taking the company's or applicant's innovation ambitions and objectives into account.
- Taken as whole, to what extent the above elements are coherent and plausible.

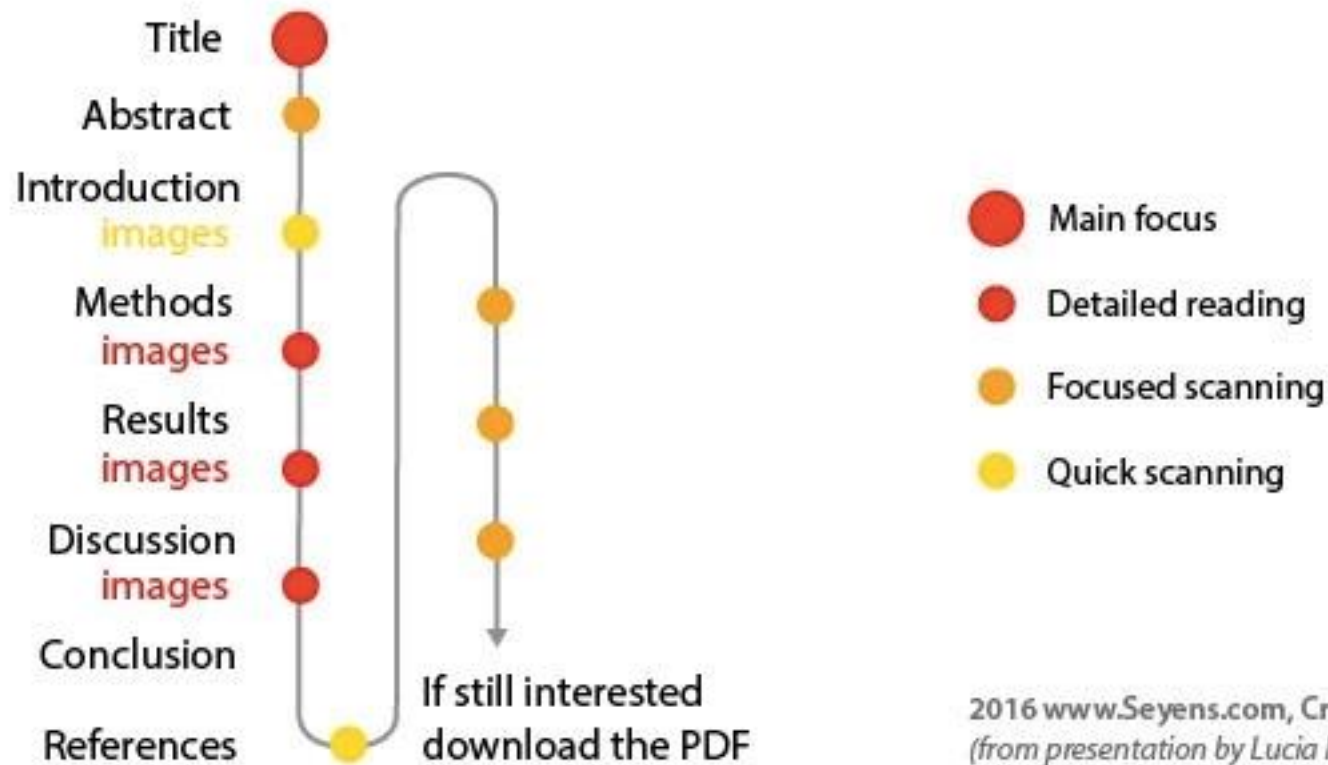
Comments:

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. Interesting/Inspiring
- T. Tangible – Specific
- E. Encapsulation/Abstract (4Whys)
- R. Restructuring
- I. _____
- A.

A good paradigm!

How scientists scan journal papers when they first see them



Illustrations

- 1000 words equal to one picture (Chinese proverb)
- Use illustrations (figures, charts, tables, diagrams, etc) to substitute or complement text
- Rule of thumb: One illustration per page

General C.R.I.T.E.R.I.A. Formula

- C. Citations
- R. Resources
- I. Interesting/Inspiring
- T. Tangible – Specific
- E. Encapsulation/Abstract (4Whys)
- R. Restructuring
- I. Illustrations
- A. _____

Aesthetics

- Use of bold, frames, colour or boxes for highlighting key information

Which is more impressive?

Further innovative element of REGAME project is its well balanced consortium that it is the first serious initiative to bring together for collaboration players from the Open Source Community, game's industry and games' developers, the research community, the educational sector as well as social partners as end-users, policy advisor and policy makers in the education sectors order to create a breakthrough in informal and formal training, workplace learning based on disruptive educational technologies and practices that are supported by related policy making and social and public processes.

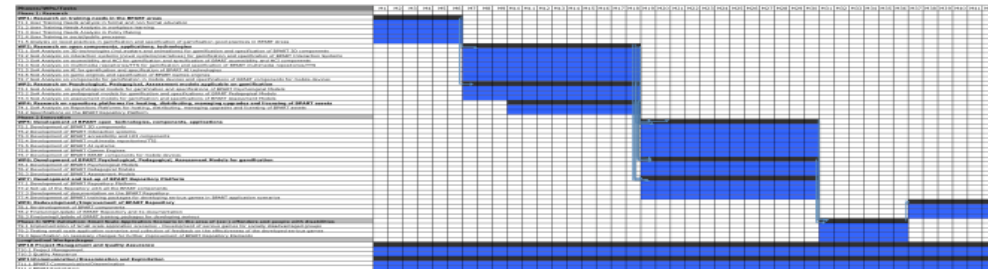
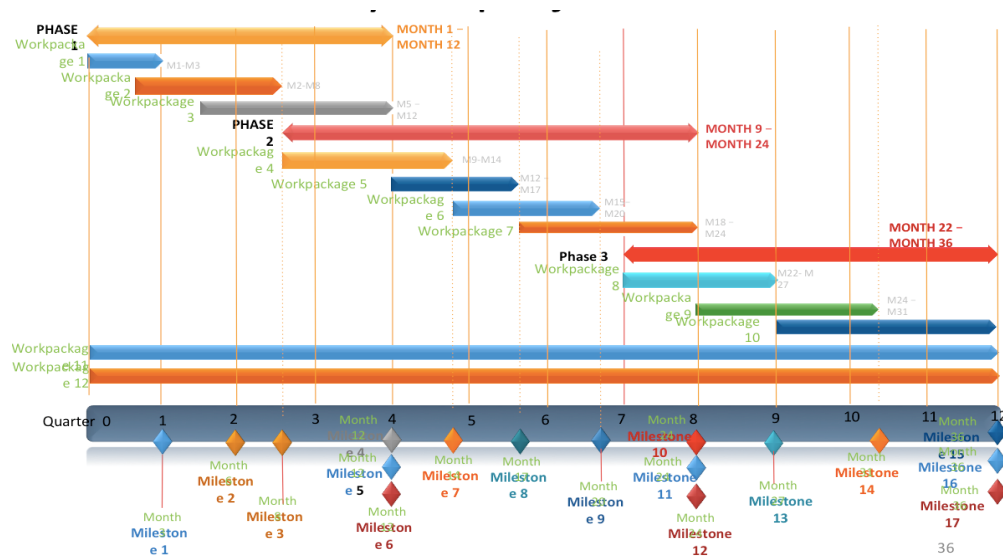
Innovation no. 2

Further innovative element of REGAME project is its **well balanced consortium** that it is the **first serious initiative** to bring together for collaboration players from the Open Source Community, game's industry and games' developers, the research community, the educational sector as well as social partners as end-users, policy advisor and policy makers in the education sectors order to create **a breakthrough in informal and formal training and workplace learning** based on **disruptive** educational technologies and practices that are supported by **related policy making and social and public processes**.

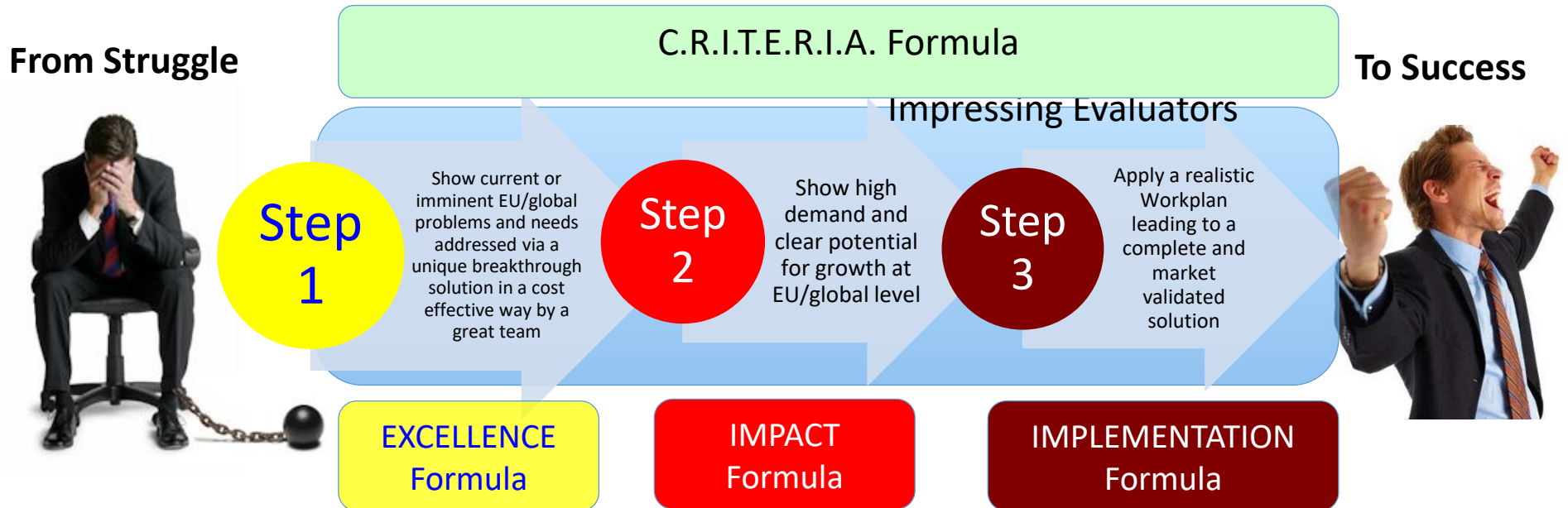
Innovation no. 2

Further innovative element of REGAME project is its **well balanced consortium** that it is the **first serious initiative** to bring together for collaboration players from the Open Source Community, game's industry and games' developers, the research community, the educational sector as well as social partners as end-users, policy advisor and policy makers in the education sectors order to create **a breakthrough in informal and formal training and workplace learning** based on **disruptive** educational technologies and practices that are supported by **related policy making and social and public processes**.

