



Bringing your research results to the market

9th July 2015, NCP Portugal



META GROUP

META Group is active on regional, national and global levels in the fields of:

- Support and training towards **research results commercialisation**
- **Start-up and spin-of** creation
- Setting up **novel financial mechanisms** to support knowledge-based companies



ESIC2

Exploitation Strategy and Innovation Consultants (ESIC) is an initiative of the European Commission's DG Research and Innovation to support projects in the Key Enabling Technologies (NMP) in addressing **non-technological exploitation issues** and to enhance the positive impact of projects in terms of **exploitation** and **innovation** through **tailored assistance** to projects.

ESIC covers the following services:

- Project Risk Analysis (PRA)
- Exploitation Strategy Seminars (ESS)
- Business Plan Development (BPD)
- Assistance for Patenting
- Assistance for Standardisation
- Ad hoc services, e.g. attending a project meeting



HORIZON 2020

Why exploitation planning is a must?



EXPLOITATION IN H2020

PROJECT'S EVALUATION CRITERIA

- > Excellence
- > Impact (more emphasis in H2020 compared to FP7)
- > Quality and efficiency of the implementation

All the same weight!



Impact

“The extent of the benefits derived from the innovation”

H2020 Evaluation Criteria: *“The extent to which the outputs of the project should contribute at the European and/or International level to the expected impacts listed in the work programme under the relevant topic.*”



General obligation to exploit

Each beneficiary must — *up to four years after the project completion*, take measures aiming to ensure **'exploitation'** of its results (either directly or indirectly, in particular through transfer or licensing by:

- >(a) using them in further research activities (outside the action);
- >(b) developing, creating or marketing a product or process;
- >(c) creating and providing a service, or
- >(d) using them in standardization activities.



BUSINESS PLANING

➤ A **business plan** is referred to in the proposal template technical annex:

“2.2. Measures to maximise impact, a) Dissemination and exploitation of results:

Provide a draft ‘plan for the dissemination and exploitation of the project's results’ (unless the work programme topic explicitly states that such a plan is not required).

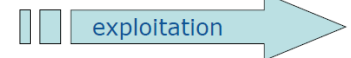
➤ For **innovation actions** describe a credible path to deliver the innovations to the market.

Innovation

The successful exploitation (not necessarily commercial) of new ideas to produce **tangible benefits**



Invention



Innovation

Invention IS NOT Innovation



BUSINESS PLAN COMPONENTS



Business plan

The business plan in this outline of a proposal context should describe:

- ✓ how the consortium intends to **use results** of activities carried out during the project, such as further research activities or developing, creating and marketing a product or process, or providing a service.
- ✓ The actual structure is left to the proposers. The outlined plans should be appropriate to the scale and development status/ **Technology Readiness Level** of the project and provide also information on how the planned exploitable results contribute to the business and growth strategy of the different partners



Business plan

It typically includes description of further elements:

- What is the main outcome of the project? Define the exact product/technology or service;
- Description of the market;
- Who is the legal owner of the research results?
- What are the commercialization strategy options/plans? (IP selling, license agreement, spin-off/start-up establishment, own production, own distribution);
- Which is the most useful and potential strategy of the mentioned options?
- According to the chosen strategy to explain:
 - the available financial, technical, technological, production, HR, business assets
 - the missing capabilities
 - the marketing action plans
 - income and cost plans and the financial for at least 2 years



Product/service

Novel solution

- Benefits of the research produced
- Scalability (further developments)
- Level of transferability / adoption by market
- IPR management



Market

The potential geographical and economic size of the market, market trends, main competitors and competitive advantage need to be addressed.

- What is the potential market size for the product/service? (e.g., calculation derived from number of target customers, units sold, value of sales)
- What is the expected market growth and which major factors influence that growth?
- Who are the likely competitors? What do they offer?
- What are the strengths and weaknesses of competitors?
- What is your competitive positioning vis-à-vis competitors?



