



AAL2BUSINESS TOOLKIT



Created by META and APRE in the framework of the AAL2Business Support Action



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SECTION 1 | INTRODUCTION

The objective of this document is to provide AAL actors with guidelines on how to drive project results into the market, and maximise impact.



FOCUS BOX: Dissemination and Exploitation

Dissemination: making the results of a project public, not only by scientific publications, in any medium. Its aim is to:

- Transfer of knowledge and results to the ones that can best make use of it;
- Maximize the impact of research, enabling the value of results to be potentially wider than the original focus.

Exploitation: the utilisation of results in developing, creating and marketing a product or process, or in creating and providing a service or in standardisation activities. It aims to:

- Make use of the results by recognising exploitable results and their stakeholders.
- Concretise the value and impact of the R&I activity for societal challenges.

The Toolkit includes all relevant topics and issues covered during AAL2Business activities, hints and recommendations concerning how to improve the use of AAL results and strengthening the commercialisation approaches.

Preparing exploitation is a key task for all EU-funded projects: it forces consortia of projects to describe how they intend to use in the future the results obtained during the project itself and how they expect project results to achieve economic, societal, scientific and political impact. Thus, having a well-prepared exploitation strategy **directly contributes to the EC priority of making full use of the**

knowledge produced through its funding programmes, aiming at maximizing the impact of the R&I public investment.

A need/user-driven perspective and a proactive attitude ("the entrepreneurial approach") are key to maximise impact.

The entrepreneurial approach is based on:

- **TEAM:** bringing a research result into use is possible only if the people are committed, perseverant and determined. It needs people with the right attitude, motivation and ambition. One of the challenges for the consortia is to be aware that such a team has a crucial role and involve all its member.
- **RESEARCH RESULTS:** they are the subject of the services to be made available. Partners have to recognize among all results, the key results, the ones that can be used and can produce impact. Without such a recognition, even the best exploitation and dissemination plan will not raise the interest in the selected audiences.
- **NEED ORIENTATION:** when paving the way toward use, the customer segments, overall market structure and the business model have to be considered, not just the technology: customers, users, their needs, current solutions, the unique value proposition, unfair advantages, distribution channels, etc. They are all important factors for a better understanding of the real potential and value of the novel solution and the identification of the message to be delivered to the different target groups.

SECTION 2 | THE KEY RESULTS

2.1 DESCRIBE THE KEY RESULTS

The starting point for an exploitation strategy is the identification of the key results (see box below).

FOCUS BOX: Key Results



The key results are defined by the European Commission as “scientific/research results, which have **commercial and/or societal significance**, the outputs generated during the project which **can create impact during and after the funded activity** is finished, either **by the project partners or by other stakeholders**.”

The key result characterisation represents a fundamental step to summarise their features and to provide inputs for dissemination purposes.

The characterisation process phase includes the analysis of several dimensions of the result:

- **The novel solution:** Description of the result, Problem solved, Alternative solutions, Unique Selling Point (advantages or innovativeness introduced compared to already existing solutions,) Description of the result.
- **Market:** Product/Service Market Size, Market Trends/Public Acceptance, Product/Service Positioning, Competitors/Incumbents, Prospects/Users/Customers.
- **External factors:** Legal or normative or ethical requirements (need for authorisations, compliance to standards, norms, etc.).
- **IPR Status:** Background (type and partner owner), Foreground (type and partner owner).
- **Exploitation Strategy:** Exploitation Forms [direct use, indirect use (technology transfer, license agreement), standards, etc.], which partner contributes to what (main contributions in terms of know-how, patents, etc.), partners' expectations.
- **Go to market aspects:** Time to “market”, Cost of Implementation (before use),

Estimated Product/Service Price and Expected Revenues, Adequateness of Consortium Staff, External Experts/Partners to be involved, Sources of financing after the end of the project (venture capital, loans, other grants, etc.).