Which is more impressive?



H2020 SME instrument Winning Formula



EXCELLENCE Formula

H2020 Proposal Sections



Part A - Administrative Forms



Part B - Technical
Description of your H2020
grant application



Part C - Optional Information
that can be ignored by EC
experts but it is referenced in
B1 for showing facts and not
claims

B1 - Limit in Pages



1. Excellence
2. Impact
3. Implementation

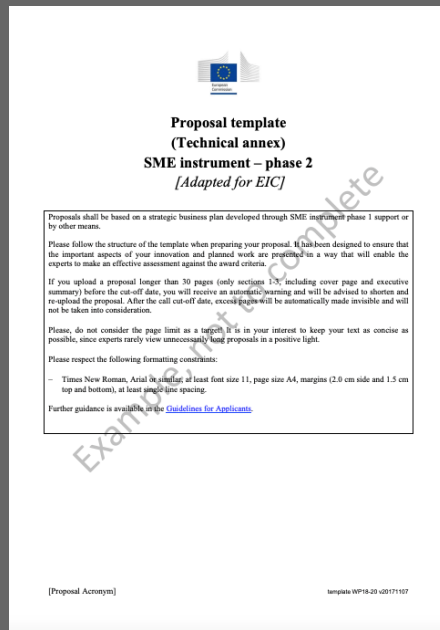
B2 - No limit in Pages



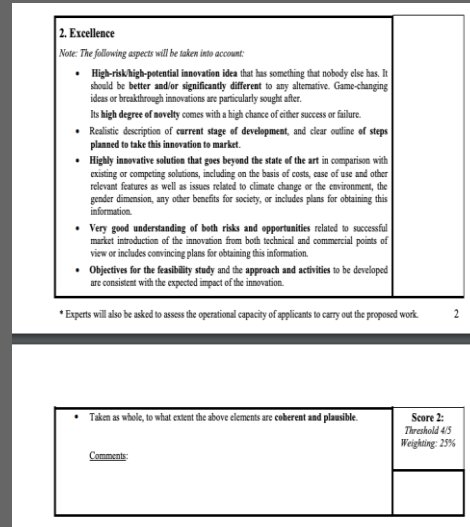
Other info such as
IDetailed consortium
description, Ethics, or
part C included, etc

Restructuring content

Application Template



Evaluation form



Restructured Content



Restructuring Excellence Section

Suggested Excellence structure in template

1. Excellence

1.1 Global and EU Challenges

1.2 Our Innovation

1.2.1 Our breakthroughs

1.2.2 Current development stage

1.2.3 Approach to a full commercial innovation

1.3 Market's state of the art

1.4 Risks & Opportunities

1.4.1 Technical and Commercial Risks

1.4.2 Technical and Commercial Opportunities

1.5 Alignment of objectives and approach with Impact

Excellence Evaluation Criteria in Evaluators' form

2. Excellence

Note: The following aspects will be taken into account:

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(Phase 1 only) includes convincing plans for obtaining this information.

- Objectives for the feasibility study and the approach and activities to be developed are consistent with the expected impact of the innovation.
- Taken as whole, to what extent the above elements are coherent and plausible.

Comments:

1.1 Global and EU challenges

- Define the problem you are trying to solve very well so start with Problem Statement
 - _____ users/customers at EU/global scale and _____ their key challenges
 - Highlight the cost of this problem for the EU
 - Refer to the report and statistics of the EU on the issue and specify sources (Citations)
- Use Illustrations (tables, graphs, figures)

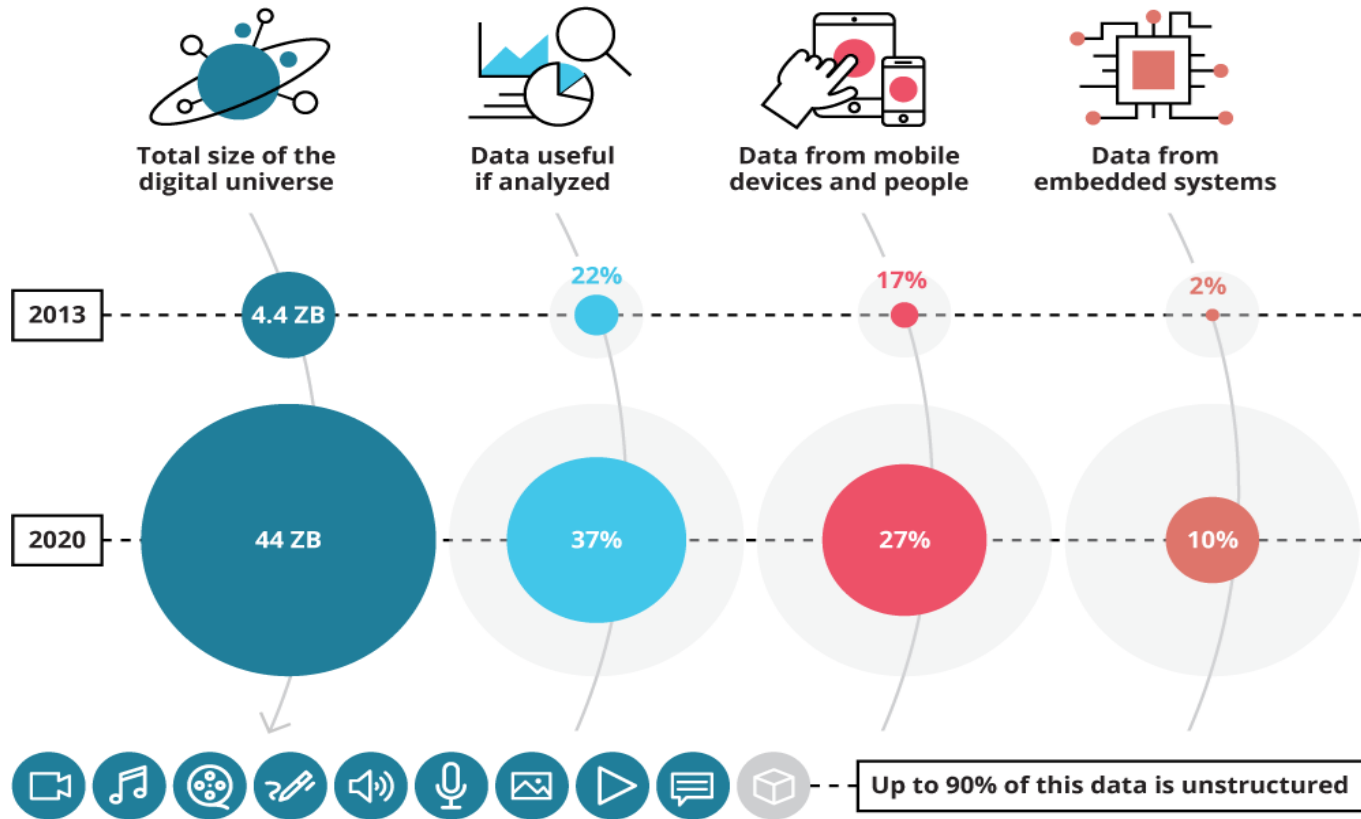
1.1 EU/Global Challenge Table Example

EU/Global Challenges	Our Innovation	Expected Impacts
<p>Number of people with Alzheimer is approximately 10.5 million in Europe costing currently €1.83 trillion. Projections are alarming, i.e. by 2030 patients are expected to get to 13.4 million and to 18.7 million by 2050 (see latest report PwC 2018).</p>	<p>To allow people with Alzheimer disease and their spouses to have a quality in life with a self-care mobile device that monitors, guides and alerts when medicine is not taken or patient has an abnormal behaviour (bad eating, hygiene activities, getting lost in the house or outside)</p>	<p>Treatment and care costs for people with Alzheimer to be reduced by 30% that means in total EU savings of €500 billion annually.</p>