Team

Exploitation team

- Expectations
- Needed expertise and skills
- Different exploitation options:
 - Individual project partners
 - All project partners jointly
 - Use/replication by others
 - Up-scaling/integrating others



"I invest in people, not ideas. If you can find good people, if they're wrong about the product, they'll make a switch" Arthur Rock, Venture Capitalist



Business model

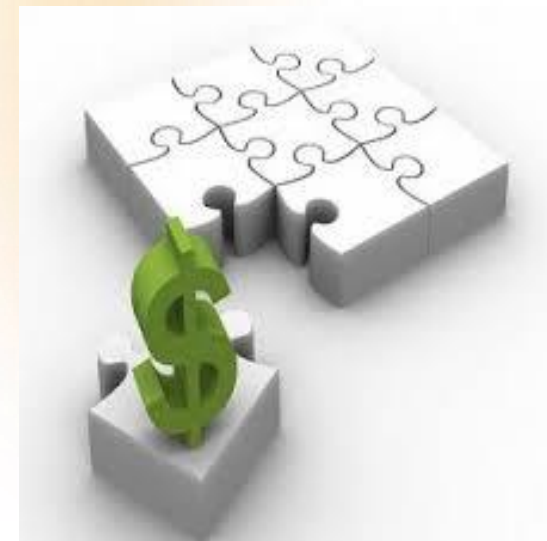
How to generate value

- > Developing a commercial product or service and market it yourself
- > Transfer IP and gain financial reward
- > Use results for further research excellence



Financial projections

- sales forecasts
- investment needed for covering the costs
- funding strategies (including internal sources, loans, equity, public support through for example ESIF 1, national programmes etc., complementary or parallel projects)

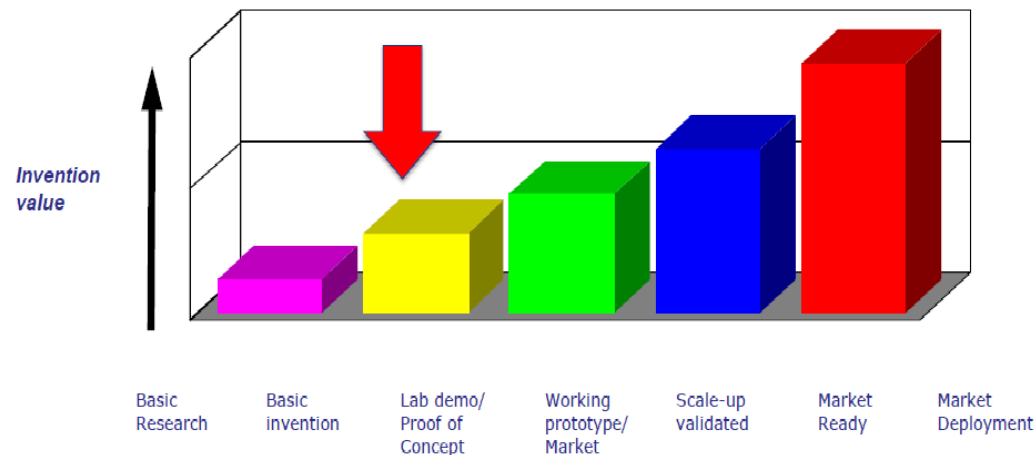


Commercialization roadmap

➤ the steps planned before the product is ready for the market (i.e. proof of concept, prototyping, demonstrations of technological performance and cost effectiveness field trials, pilots, validation and standardisation issues, regulatory requirements, barriers and how to overcome them);

