

Fact sheet on Public Deliverables



This fact sheet summarises the main outcomes of an analysis on all public deliverables, made available by the funded AAL projects, dealing with market view and approach, competition, business modelling, IPRs, pricing, standardisation, business planning, action and exploitation planning.

This summed up to a total of 88 public deliverables assessed, deriving from 56 projects having produced this type of deliverables; this sample constitutes a solid scenario on which observations, comments and indications are derived.

It is very important to consider that the results of this analysis are carried out on a set of “public” deliverables, some more consistent, accurate (strategic and sensitive) information being present in internal or restricted ones.

- 1) **Introduction** of the importance of the topic for the AAL Programme and the general community.

Supporting the creation of favourable and solid conditions for the **market exploitation** of healthy ageing products represents a key issue and objective for the AAL Programme. The main scope is to provide a European framework that supports the development of usable solutions and facilitates their adaptation to local, regional and national levels taking into account for varying social preferences and regulatory requirements.

Commercialisation-related aspects in AAL aim to make sure that, once the Programme has funded a project, the resulting findings, prototypes and systems enter into a successful market approach path. This is supported through the



[AAL2Business](#) support action, that provides free services and access to experts to help projects make the transition to become a viable business, and the [AAL Market Observatory](#), providing key insights into the growing market for healthy ageing products.

Having a great idea for a product or service in the silver economy is one thing but **turning that idea into a successful business** is an entirely different challenge. AAL projects are not just about research – they need to show a clear pathway to bring their product, solution or service to market within three years of the project's end.

It is therefore very relevant to analyse (based on what is made publicly available) how the funded projects have approached stages of commercial development and business strategy, at what level they have identified the target market, depicted the best channels to reach it, chosen a fitting value proposition and validated their business model by checking their assumptions against the market.

Main findings from the analysis of the public deliverables



Commercialisation-related public deliverables, made available by each project part of this portfolio analysis have been properly assessed, identifying the presence, relevance and address of major commercialisation aspects, namely:

- qualified and quantified market analysis (for the anticipated project results);
- competitors' assessment, including competing systems and approach;
- business modelling, to support results exploitation;
- intellectual property allocation;
- standardisation contextual assessment;
- pricing, in terms of service or system delivery;
- business planning, turning models into quantified cost/revenue/profit estimations;
- market approach action and exploitation planning.

The resulting scenario reveals interesting trends, namely:

- ✓ the large majority of deliverables are self-explanatory, namely are clear and understandable as public reports for third readers (who should be able to understand the project scenario and deliverable scope and content);
- ✓ around half of the involved projects address the three main starting points, namely the understanding of the potential market, the investigation of the competitors and possible business modelling for the results;
- ✓ just one third of them considers explicitly pricing for the involved services and systems and exploitation action planning;
- ✓ IPRs and standards relationships are made clear by around 1 project on 5 only;
- ✓ and just 1 on 10 projects faces a quantitative and structured business planning, that represents the most concrete entrance door to the market.

Overall, for a programme like AAL, so clearly close-to-market in its conception, the resulting scenario presents some criticalities. The portfolio of projects offering public evidence to have addressed the basic initial steps towards the market is limited to half of those investigated (this might be due to the fact that deliverables are developed during the project lifecycle and not by the end when a strong



commercialisation strategy should be available); furthermore, almost marginal or exceptional are the very few that faced the “hard game” of pricing, effective IPRs and business planning (costing, revenues, margins estimation). Yet, it has to be considered that the first phase of the Programme was mostly focused on research, and that the strong focus on the market has been introduced in the end of the 1st phase only.

Main criticalities/weaknesses/gaps identified



A major goal of an AAL project is to find a viable business model to commercialise the identified AAL solution, steering the business/product development with iterative design, testing and learning through innovation sprints. A clear weakness deriving from this portfolio analysis is related to the lack of evident effort and knowledge dedicated by half of the surveyed projects to the understanding of the **potential market** size that could and should be approached for results deployment.

A viable business model, in order to be successful, should be scalable, repeatable and present the potential to be executed profitably. The fact that only around half of the surveyed projects faces in a structured and explicit manner the potential **business model** behind their market approach intentions, represents another gap in the portfolio. It has to be born in mind that the analysis is done only on “public” documents, more substantial and strategic information being possibly present in deliverables or reports restricted to the consortium.