1.1 Global and EU challenge Figure example

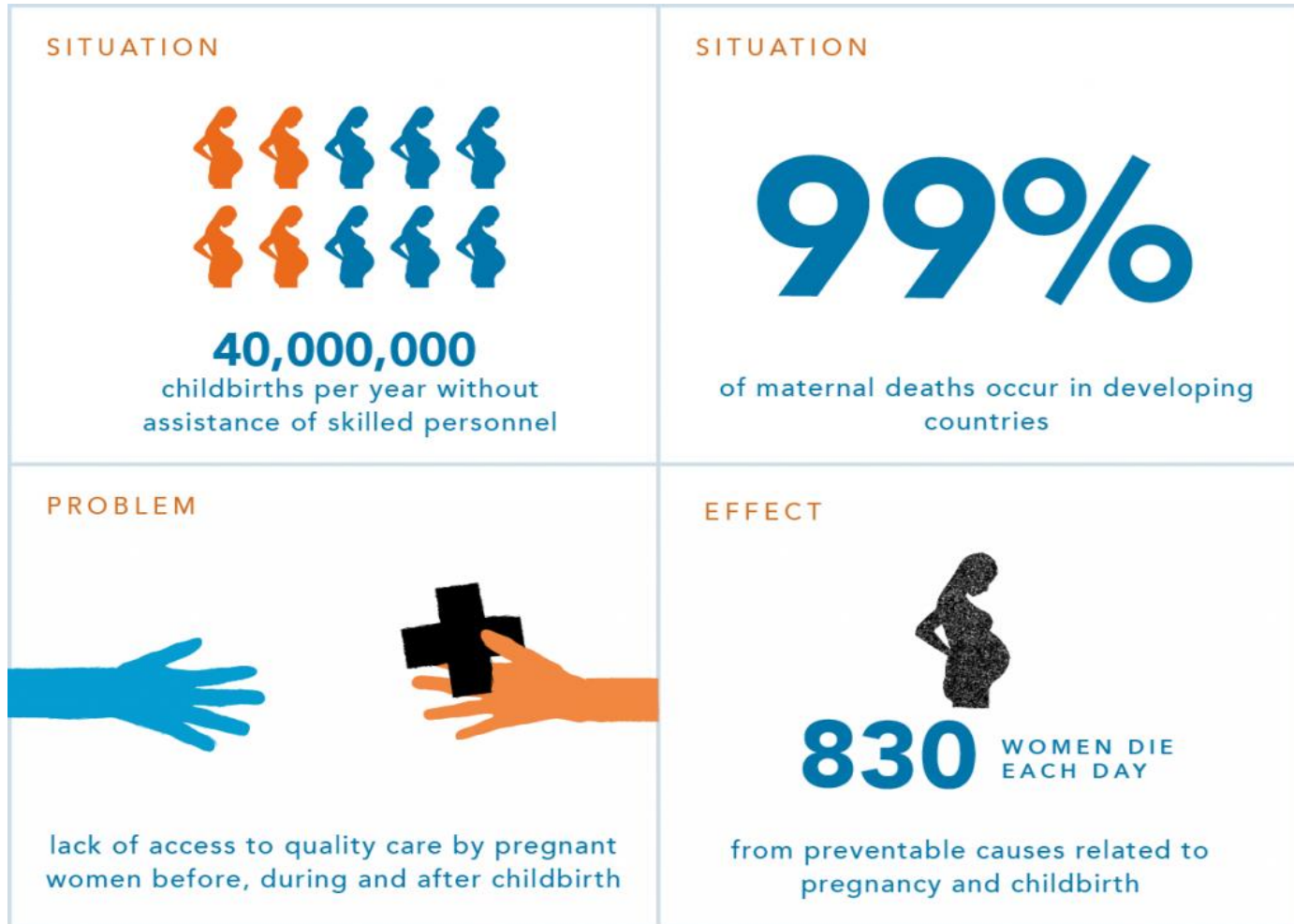
Figure 1. The expanding digital universe, 2013–2020

In 2020, the digital universe is expected to reach 44 zettabytes. One zettabyte is equal to one billion terabytes. Data valuable for enterprises, especially unstructured data from the Internet of Things and nontraditional sources, is projected to increase in absolute and relative sizes.



Sources: EMC Digital Universe with research and analysis by IDC, "The digital universe of opportunities: Rich data and the increasing value of the Internet of Things," April 2014; International Data Corporation, "IDC iView: Extracting value from chaos," 2011, www.emc.com/collateral/analyst-reports/idc-extracting-value-from-chaos-ar.pdf, accessed December 29, 2016.

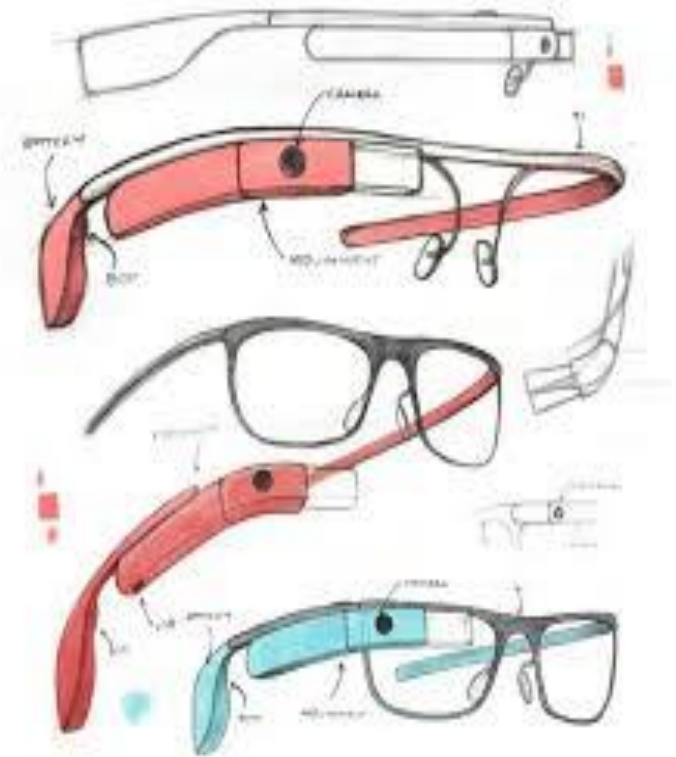
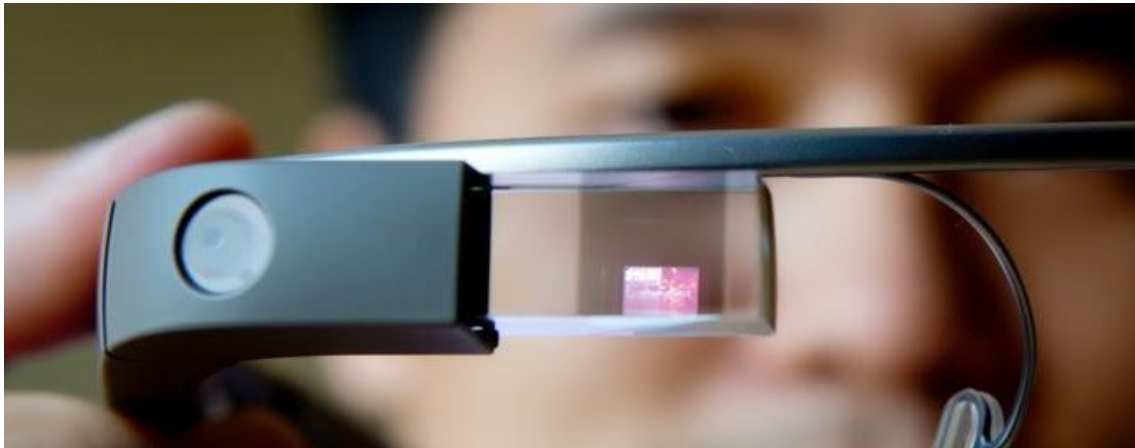
1.1 Global and EU challenge Figure example



1.2.1 Our breakthroughs

- Use a figure of
 - the product/solution and/or
 - The value chain (Stakeholders relations and benefits wrt to your innovation)
- Use a table for highlighting the breakthroughs of your innovation, the expected benefits and related users & customers
- Breakthroughs should have already been and NOT to be developed during the SME instrument project (e.g. in Phase 2)

Use images/figures related to the product



1.2.1 Our Breakthroughs Table example

Breakthroughs	Technological, Social or Economical Benefits

1.2.2 Current Development Stage

- Ensure and show that the technology maturity of your innovation is minimum TRL 6 (i.e. a demonstrable prototype)
- Outline key _____ for reaching current development stage such as any
 - Partnerships in the past for development and testing
 - FTO or Patent filing
 - Setting up an Advisory Board with (ex-) CEOs/High profile people for external advice
 - Agreements with leading players (e.g. distribution channels) in the related market
 - Engagement of investors
 - Any awards/key achievements
- Use a timeline image for visual comprehension (chevron or <https://pincello.officetimeline.com>)

Current SMEI Coverage

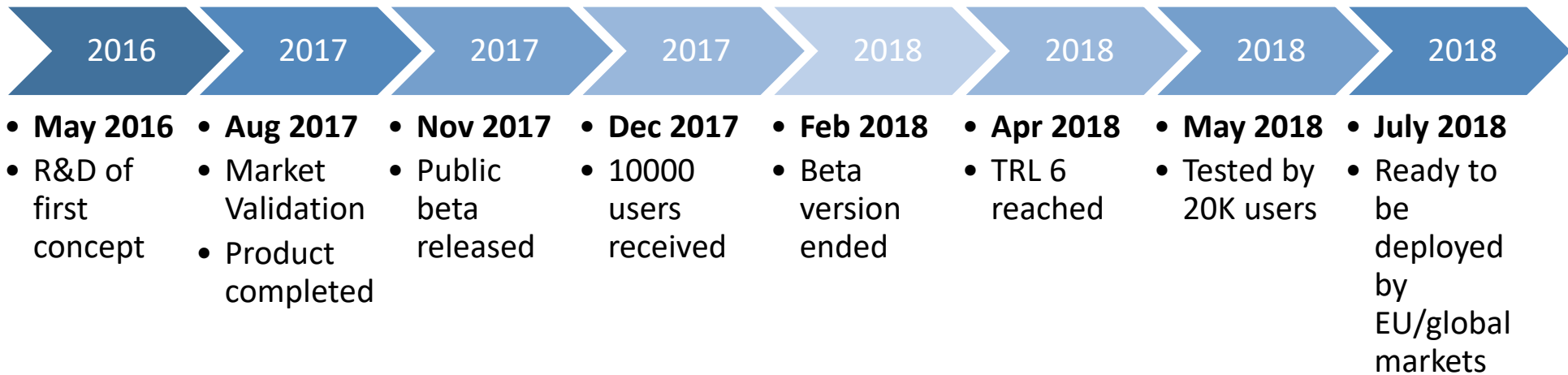
MEASURE YOUR TECHNOLOGY READINESS LEVELS - TRL

How technology ready is your service/product?