TIP BOX: Set Realistic Targets



Set realistic targets as early as possible and monitor continuously progress made towards them. Teams must characterise their key exploitable results (preferably when they are at the early stage of their development) and look at them from a business perspective.

2.2 THE CHARACTERISATION TABLE

The tool to use to identify the result is the characterisation table. This template is designed to start collecting information that will be then reviewed and further integrated during the project life. Partners should fill in the content and discuss it with the ones involved in the finalisation of the result including the partners that will oversee the testing phase.

Result name

Describe the problem you are addressing (the problem your potential users have). Potential users are the people, companies, organisations, etc., that you expect will use the result (and generate an impact). They are your “Customers”.

Problem

TIPS: make sure that the problems described are the actual problems. Identify and validate them together with your “customers” (problem/customer fit). Being able to solve problems is key to make sure results are used and that the envisaged impact is achieved.

Result name	
Alternative solution	<p>Describe how your “customer” has solved the problem so far.</p> <p>TIPS: alternative solutions are important to benchmark the proposed innovation and to get a better insight into the competition. Having a picture of the weaknesses and strengths of the alternative solutions will help you to compare and to quantify the added value of your solution and to have insight on how the alternative solutions are delivered (who is providing them and at which conditions).</p>
Unique Selling Point USP - Unique Value Proposition UVP	<p>Describe the competitive advantages, the innovative aspects. What does your solution do better, what are the benefits considering what your user/customer wants, how does your solution solve his/her problem better than alternative solutions, what distinguishes the key result from the competition/current solutions?</p> <p>TIPS: the UVP must be validated and backed with facts and data. Check the UVP with early adopters and collect facts and data from the testing phase of your project to provide sound information on the magnitude of the value that your solution is offering.</p>
Description	<p>Describe in a few lines your result and/or solution (i.e. product, service, process, standard, course, policy recommendation, publication, etc.). Use simple wording, avoid acronyms, make sure you explain how your UVP is delivered.</p>

"Market" – Target market	<p>Describe the market in which your product/service will be used/ can “compete”, answering the following questions:</p> <ul style="list-style-type: none"> - What is the target market? - Who are the customer segments? <p>TIPS: to finalise the exploitation plan and prepare the use of the key result a clear identification of the target market is needed, with its segmentation. It should include both a qualitative and quantitative description in terms of size and features. Please consider that geography matters in terms of the market that you want to serve.</p>
"Market" – Early Adopters	<p>Early adopters are the “customers” you are willing to address first. They are usually the ones that feel the problem harder than all the others (they are not the project partners).</p> <p>TIPS: being the early adopters the first ones you would like to reach out with your innovative solution, it will be important to be able to connect with them. Make sure your early adopters are consistent with the target market (customers). To develop the exploitation model, it is important to look at early adopters and how to go from early adopters to “early majority”. New initiatives fail because they are not able to reach early adopters.</p>
"Market" - Competitors	<p>Who are your “competitors” (note: they are the ones offering “alternative solutions”)?</p> <p>What are their strengths and weaknesses comparing to you?</p> <p>“Competitors” may be different if you envisage licensing as a business model rather than directly providing a service or producing and selling a device.</p>

Result name	
Go to Market – Use model Discussion to be started in the initial stages	<p>Explain what is your “use model”, how the result will be put in use (made available to “customers” to generate an impact). Examples of use models: manufacturing of a new product, provision of a service, direct industrial use, technology transfer, license agreement, contract research, publications, standards, etc.</p> <p>TIPS: use model, target market and customers need to be consistent. In the case of licensing, consider that there are several different types of licensing agreements that could be used. Discuss the different options with colleagues from the legal department involved in licensing deals. Delivering a service entails the presence of a “competent” organisation with procedures, insurances and certifications ready to offer the services according to the expectations of the potential customers.</p>
Go to Market - Timing Discussion to be started in the initial stages	<p><i>Time to market</i></p> <p><i>How long it will take, from the end of the project for the result to be fully usable</i></p>
Go to Market – IPR Background Discussion to be started in the initial stages	<p><i>What is the Background (type/ partner)?</i></p> <p><i>Provide information considering also what already agreed in the Consortium Agreement.</i></p>