As said above, a profound understanding of the competitive field and actors is a must, to enable the solution developed in the project to be taken to the market and made available to a larger constituency. So, the observation that this is the aspect better addressed by the surveyed portfolio (among those investigated) is encouraging; yet, having a bit less than half of the project not offering any public evidence of a structured analysis of alternative approaches, systems and products, does not release worries on this criticality, namely a limited **competition** assessment).

In terms of business planning, the analysis of the surveyed projects evidences an inappropriate approach towards structured, iterated and validated **business plans**. This represents a potential gap, if we consider in particular the business support network that the AAL programme has established and the dissemination and awareness activities deployed by the AAL network, keeping national AAL participants informed about commercialisation, market uptake and investment opportunities available at national and European level. However, we have still to consider the initial research focus of the Programme and the almost “late” turn of AAL towards commercialisation and business planning, in particular.

The limited evidence of concrete and explicit **pricing** strategies for the intended products and the lack of effectively solved **intellectual property** allocation (with less than one third of the projects offering public evidence of facing such issues) can be understood as a consequence of the average perceived distance from the market of the respective portfolio of projects (the more you are far from the market, the less you feel the urgency to decide who owns what and how to get and share suitable incomes from the selling of the service or of the system).

Furthermore, a limited consideration is given in the analysed deliverables to the relevance that **standardisation** can have on market success of the AAL results, likely to be affected by an average almost immature character of the respective findings, prototypes and systems, quite far from “standard” levels. Although such a limited consideration is not very far-sighted for a field where alignment with standards could result decisive for fast scaling up and transferability of the results.

Finally, the overall fair attention devoted by the surveyed projects to the classical formulation of possible **exploitation plans** reflects the typical market approach which has been promoted for a long -time within European funded projects. Although still in the vast majority of cases, such plans are at partner level, almost fragmented, not building on a clear IP allocation and not linked to fully concrete and substantiated action plans.

Opportunities deriving from criticalities



Main opportunities deriving from the criticalities evidenced during this portfolio assessment can be synthesized in the following major aspects:

- the Canvas **business model** and value proposition, that have experienced an increasing focus and attention all along the AAL Programme deployment, represent sound tools for a structured business development. They are generally well understood by all involved stakeholders, but should be made even more effective, enlarging the scope (addressing other models, e.g. the Lean Startup Canvas, OGSM - Objectives, goals, strategies and measures - model). Furthermore, they should not be seen as a final stage and aim, but as a key intermediary step, to be followed by further insights into IPRs, pricing and business planning;
- business modelling has to be understood and deployed as a continuous process, not only from partners side but also at Programme level, making **business development an iterative process** and a better monitored and supervised task, at project and AAL level;
- an extensive and well documented assessment of **competing solutions** should be deployed as a key opportunity to identify, benchmark and define clear commercialisation roles and responsibilities, suitably allocated and well understood already at project level, steering towards business development (and possible partnering);
- and obviously the major arising opportunity is represented by the potentially relevant **profit** that can be sought in the AAL field, a profit that is more than just a financial statement that proves that there is a higher potential income than expenses, but that has to be primarily understood in AAL as a mix of economical, health and social benefits, aiming at sustainability models and informing, sustaining and feeding a successful **business planning**.

The clearly evidenced **criticalities, weaknesses and gaps**, linked to commercialisation related findings and observations deriving from this public portfolio analysis, in particular in terms of major open steps to be filled-in and average relevant distance of AAL projects to the market, do not just represent a limiting factor, but above all a **clear opportunity of growth** and increase of effectiveness, impact and commercial

potential of the funded AAL projects. This window of opportunity is sustained and witnessed by the objective appreciation of a **clear market demand** (given by the social challenge Europe is going to face with an increasing ageing population) relevant user requirements and unique selling points of the envisaged AAL services and systems.

The outcomes the analysis of these documents lead to indicate a clear **need to invest more in accompanying the AAL constituency** into a field where project partners feel less comfortable, namely business planning and commercialisation and the consequent need to provide more support, shared information and best practices to be taken as exemplary cases.

Effort should be particularly devoted to the most challenging aspect observed in this portfolio assessment, namely on how to conceive, deploy and master an effective **business plan**, inspiring interest, actions and investments from the partners as well as from potential investors.

Devoting more effort on this respect will be critical for the success of projects funded by AAL, and the **need to monitor in a more continuous, iterative and structured manner** (and not only at the end of a funding cycle, but iteratively during the deployment of the programme) aspects like market approach, business modelling and in particular business planning, represents not only a clear requirement. It is also an outstanding opportunity to inspire and sustain further the AAL market impact.

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