Find out more about CloudWATCH2 TRL: http://bit.ly/TRL_MRL

1.2.2 Current Development Stage timeline example



1.2.3 Approach

- Outline the planned activities for taking your innovation to EU or global markets
- Some of these activities will be implemented during the SME instrument project but the rest after the end of the project (i.e. Phase 3) e.g.
 1. Development of business plan and feasibility study (Phase 1)
 2. FTO research (Phase 1)
 3. Scaling up and performance verification (Phase 2)
 4. Integration, testing and demonstration in pilots/targeted countries (Phase 2)
 5. IPR e.g. patent filing (Phase 1 or Phase 2)
 6. Validation for Market replication
 7. Regulatory Authorization e.g. CE certification (Phase 2 or Phase 3)
 8. Agreements with distribution channels (Phase 2 or Phase 3)
 9. Market take-up at EU/global level (Phase 3)
 10. Marketing campaigns in EU/global markets (Phase 3)
- Specify expected outcomes from each activity and related success criteria
- Use a table for better comprehension

1.2.3 Approach

Activities	Expected completion month	Expected []	Cost/Resources (€, pm)	Success Criteria
Development of business plan and feasibility study	M6	Feasibility Study		Accepted by Advisory Board
FTO research	M6	Freedom to operate clearance		FTO at EU/global level
....
Validation for Market replication	M18	Innovation validated in 3 targeted countries		1000 potential customers confirmed the high value of innovation
...				

1.3 Market's State of the Art

- Compare your innovation with existing or expected solutions based on USPs e.g.
 - performance (e.g. Accuracy, Energy consumption, scalability, ease of use, etc)
 - implied costs
 - Usability
 - impact to climate change or the environment
 - impact to gender dimension
 - benefits to society
- Use a table to compare your innovation with the competition
- Choose two metrics (e.g. Performance, affordability) and use the “Magic Quadrant” or “Forrester wave” to show how you measure up to competition

1.3 Market SoA Table example

Related Solutions	Area (e.g EU, US)	Key Advance 1	Key Advance 2	Key Advance 3	Key Advance 4	Key Advance
Solution 1	EU	☑					
Solution 2	EU	☑	☑	low			
Solution 3	EU						
Solution...	US	☑			☑		
	EU	☑	☑	high	☑	☑	☑

1.3 Market SoA example based on Harvey balls

Harvey Balls

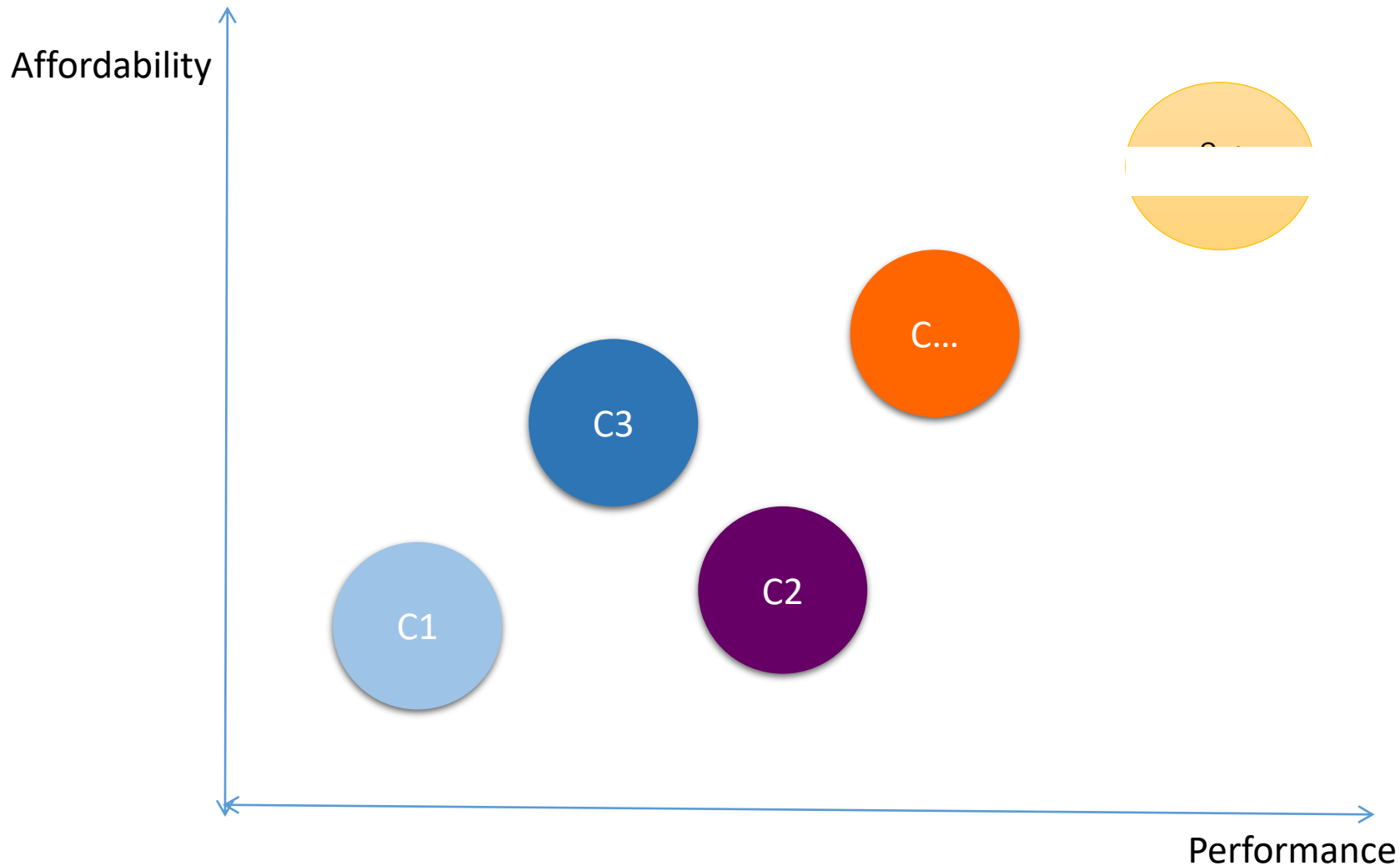
	Text Here	Text Here	Text Here	Text Here	Text Here
Product A					
Product B					
Product C					
Product D					
Product E					
Product F					

Further research is being scheduled to verify the results



Your Logo

1.3 Market State of the art Magic Quadrant Example



1.4.1 Technical and Commercial Risks

Risks	Significance level (likelihood & severance)	Measures
e.g. Dependence on network infrastructure		
e.g. Lack of technical expertise for scalability		
Dependence on suppliers availability for first material		
Technological solution will get unlawfully in competitors' hands		

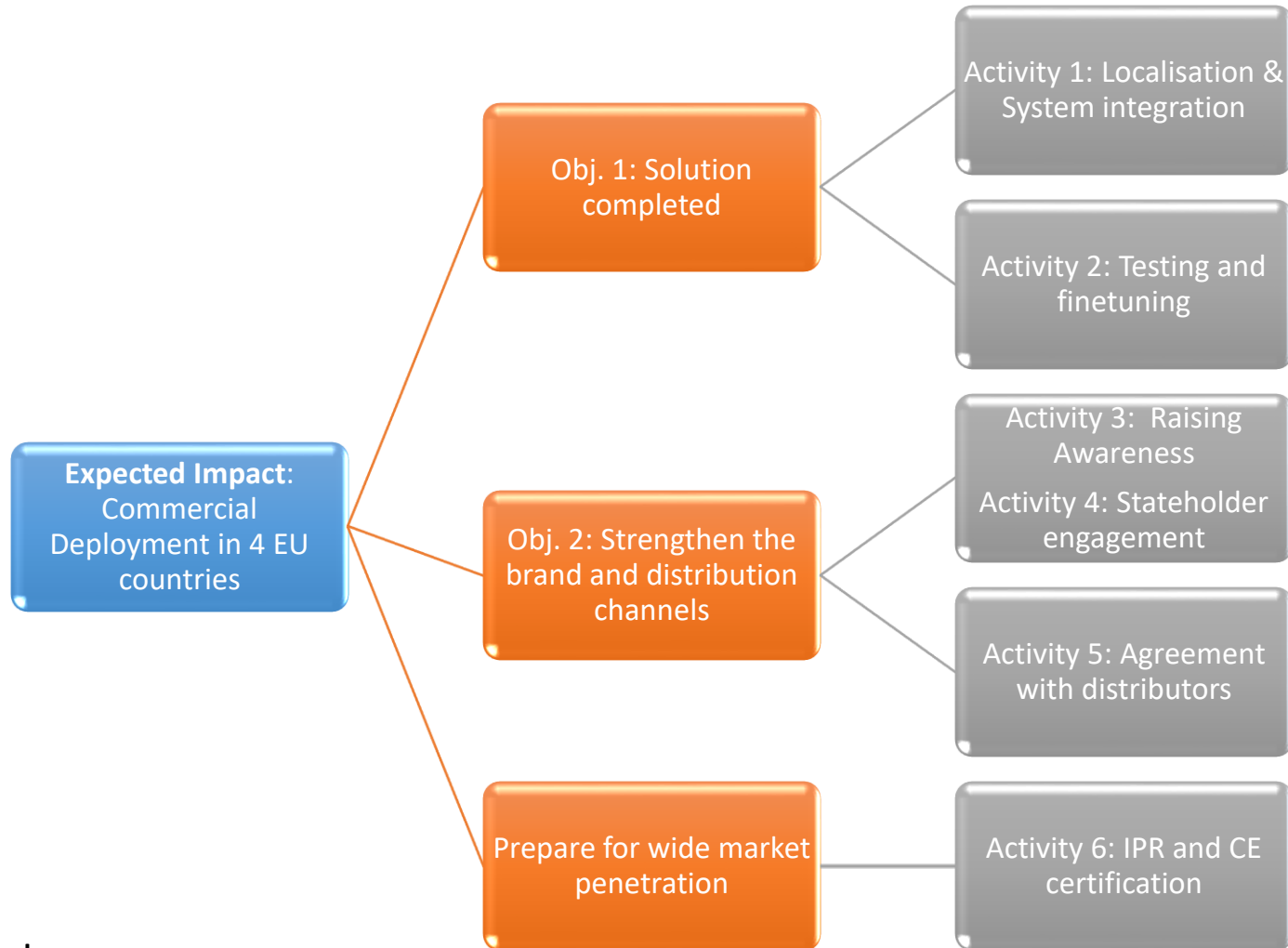
Risks	Significance level (likelihood & severance)	Measures
Low penetration due to unknown brandname		
Reluctance for a non-EU company (e.g. in Turkey)		
No agreement with distributors		
External funding not be found after PH.2		