Go to Market – IPR Foreground Discussion to be started in the initial stages	<p><i>What is the Foreground (type/ partner)?</i></p> <p><i>Provide information considering also what already agreed in the Consortium Agreement.</i></p>
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SECTION 3 | BUSINESS PLANNING

3.1 INTRODUCTION

Our approach is based on the Lean startup methodology and philosophy for developing solutions that best fit/solve market (explicit or latent) needs/problems. This approach aims to shorten solution (product, services, whatever) development cycles and rapidly discover if a proposed business model is viable; this is achieved by adopting a combination of business-hypothesis-driven experimentation, iterative product releases, and validated learning.

To prepare the exploitation and to start disseminating project results, it is important to identify the problems the novel solution is addressing, who are the ones who feel this problem the most (the users, the target group of any dissemination activity, your "customers"), the unique value proposition (what makes the novel solution much better than current ones) and to identify how we are planning to reach them out (use mode and distribution channels). It is also important to understand the costs of providing our target groups with the novel solution and how to monitor progress.

3.2 HOW TO APPROACH THE BUSINESS MODEL

The business model or use model is the plan for the creation of impact (successful delivery of a solution), identifying the intended "customer" base, the result (product/service), sources of revenue and details of financing. It describes the way in which "value" can be extracted from an exploitable R&D result and impact generated.

The preparation of a business model is a must for accessing strategic partners and even more important when approaching financial actors (such as early-stage investors, business angels, venture capitalists, banks, etc.).

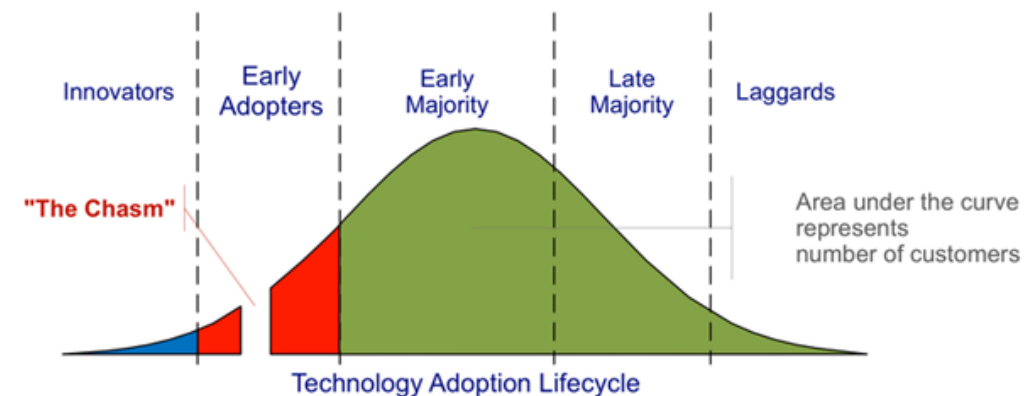
3.2.1 Every "customer" has a problem, every problem has a solution

When working on the business model, it is crucial to start from the problem and not from the solution. New initiatives (including spin-offs) fail because their of-

fer (a product, a service, a license) is not designed for the intended customers. Every customer has a problem, every problem has a solution but the other way round is not true: not every solution has a problem, not every problem has a customer. Brainstorm and identify the problem (forget the solution).

3.2.2 Early Adopters

To develop the exploitation model, it is important to look at early adopters and understand how to go from early adopters to "early majority". Innovators are the ones that "use" the "alfa" version (2,5%, often the industrial partner in an R&D project); early adopters are the customers ready to "use" the "beta" version (13,5%). The next step is to reach the "early majority" (34%). Many new ventures fail before reaching out to the early majority because they are not able to reach out to early adopters.