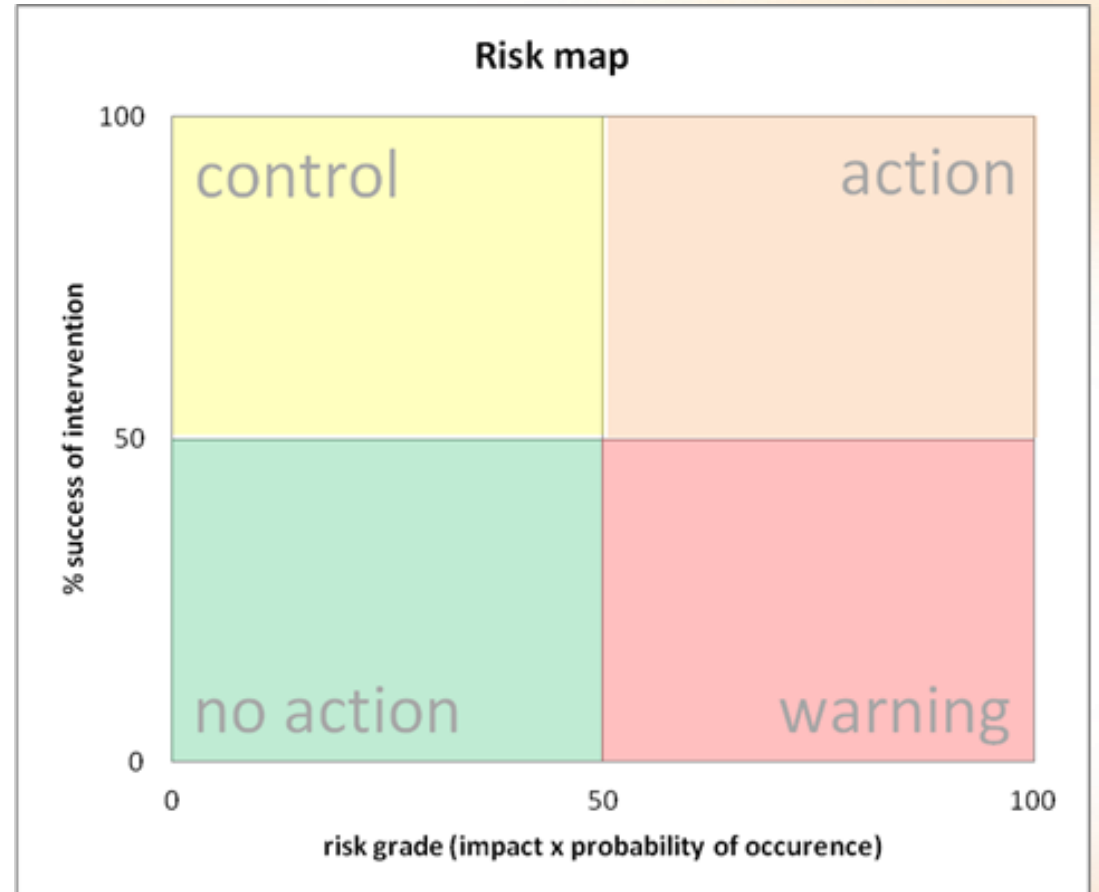
Technology Readiness Levels

Where are you starting from and where do you want to go?



Risk assessment

- financial
- commercial and
- production risks, early standardization needs



Final check

- ✓ *Review of Product/service*
- ✓ *Review of Market*
- ✓ *Review of the exploitation team*
- ✓ *Review of Business Model*
- ✓ *Review of Financial Forecasts*
- ✓ *Review of Action plan*