1.4.2 Technical and Commercial Opportunities

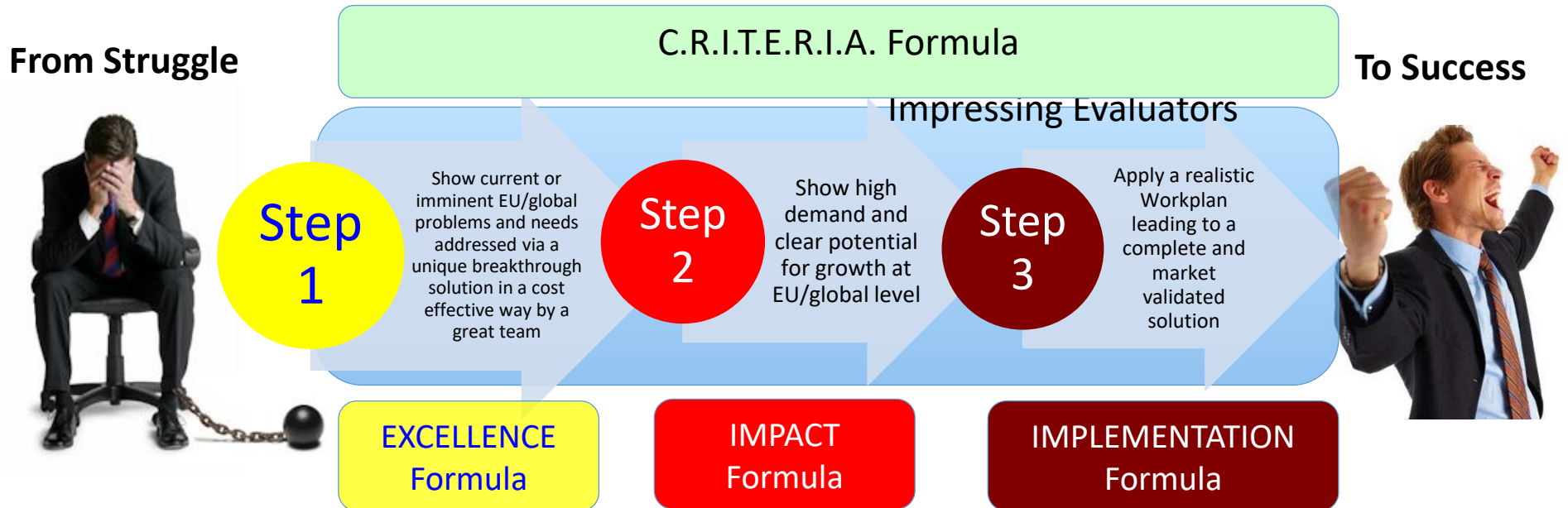
Opportunities	Exploitation Measures
e.g. FTO and patent approved	
e.g. Key advances	
e.g. low cost raw material	

Opportunities	Exploitation Measures
e.g. New Regulations	
e.g. No direct competition	
e.g. Clients familiar with smart phones and high penetration	

1.5 Alignment of objectives and approach with Impact (e.g.)



H2020 SME instrument Winning Formula



2. IMPACT FORMULA

Restructuring Impact Section

Restructured Impact structure in template

2. Impact

2.1 Entering the market

2.1.1 Targeted Users and Customers

2.1.2 Evidence of substantial demand

2.1.3 Market Size

2.1.4 Our competitors

2.1.5 Barriers and conditions to enter EU/globally

2.2 Business Model

2.2.1 Our overall business Strategy

2.2.2 Value chain engagement

2.2.3 Commercialisation Plan EU/globally

2.3 Financing

2.3.1 Company's own financial resources

2.3.2 Business / Revenue model

Expected Company's growth

2.4 FTO and IPR

2.5 Communication and access to research data

Impact Evaluation Criteria in Evaluators' form

1. Impact

Note: The following aspects will be taken into account:

- Convincing description of substantial demand (including willingness to pay) for the innovation; demand generated by new ideas, with the potential to create new markets, is particularly sought after.
Total market size envisaged.
- Convincing description of targeted users or customers of the innovation, how their needs have been addressed, why the users or customers identified will want to use or buy the product, service or business model, including compared to what is currently available if anything at all.
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- Alignment of proposal with overall strategy of applicant SME (or SMEs) and commitment of the team behind them. Demonstration of need for commercial and management experience, including understanding of the financial and organisational requirements for commercial exploitation and scaling up (and - Phase 2 only) as well as key third parties needed.
- Outline of initial commercialisation plan and how this will be developed further (in-house development, licensing strategy, etc.).
- European/global dimension of innovation with respect to both commercialisation and assessment of competitors and competitive offerings.
- Realistic and relevant description of knowledge protection status and strategy, need for 'freedom to operate' (i.e., possibility of commercial exploitation), and current IPR situation or a plan for obtaining this information. Where relevant, description of potential regulatory requirements.
- Taken as whole, to what extent the above elements are coherent and plausible.

Comments:

2.1.1 Targeted Users and Customers

- Understand the difference between _____ and _____ (e.g in a 3-D MRI scanner)
- Identify the users of your innovation, explain briefly their profile and prioritise their needs
- Identify the clients (if different) of your innovation, explain briefly their profile and prioritise their needs

2.1.2 Evidence of Substantial Demand

- Identify market problems/needs with your solution
- Provide evidence on customers willing to pay for your innovation (e.g. price for a 3-D MRI scanner with 98% prediction accuracy vs a standard MRI scanner with 90% prediction accuracy) – Seek/Use as evidence surveys, interviews, focus groups, etc and annex any supporting findings
- Mention here any currently paying customers or connections with potential customers and distributors
- Include if any the interest or the commitment of external investors
- Seek and highlight any LoS on the above (10-15 LoS is a nice number 😊)

2.1.2 Evidence of Substantial Demand

Supplement this section with a _____

<i>User(s)</i>			
<i>Problem/trend</i>	<i>Implications</i>	<i>Solution</i>	<i>Innovation Advance</i>
<i>Client(s)</i>			
<i>Problem/trend</i>	<i>Implications</i>	<i>Solution</i>	<i>Innovation Advance</i>

2.1.3 Market Size

Specify the

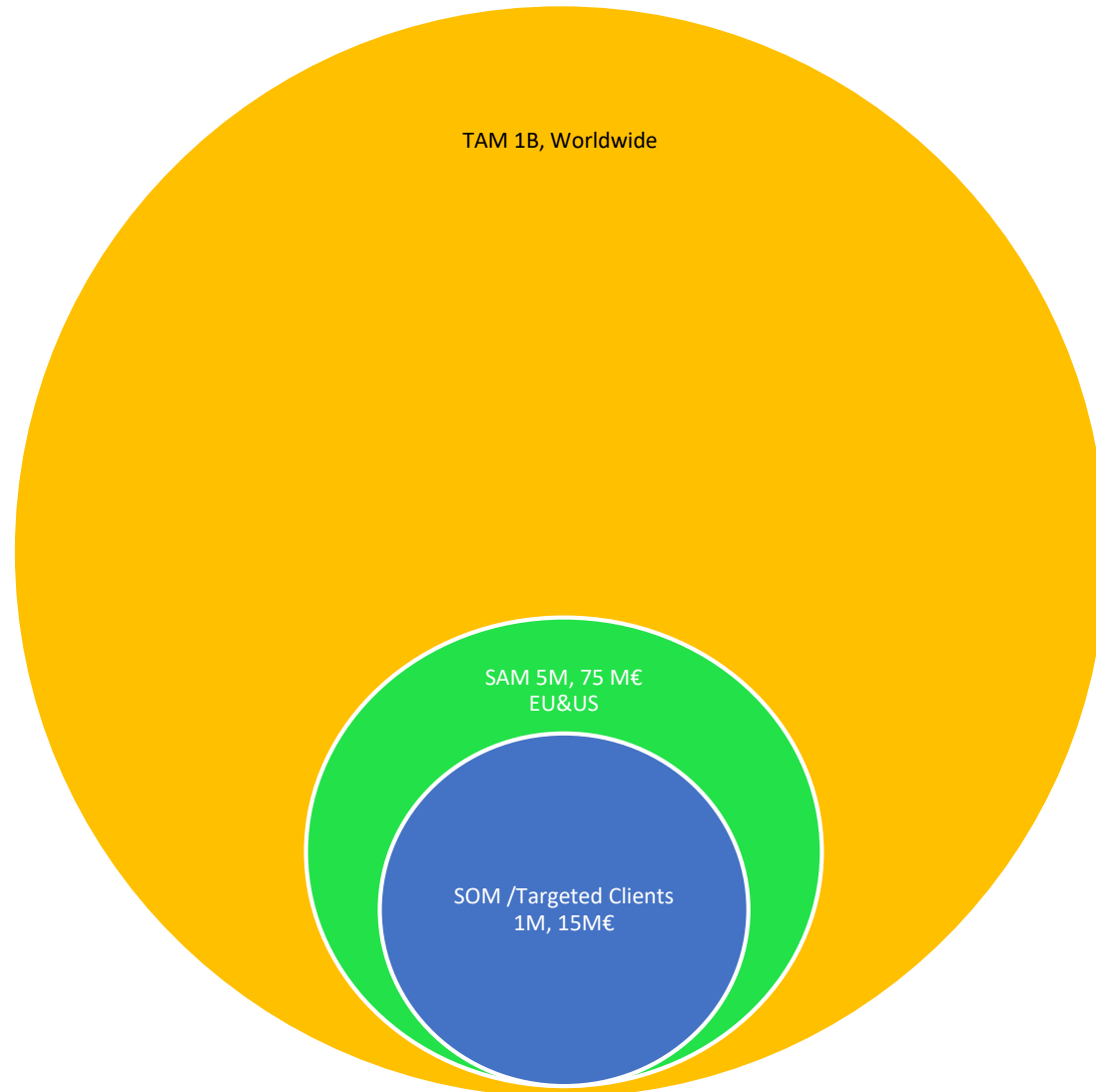
- **TAM** – the total market demand for your innovation globally; the total market demand for your innovation globally
- **SAM** – the segment of the TAM interested in your innovation within your first geographical reach; the segment of the TAM interested in your innovation within your first geographical reach
- **SOM** – the portion of SAM that you can first engage; the portion of SAM that you can first engage