The early adopters represent the bridge enabling you to move from the lab, from the pilot to the early majority, that represents the market.

There is a gap to be filled, called chasm, which is hard to cross because it is not easy to move from the inner circle of innovators to the market. This is why is key to find the right early adopters of your solution.

3.2.3 UVP

The Unique Value Proposition describes the benefits of the novel offer, how you solve your customer's needs and what distinguishes you from the competition. It is clearly related to the customers' needs and how their problems are solved so far.

In defining the UVP you do not want a "point of parity" when your features are similar to the ones of the competitors. What counts are the points of difference, what you do, that the others do not and that matters to the customers. You do not want to be better than your competitors, you want to be better for your customers.

TIP: Do not imitate/mirror competitors. Keep in mind customers, not competitors.

3.3 THE LEAN CANVAS

In implementing the Lean Start up approach, the key tool used during the process is the **Lean Canvas**. It is an adaptation of Business Model Canvas by Alexander Osterwalder which Ash Maurya created in the Running Lean spirit. The Lean Canvas provides a unique opportunity to discuss different business models and allows interactive coaching sessions to facilitate the pivoting of the assumptions and refining the exploitation model.

The Lean Canvas is a conceptual framework that represents an exploitation opportunity in **nine boxes**, depicting the details customers, competition, Unique Value Proposition, solution, unfair advantages channels, demand creation, revenue models, resources, activities, and cost structure.

1) Problem	3) Solution	2) Unique Value Proposition	4) Unfair Advantage	1) Customer Segments
1.a Your customers' top 3 problems List your customers' top 3 problems.	List the top 3 features enabling your solution to tackle the problems.	Describe in a clear and compelling way why you are different and worth buying.	Something that can't be easily copied or bought.	1.b Target customers List your target customers. 1.c Early Adopters List the characteristics of your ideal customers.
1.d Existing Alternatives List how these problems are solved today.	7) Key Metrics		5) Channels	
	Key activities you measure.		List your path to customers.	
6) Cost Structure List your fixed and variable costs.		6) Revenue Structure List your sources of revenue.		

3.3.1 How to fill out a lean canvas

The end goal of the lean canvas is for an unknowing third party to be able to review the information provided and understand what the key result and its use are about. Thanks to the lean canvas, it would be possible to understand the problem in focus, the customer groups that you target, the solution you provide, how it differentiates from competitors, how you intend to create value, etc. The lean canvas is very important for the effective implementation of dissemination and exploitation actions. Due to this, it is very important to avoid the use of highly technical language, abbreviations, etc., in order to make sure that the nature of your key result may be understood by anybody.

Below is a description of the main steps to draft the canvas.

1) PROBLEM/ CUSTOMER SEGMENTS - *What are your customers' 3 main problems you are addressing? Who are your target customers? (do not confuse them with users).*

Explain **what** the problem is and **why** it is a problem. Being able to solve problems is key for a result to be used. Make sure the main problem is identified in a clear way, without remaining in very general terms. The problem is usually related to the "job" the customer has to accomplish. Additionally, try to add numbers or quantifiable measures that will clearly highlight the scale of the problem.

With regard to the target customers, be clear on explaining the geographic location of your customers, the industry in which they are operating in, as well as connecting them to the problem in question.

After detecting your target customers, find your "early adopters", namely those people who more than others understand your innovation, are willing to use it, are available to pay for it, and can give you valuable feedback. These will be the first customers of your solution. Be sure to find as much information about these as possible. Explain the geographic location, connect them to the problem, explain exactly why they will be the first adopters, clarify your current connection to them, etc.

Then, get back to the "problem" block and describe the "existing alternatives", namely how your early adopters are solving the problem now (today's alterna-

tives). Existing alternative solutions are important to benchmark the proposed solution and to get a better insight into the competition. Analyse the weaknesses and strengths of the alternative solutions; this will help to compare and to quantify the added value of your solution and investigate who is providing them and at which conditions.