Continuous cycle

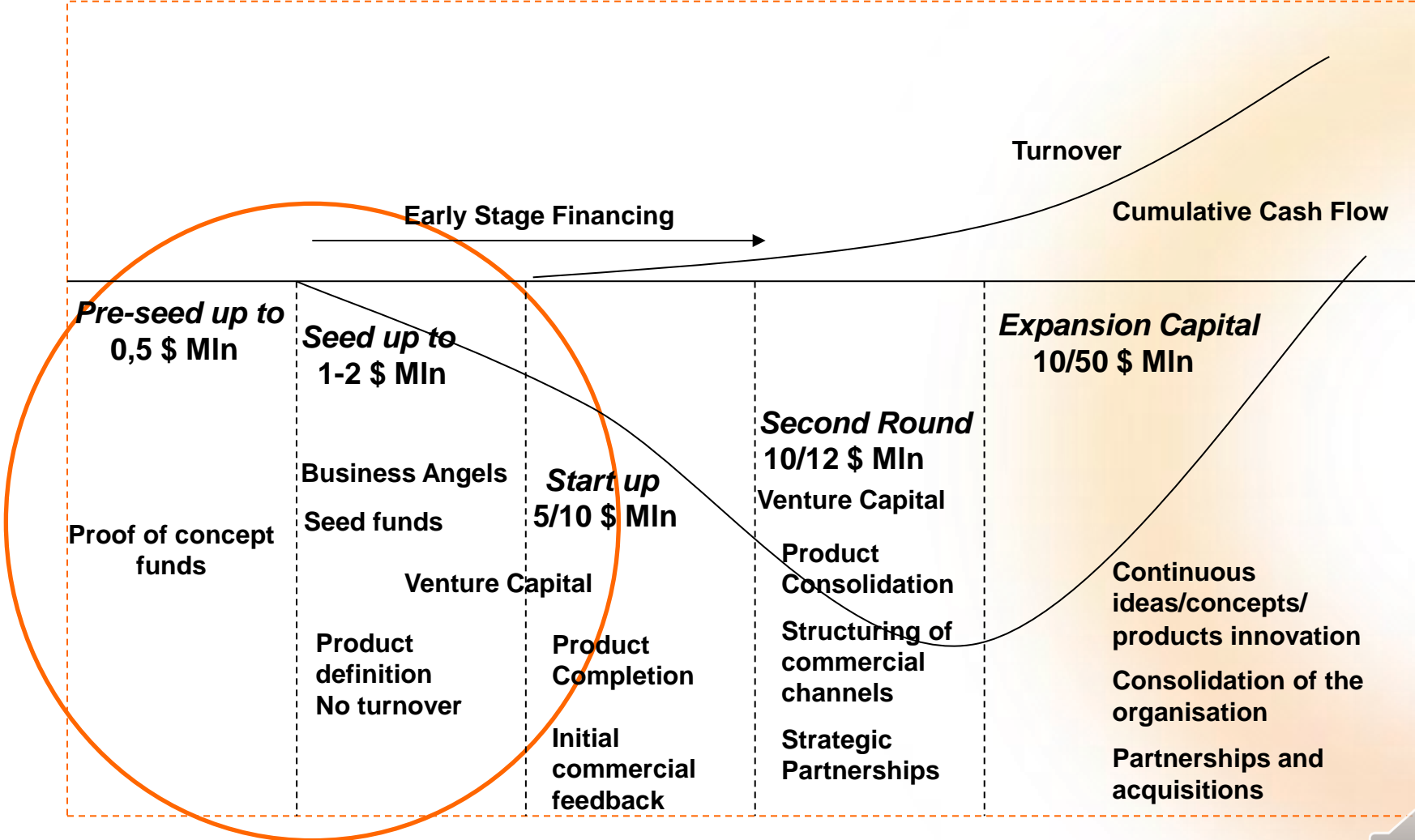
The business plan can be refined, detailed and further developed during the project duration.



FINANCIAL SOURCES



Early stage risk finance (and more)



Financial tools (early stage financing) for knowledge based start ups

- o Proof of concept funds
- o Business Angels
- o Seed funds



The evaluation criteria that risk capital investors use for assessing the potential of a business idea



Key elements early stage investors look at (requirements for investment ready businesses)

- o You need to be an entrepreneur
- o You need to have a business not an invention
- o You need to have a core team
- o You need to have a clear view of financial resources needed

Make money is not the only motivation but is
how shareholders measure success



CRITICAL ISSUES FOR RESEARCH SPIN-OFFS

- Partners agreement on identified exploitation route
- Clear Business model
- Clear ownership of IPR
- Dedicated and committed team
- From “scientific” to “entrepreneurial” mindset
- Fast delivery of MVP



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