2.1.3 Market Size

- Do not limit your research to a few national markets even if these are your starting countries
- No focus only in your own country even if it's a large market
- Highlight if applicable the ease of use and affordability of your innovation since it makes the TAM more reachable
- Describe which international markets, you would first target
 - No focus only on the ones with the highest TAM but on other factors also (e.g. appropriate legislation/regulatory status, cultural, economical, technological, social demographical, environmental issues)
- Add creativity in your approach for SOM/SAM by considering any suppliers/distributors locally

2.1.3 Market Size

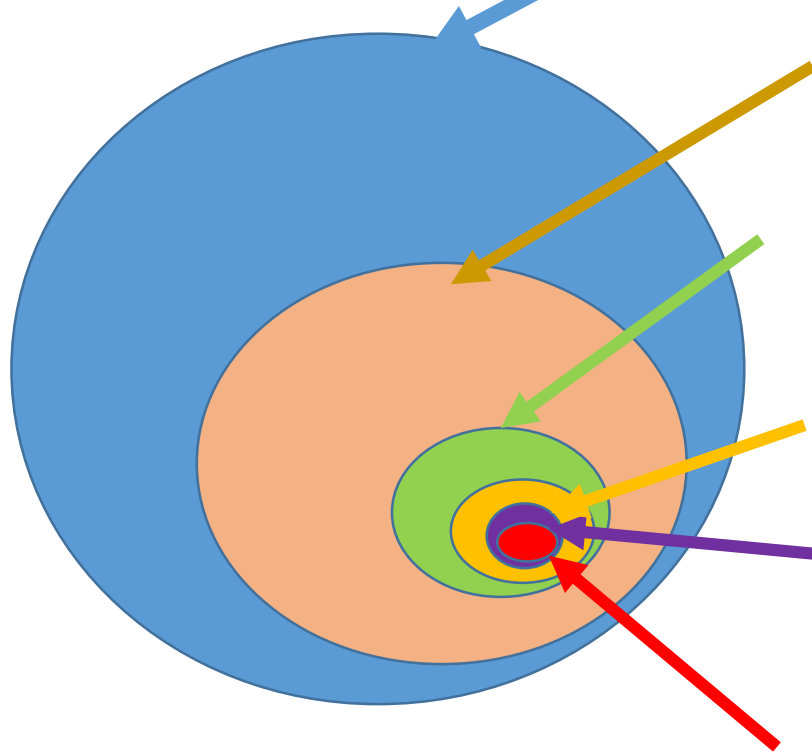
You can use a stacked Venn diagram for TAM/SAM/SOM



Be Clear on your Sales Projections

Most early stage Business Plans focus on the first 2 or 3 levels

"We plan to win 2% of this 3 Billion Euro Market"



THE MARKET – Overall Global Market (TAM)

Gartner, Frost & Sullivan etc, Estimates based on Number of Potential Users etc.

YOUR TARGET MARKET (SAM)

The portion of the market that you will be focusing on to win business

YOUR ADDRESSABLE MARKET (SOM)

The portion of your target market that you can get access to – based on plans, resources', etc.

TARGET CUSTOMERS

Names, contact details??

VALIDATED CUSTOMER PIPELINE

Who have you spoken to – what is their interest?

CUSTOMERS and Finally RECURRING CUSTOMERS

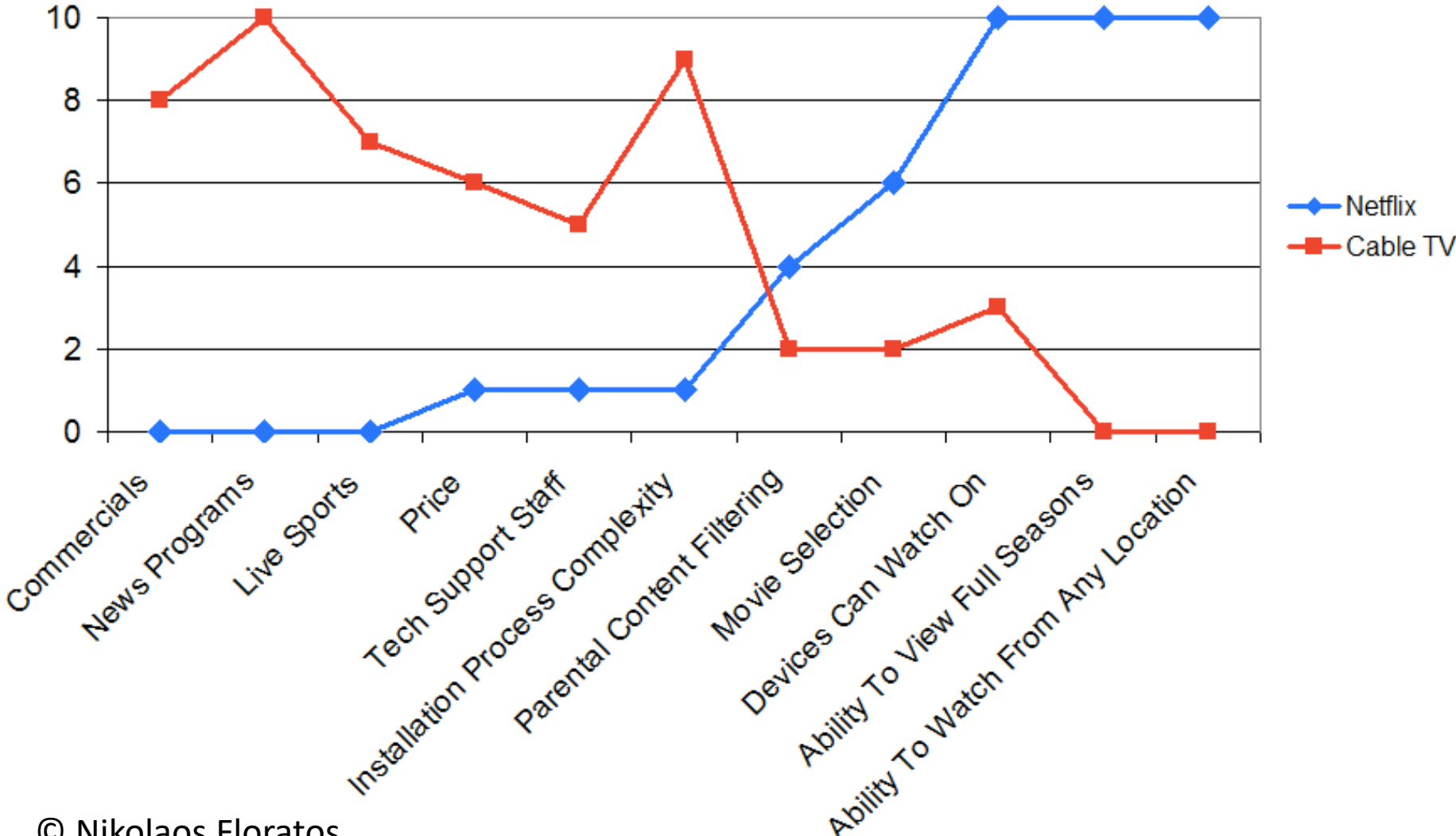
Investors want to see that you have actually spoken with and validated your target customers.

2.1.4 Our Competitors

- Show that you know your competitors and their advantages
- Avoid statements as such “We have no ”. There are always competitors
- Compare your USPs with the competition via a detailed table
- Use a strategy canvas from Blue Ocean to show visually how you position with respect to the competitors on specific factors

2.1.4 Our competitors

canvas example



2.1.4 Our Competitors

Strategy Canvas shows _____

- Which factors should have been reduced/eliminated well below the industry's standard and have been already reduced/eliminated with your innovation?
- What factors should have been raised/offered well above the industry's standard and have been already raised/offered with your innovation?

2.1.5 Barriers and conditions to enter EU/global market

- Use _____ first as a checklist
 - **Political** barriers and respective necessary conditions
 - **Economical** barriers (e.g. capital costs, economies of scale, predatory pricing) and respective necessary conditions
 - **Social** barriers (e.g. cultural refusals) and respective necessary conditions
 - **Technological** barriers and respective necessary conditions
 - **Environmental** barriers and respective necessary conditions
 - **Legal** barriers and respective necessary conditions

2.1.5 Barriers and Conditions to enter EU/global market

Check especially for any

- **barriers** such as CE certification for EU and FDA for USA
- **or Business barriers** to scale-up in Europe such as
 - high capital costs for operating in EU/global level
 - Well-established competition in new EU/global markets
 - Lack of trust in your brand and technology

2.2.1 Our overall business strategy

- Focus on commercial exploitation and scaling up in EU/global markets
- Highlight for more _____
 - Any current/planned investments in other countries
 - Any current/planned partnerships with key actors (e.g. distributors) in other countries
 - The engagement of the proper team (with management, technological and marketing experience) to exploit and scale-up in Europe

2.2.2 Value Chain Engagement

Check which of the following _____ that apply to your innovation!