2) UNIQUE VALUE PROPOSITION - *Why is your solution more efficient than the current one and worth buying?*

Define your UVP based on the current alternative: explain why you are different, why you are better than others, what makes your product/service more efficient for your customers.

Explain the **uniqueness** of your solution and make sure that it's clearly stated how you differentiate from alternative solutions and why the customer will come to you.

This is the opportunity to communicate that you are the best one to solve a given problem, to provide a solution for a particular problem.

Provide facts and data, explaining the performance of your product compared to alternative solutions (efficiency increase by 20%, decreased energy consumption by 10%, 30% fewer development costs, etc.).

3) SOLUTION - *What are the main features of your solution?*

Describe here the core features of your solution and how it tackles your customers' problems. Be sure to explain the format of your solution (is it a machine, a piece of equipment, software, a service, a process, etc.), what it does, and how it does it. Make sure you explain how your solution delivers the UVP. Do not use acronyms. It needs to be understandable by business partners and potential investors, not just by the project partners.

4) UNFAIR ADVANTAGE - *What gives you an advantage over the competitors in the medium/long term?*

The unfair advantage is something that cannot be easily copied or bought by

your competitors. In other words, all those elements preventing others from copying your solution in the short term.

This could be IPR, being the first movers on new technology that takes years to develop, etc. Be sure to explain *why* the listed points provide you with a competitive advantage.

5) CHANNELS – *How will you reach out to your customers?*

You must evaluate what are the best channels to reach your customers in a sustainable way. Be sure to investigate whether the chosen channels are suitable for your customers.

You have to be consistent with your previous choices and you have also to be clear on how to reach them in a feasible and credible manner.

6) REVENUE AND COST STRUCTURES – *What is your revenue model? What are your fixed and variable costs?*

What will be the main revenue streams when the solution will be launched into the market? Explain how you will generate revenue and how much you expect to generate from each stream.

Estimate revenues for the seed stage after 6 months and after 3 years. Quantify amounts and prices by detailing, for example, the expected number of services provided and sold, number of licenses sold at what price, etc.

With regard to the costs, explain what your main costs will be when the solution is ready for the market (e.g., customer acquisition costs, distribution costs, hosting, people, etc). As with revenues, estimate the total costs to incur after 6 months and 3 years along with the estimated cost of each “category cost”. This will connect your revenues to your costs.

7) KEY METRICS – *How are you going to assess your performance?*

Metrics are all numbers telling you how you are performing which you have to keep an eye on in order to have success.

You should provide at least three key metrics.

The more suitable key metrics for your business, the more you will be able to understand how successful you are in delivering value to your customers. After you finish the exercise, test your hypothesis “out the lab”, with at least 2 to 3 real potential customers. Validate the following assumptions:

- Are the problems you detected the real ones? Does your solution tackle these problems?
- Are the features that your solution is offering the ones your customers need and look for?
- Are the explanations provided in the canvas sufficient to provide the customer with a clear understanding of your project?

Write down the feedbacks and update, revise, iterate the CANVAS accordingly.

3.4 THE VALUE PROPOSITION CANVAS

When using the Lean Canvas, the most important part to be addressed by the team working on the use of an R&D result is the Value Proposition, i.e., the benefits “customers” can expect from the novel solution. According to our experience, in most cases, researchers find it difficult to develop a compelling and clear value proposition for their key result.

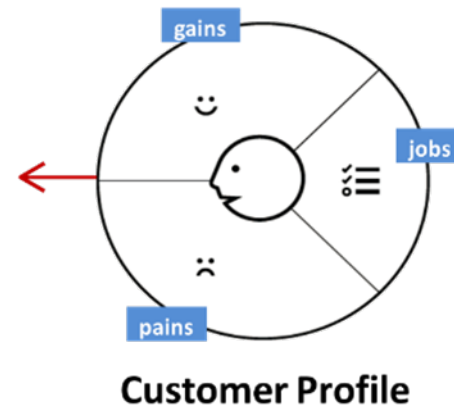
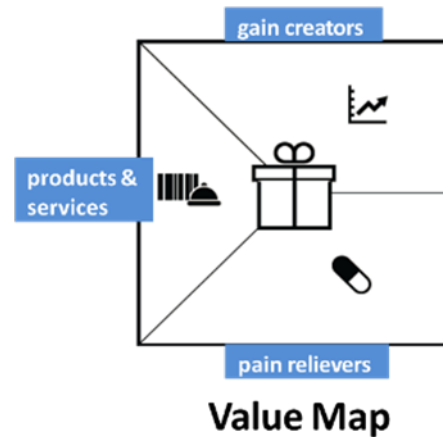
The value proposition describes the benefits, the value deriving from the use of your solution.

The Value Proposition Canvas helps in understanding target customers to avoid one of the most common mistakes when developing an innovation: building something that nobody wants.

The Value Proposition Canvas is based on 2 concepts:

- **THE CUSTOMER PROFILE** and **THE VALUE MAP**

- **THE VALUE MAP:** the set of values provided by the novel solution to respond to the needs of the “customers”



- **THE CUSTOMER PROFILE:** the set of customer characteristics and needs that the novel solution assumes.

HOW TO APPROACH THE CUSTOMER PROFILE



1. **Customer segment:** The first step is to select the customer segment that can benefit the most from your solution.

TIPS: 1) focus only on one customer segment at the time (each customer has its own specific needs and problems to be solved); 2) start from the early adopters previously identified in the lean canvas.

2. **Jobs:** the set of customers' activities that generates the needs that must be fulfilled with your solution, what your customer segment is trying to do.

3. **Customer pains:** what annoys the customer before, during and after getting the job done.

TIPS: 1) link to the “Problem” block in your lean canvas; 2) you might consider any undesired outcomes, such as non-functioning product/service, violation of privacy, losing money; any obstacles; emotional pains, such as fear of failing or losing a job, anxiety regarding technology, discomfort due to cultural differences, etc.

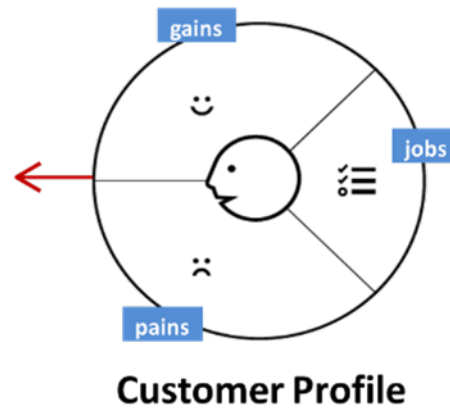
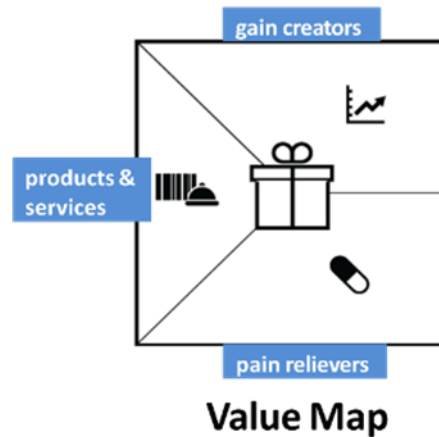
4. **Customer gains:** the outcomes and benefits customers expect to gain when getting the job done.

TIPS: you might consider savings that make them happy (time, money), required expected and unexpected levels of quality, what makes them feel successful (e.g., learning new skills) or makes their life/work easier.

5. **Prioritisation:** understand customer priorities and then rank the elements you identified in the previous steps.