- Inbound logistics and actors for the receiving, storing and distributing of any raw materials or data used in the production process
- Operations and actors for the raw materials and data turned into the final innovation
- Outbound logistics and actors for the distribution of the final innovation to consumers
- Marketing and sales and actors for advertising, promotions, sales-force organization, distribution channels, pricing and managing the final innovation to ensure it is targeted to the appropriate consumer groups and countries
- Service resources and actors to maintain your innovation's performance after it has been produced, including installation, training, maintenance, repair, warranty and after-sale services in the targeted countries
- End-users and clients of your innovation that either use or pay for your innovation in the targeted countries

2.2.2 Value chain engagement

Stakeholder type	Activities	Current Relationship	Expected relationships by end of project
e.g. Supplier, distributor, etc	e.g. f2f meetings, campaigns, social media, etc	e.g. negotiations, discussions, LoS, already collaboration, etc	e.g. x no. of agreements with specific stakeholder type

2.2.3 Commercialisation Plan to EU/Globally

Identify your _____ per phase for introducing your innovation to the market e.g.

- In phase 1 (6 months):
 - Technical feasibility
 - Market assessment
 - Key partnerships
 - Regulatory & IPR
 - Business Plan
- In phase 2 (+up to 2 years)
 - Localisation and integration
 - Testing/clinical trials and finetuning
 - Certifications
 - Marketing campaign and delivery of the innovation in initial markets
- In phase 3 (+2-3 years)
 - Market uptake in more countries in EU
- In phase 4 (+2-3 years)
 - Market uptake in Europe/international markets

Tip for EU/global scale-up

Consider the following activities for successful EU/global scale-up

- *identifying and engaging the most effective _____ (i.e. sale force, distributors, partners or digital platform such as Internet, etc) for scaling up at EU or global level.*
- *identifying and engaging the most appropriate _____ and expertise for adapting your innovation to the local needs of the EU and global market*
- *Having multiple distribution, sales and support _____ for the different geographical areas for accelerating market penetration at EU or global level*

Examining if applicable the different countries' _____ regulation and licensing laws and about foreign import regulations. Alternatively consider actions for getting that knowledge such as export counseling via experts or via the embassies. You can always use the EC portal for EU export/import https://europa.eu/european-union/business/import-export_en

- *Using the success _____'s of the innovation of your market for attracting further external funds (e.g. Venture Capital Funds) for scaling up in EU or global markets*
- *Joining an _____ programme such as EIT Digital Accelerator (<https://www.eitdigital.eu/accelerator/>)*



Tip for EU/Scale-up



Especially if you are based in an associate country outside EU (e.g. Turkey, etc) you can consider and say the following:

Although our company is based outside EU, we have global partnerships, experience and presence. Also, we will move our HQ to Europe (Specify: Most likely Ireland or Netherlands with attractive incentives for start-ups), to be closer to European customers and respond to their requirements better.

2.3.1 Company's Financial Resources

- _____ contribution can be between 150K-750 K EUR
- Indicate if applicable
 - The share values and ownership % of your company
 - The cash flow of your company
 - Any pending investments from shareholders
 - Any expected investments from VC, BA
- Refer and annex your P& L financial accounts if applicable or any letter of potential investment from shareholders/externals

2.3.2 Business Model & Expected Company's Growth

- Points to consider for your business/revenue _____
 - Do you sell your innovation per unit?
 - Do you charge for a service?
 - Do you have a membership fee?
 - Do you charge for post-sale assistance?
 - Do you provide it for free but have revenues from advertising and/or for selling data you have gathered?
 - Do you intend to use licensing
 - Do you consider leasing?
 - Do you consider any other revenue option?
 - Do you consider any combination of the above?
- Have a _____ to conduct if possible your revenue and cost model for the next five years for adding credibility

2.3.2 Business Model & Expected Company's Growth

- Show the expected _____ of your company for the next five years wrt
 - profit (EUR) and
 - no. of employees
- Estimate the _____ per year wrt
 - Raw materials
 - Infrastructure
 - Personnel (incl. marketing)
 - IPR
 - Subcontracting
 - Shipping
 - Indirect costs
- Estimate the _____ per year wrt
 - Unit price x SOM for first year(s)
 - Unit price x SAM for next year(s)
 - Unit price x % TAM for the other years

	2021	2022	2023	2024	2025
No. of new clients					
Accumulated clients					
No. of accumulated employees					
Unit price					
Unit Sales					
Licensing Revenues					
Total Revenues					
Personnel Costs					
Raw Materials					
Infrastructure					
...					
Total Costs					
EBITDA					
Tax (25%)					
Cash Flow					

Note: _____ 6 growth is expected per year

EXAMPLE FOR A P&L TABLE:

Profit and Loss (P&L)	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (€)	1,500,000	4,000,000	7,000,000	12,000,000	18,000,000
Manufacturing (€)	500,000	1,500,000	2,500,000	4,000,000	6,000,000
Shipping (€)	40,000	80,000	150,000	300,000	500,000
Direct Labour (€)	200,000	300,000	500,000	700,000	900,000
Total Variable Costs (€)	740,000	1,880,000	3,150,000	5,000,000	7,400,000
Gross Profit (€)	760,000	2,120,000	3,850,000	7,000,000	10,600,000
Personnel (€)	200,000	200,000	400,000	600,000	800,000
Marketing (€)	40,000	50,000	60,000	70,000	80,000
Rent (€)	10,000	10,000	15,000	15,000	20,000
Utilities (€)	1,000	2,000	4,000	6,000	8,000
Legal Consulting and IP Protection (€)	50,000	50,000	100,000	100,000	100,000
Accounting (€)	10,000	10,000	15,000	15,000	15,000
R&D Project (X% of revenue) (€)	150,000	400,000	700,000	1,200,000	1,800,000
Indirect Costs (X% of the total overheads) (€)	46,100	72,200	129,400	200,600	282,300
Total Fixed Costs (€)	507,000	794,200	1,423,400	2,206,600	3,105,300
EBITDA (€)	253,000	1,325,800	2,246,600	4,793,400	7,494,700
D&A (€)	0	0	0	300,000	300,000
EBIT (€)	253,000	1,325,800	2,246,600	4,493,400	7,194,700
Interest (€)	0	0	0	0	0
EBT (€)	253,000	1,325,800	2,246,600	4,493,400	7,194,700
Tax (€)	67,045	351,337	595,349	1,190,751	1,906,595.5
Net Profit (€)	185,955	974,463	1,651,251	3,302,649	5,288,104.5
Cash Flow (€)	185,955	974,463	1,651,251	3,302,649	5,288,104.5

2.4 IPR and Freedom To Operate

- Show that you have conducted a FTO search via a _____ company
- Refer and annex any letters that confirm FTO
- Highlight any patents you have filed/awarded
- Refer and annex if applicable any patent certificates

2.5 Communication and access to research data

- If applicable highlight access to the produced research data
- Identify specific _____ and journals for promoting your innovation and engaging with stakeholders in other countries
- Don't miss to state events for _____ such as ones organised by EBAN (www.eban.org/events/) or InvestEurope (www.investeurope.eu)

2.5 Communication and Research data

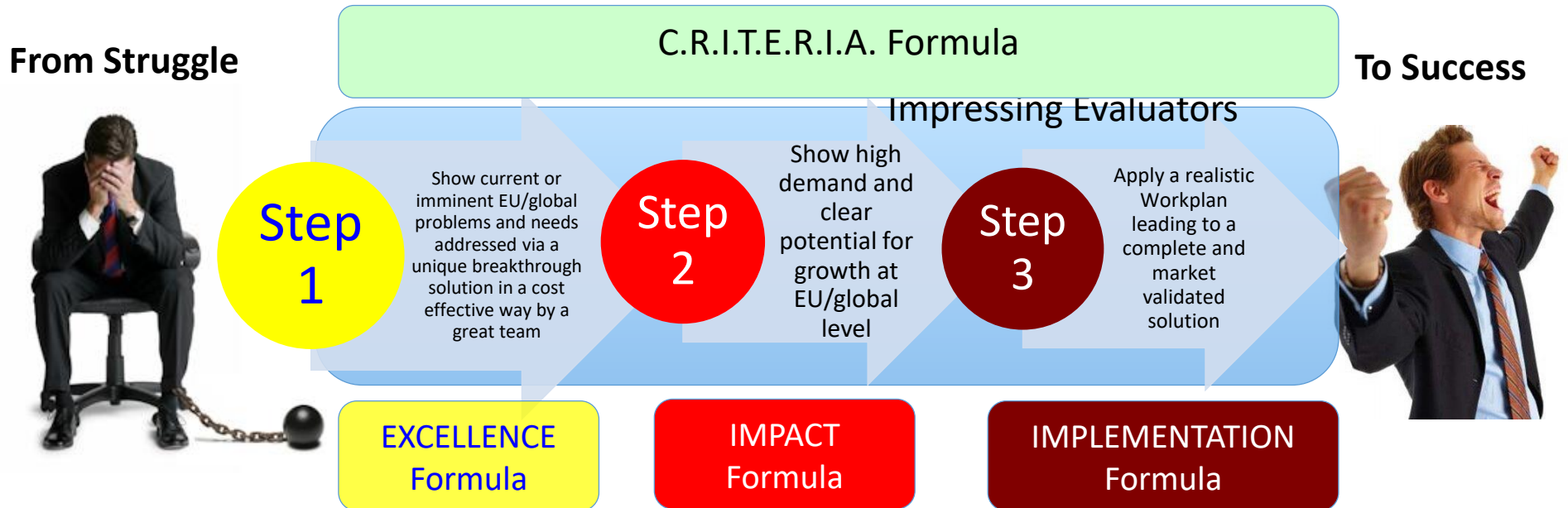
Communication plan template

<u>What</u> to be communicated	To <u>Whom</u>	<u> </u> (Communication Methods)	Communi- cation Level (L/R/N/ E/I)	<u>When</u>	By <u>Whom</u>	How <u>much?</u> (<u>Resources</u> Needed)	Communica- tion <u>Milestones</u>