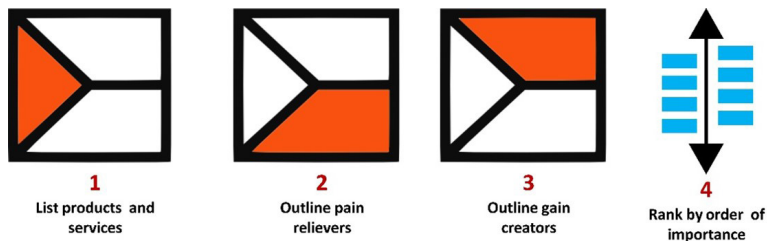
TIPS: 1) rank gains according to how essential they are in the customers' eyes; 2) rank pains according to how extreme they are in the customers' eyes; 3) rank activities, according to their importance to the customers.

- **THE VALUE MAP:** the set of values provided by the novel solution to respond to the needs of the "customers"



- **THE CUSTOMER PROFILE:** the set of customer characteristics and needs that the novel solution assumes.

HOW TO APPROACH THE VALUE MAP



1. **Product/services:** list the products and services you intend to offer to the customers.

TIPS: 1) link to the "Solution" block in your lean canvas; 2) List all components that are needed to help the customer segment complete their jobs.

2. **Pain relievers:** how do your products and services alleviate specific customer problems (customer pains).

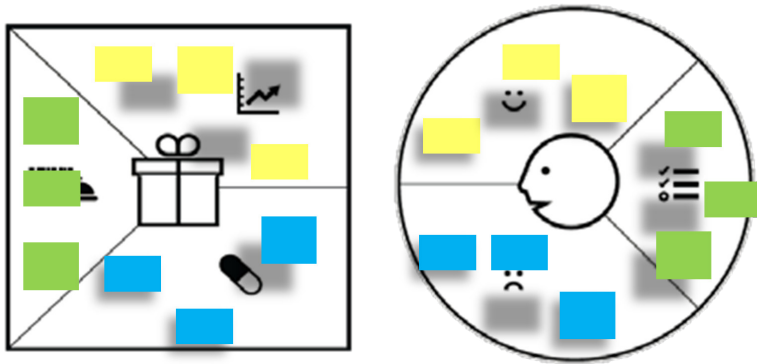
TIP: consider what might fix problems, remove frustration and anxiety, eliminate fears, ease the pain related to costs (time, money), remove obstacles and barriers.

3. **Gain creators:** how your innovative product or service could fulfil the desired customer gains.

TIPS: consider the components of your solution that might generate any monetary/financial benefits, help customer fulfil their success criteria/key performance indicators, generate self-fulfilment (e.g., helping customer learn new things, expressing emotions or regaining something that has been forgotten).

4. **Prioritisation:** rank your products and services, pain relievers and gain creators, according to their relevancy.

TIPS: rank them according to how essential they are in the customers' eyes (from nice to have to essential).



Go through Pain Relievers and Gain Creators one by one and check to see whether they fit a customer job, pain, or gain.

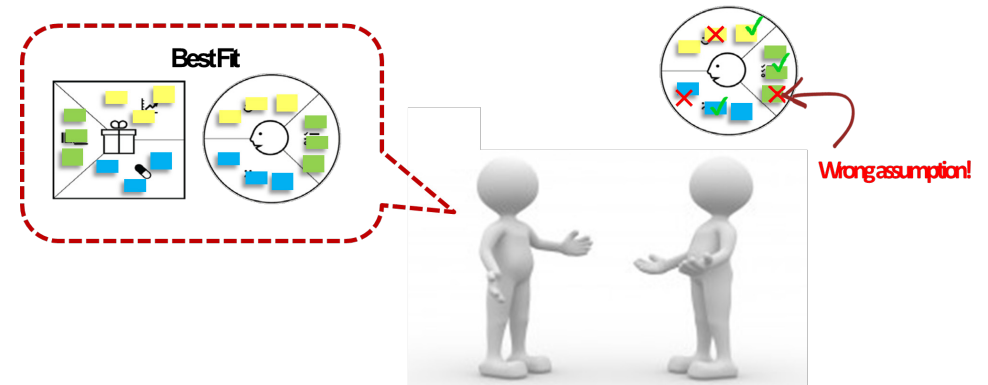
If there is any mismatch, you need to go back to your value map and adjust or redesign how your product or service provides value to the customer, in order to achieve the problem-solution fit (see *box below*).