Useful Resources for EXCELLENCE and IMPACT formulas

- **Rapid Press** of EC, europa.eu/rapid/search.htm
- **Industry related magazines**, publications from related industry/topic bodies e.g. www.marketresearch.com/ or www.profound.com/
- **Scientific papers databases** or alternatively Google scholar scholar.google.com/, www.researchgate.net and www.academia.edu
- **European observatories**, e.g. European Observatory on Health Systems and Policies, www.euro.who.int/en/about-us/partners/observatory
- **EU policies, strategies, actions plans per sector** at <https://ec.europa.eu/growth/sectors/>
- **Public deliverables** e.g. on user needs, state of art analysis, exploitation from other related european funded projects (check compendia, [CORDIS cordis.europa.eu/home_en.html](http://cordis.europa.eu/home_en.html))
- **Sites with statistics** <http://ec.europa.eu/eurostat> Statista.com, <http://ec.europa.eu/eurostat> indexmendi.com, stats.oecd.org, trends.google.com
- **European Parliament Committees** (Supporting analyses at <http://www.europarl.europa.eu/committees/en/supporting-analyses-home.html>)
- **Policy Roadmaps and Impacts Assessments** (e.g. Google *Policy Roadmap robotics* -> .pdf *Strategic Research Agenda for Robotics in Europe*)
- **17 global (incl. EU) Sustainable Goals:** <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>
- Use big brother Google for Market data:
 - Google: Mckinsey “your industry” pdf
 - Google: Forester wave “your industry” pdf (also check their library at <https://www.mckinsey.com/>)
 - Google: Nielsen “your industry” pdf (also check their library at www.nielsen.com)
 - Google: Gartner “your industry” pdf
 - Google: Global Market research “your industry” pdf

H2020 SME instrument Winning Formula



IMPLEMENTATION

Formula

Restructuring Implementation Section

Implementation Evaluation Criteria in Evaluators' form

Restructured Implementation structure in template

3. Implementation

3.1 Team experience

3.2 Workplan

3.2.1 Workpackage, deliverables, milestones

3.2.2 Risk Analysis

3.3 Resources

3. Quality and efficiency of the implementation

Note: The following aspects will be taken into account:

- Technical/business experience of the team, including management capacity to lead a growing team
If relevant, the proposal includes a plan to acquire missing competences.
- Availability of resources required (personnel, facilities, networks, etc.) to develop project activities in the most suitable conditions.
Where relevant, complementarity of partners in a consortium.
- Realistic timeframe and comprehensive description of implementation (work-packages, major deliverables and milestones, risk management) taking the company's or applicant's innovation ambitions and objectives into account.
- Taken as whole, to what extent the above elements are coherent and plausible.

Comments:

3.1 Team Experience

- Ensure that you have the following profiles on your team
 - Manager and Leader with experience in the targeted industry
 - Technical/Operational manager with experience in targeted industry
 - Business and marketing manager
 - Innovation and IPR manager
 - Financial and fundraising manager
 - Human Resource manager
- Include _____ of the people next to their key expertise
- Avoid _____ unless something specialised (e.g. clinical trials, CE certification, Patenting, FTO search, etc)
- Always consider an _____ board with high profile people such as investors, technical experts, distributors, marketers, IPR experts, etc

3.2.1 Workpackage, deliverables, milestones

WP/Activities

- For Phase 1 projects only a development of a feasibility study (50K Lump Sum)

- For Phase 2 projects activities can be

Validation Activities (40%-60%)

- Scaling up and performance verification
- Integration, testing and demonstration in pilots/targeted countries

Validation Activities (60%-40%)

- IPR e.g. patent filing
- Validation for Market replication in 2-3 initial markets
- Regulatory Authorization e.g. CE certification
- Agreements with distribution channels

EC funding €0.5M -€2.5M

Own Contribution 30%

3.2.1 Risk Analysis

Risk Category	Risk	Likelihood	Mitigation methods
Management	Lack of integration within the research teams, areas and WP	Medium	██████████ online evaluation meetings and biannual face-to-face meetings between participants. Definition of common specs and operational procedures.
	Financial risks	Medium	Cost analysis and budget allocation early in the grant agreement.
Infrastructure	Inaccessibility to key research data	Low	Bibliography granted by accessing to comprehensive printed and electronic publications provided by all partners. Creation of wide-ranging database to train ██████████. Generation of additional data ██████████.
	Insufficient computational resources	Medium	Use of redundant, high-performance computers in all centers. Distributed and consistent data backup under ██████████ & revision tools.
	Failure of electronic instrumentation	Medium	Access to alternative equipment guaranteed by the exhaustive number of resources available at partner institutions.
	Inaccessibility to humans resources/services	Low	Interviews and consultations early during the grant agreement.
	Delays in the realization of the different tasks/ Inappropriate methodology	High	Generous time planning. Specification of concrete milestones. Dedication of additional personnel to work in parallel with the fellow. Periodic meetings. Elaboration of concretely-scheduled reports and contingency plans (C1.1, C1.2).
Design	Unsatisfactory behavior of hardware implementations	Medium	██████████

3.3 Resources

- Follow the _____ rule between technological and market validation
- Be careful with subcontracting. Detailed justification is required and sound procurement procedures, else penalised with mark below threshold

3.3 Resources Example



- This is where you mention the devices and equipment you will purchase. Ensure you put in the depreciated costs for all capital items. Give qualified detail on high cost capital items. Make sure to complete this table for **each** participant (not individual persons).
- Explain explicitly all "other direct cost" and their need for the project.

EXAMPLE:

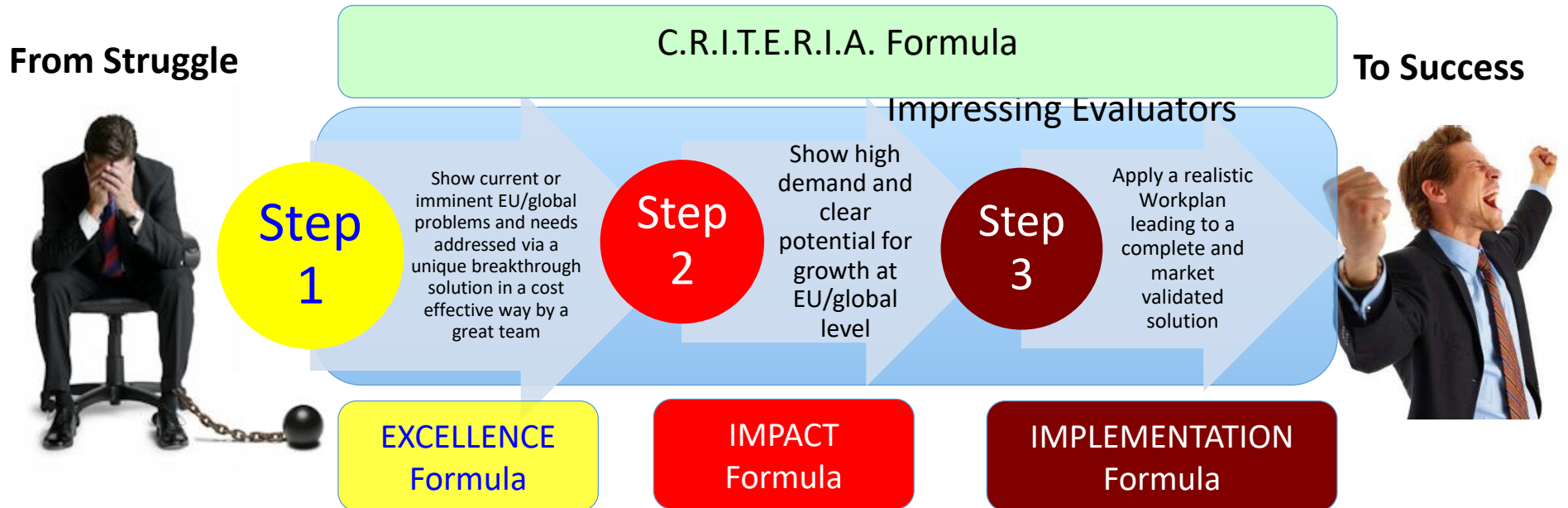
	Cost (€)	Justification
Travel	40,000	20,000 for the two pilots in WP3 (includes total 6 month-long accommodation at €2,500/each and 5 week-long visits at €1,000/each); €20,000 for WP2 and WP4 (estimated 20 visits to target markets/stakeholders at average approx. €1,000/each)
Equipment	0	According to -country's accounting practices equipment used R&D projects are put directly at cost and therefore no depreciation is required
Other goods and services	950,000	€800,000 for materials & consumables of the prototype pilots in WP3: -€600,000 for optimization and production of ; -€200,000 for ; €150,000 for services: -€10,000 in WP1 for audit services; -€30,000 for legal services in WP2 (Task 2.2); -€50,000 for transport services in WP3; -€50,000 for trade fair services in WP4 (2 fairs at €25,000 / each); -€10,000 for web-related services in WP4
Total	990,000	

3.3 Resources Example

EXAMPLE:

	WP1	WP2	WP3	WP4	WP5	WP6
Person Months	80	15	10	70	10	5
Personnel Costs (€)	400,000	75,000	50,000	350,000	50,000	25,000
Travel Costs (€)	10,000	5,000	3,000	5,000	5,000	3,000
Equipment (€)	40,000	-	-	-	-	-
Materials (€)	150,000	-	-	350,000	-	-
Other (€)	100,000	70,000	2,000	100,000	20,000	2,000
Direct Costs (€)	300,000	75,000	5,000	455,000	25,000	5,000
Indirect Costs (25%)	175,000	37,500	13,750	201,250	18,750	7,500
Subtotal (€)	875,000	187,500	68,750	1,006,250	93,750	37,500
Subcontractor 1: ■ (€)	100,000	-	-	-	-	-
Subcontractor 2: ■ (€)	-	70,000	-	-	-	-
Total Budget (€)	975,000	257,500	68,750	1,006,250	93,750	37,500
Requested EC Contribution (70%) (€)	682,500	180,250	48,125	704,375	65,625	26,250

H2020 SME instrument Winning Formula





Congratulations!

You did it! You are familiar now with the recipe for impressing the EC evaluators with the CRITERIA, EXCELLENCE, IMPACT and IMPLEMENTATION formulas

thank
thank
you!



REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY



COMPETITIVE
AND INNOVATIVE
PROGRAM



92 TÜBİTAK