FOCUS BOX: Problem-Solution Fit



The problem/solution fit is about understanding the addressed problem and the solution provided. The problem/solution fit has a purpose to clarify the problem which the user is addressing, the existing and novel solutions. It answers the question "what is the problem worth solving that I want to address with my innovation and what is the solution I intend to provide to a sizable population?"

The Value Proposition Canvas helps you verify if you are addressing what matters to your customers.



Go out and validate your assumption by talking to customers in order to be sure that you come up with the best fit.

If you realise from your data evaluation that your assumptions are not correct, you need to start the whole process again from the beginning, by selecting a different customer segment and by adapting your value map to the new customer segment needs.

If your assumptions are correct, you know that you have identified a problem that is worth solving. You, therefore, know that your business opportunity is on the right track and you can go further in the development of your business model.

3.5 TESTING YOUR BUSINESS MODEL

BUILD

Build (in a broad sense) means the creation of something needed for an experiment, e.g.:

- Design an interview framework;
- Prepare an elevator pitch;
- Plan a sales script for phone calls to potential customers;
- Build MVP (see box below).

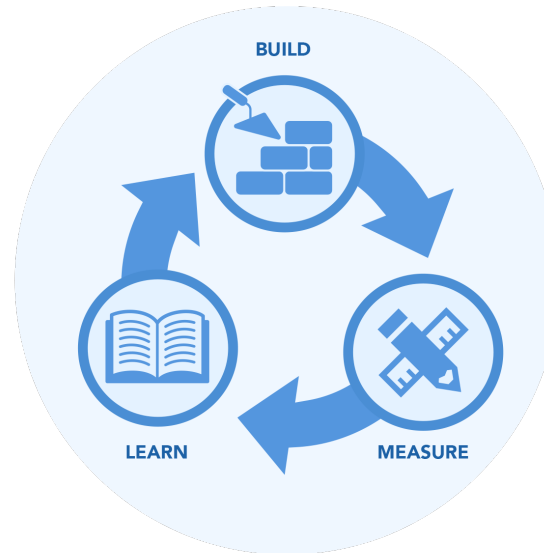
LEARN

Learn means making sound, evidence-based business decisions about what to do next according to the findings from the previous step.

Generally, there are two possible paths ahead of you:

1. Pivot, meaning that your initial assumptions were wrong and you therefore change direction either partially or fully.
2. Persevere, meaning that your initial assumptions are correct, so you decide to carry on with your initial idea.

Once you managed to define your business model, you need to test and validate the assumptions on which your business model has been based. The Build-Measure-Learn loop (adopted from The Lean Startup) helps you to systematically test your business model.



MEASURE

Measure means you compare the results that you obtained with your initial assumptions in order to understand if your business model is viable and sustainable. Avoid “vanity metrics”, which are numbers that are easily manipulated (e.g., cumulative number of interested customers, downloads, page views). Focus on “actionable metrics”, which really indicate if the business (model) can be viable.

For this purpose, you can use the so-called AAARRR funnel:

- **Awareness:** how do people learn about you? It's about making potential customers aware of your solution, e.g., % of customers that you can reach through selected channels.
- **Acquisition:** where are your potential customers coming from? It's about making potential customers engage with you and your service, e.g., percentage of customers with whom you can fix a time for presenting the solution.
- **Activation:** how many people are taking the first step? It is about providing an amazing customer experience, e.g.: % of prospective users that will start using the solution - quantitative/qualitative measurements of their first experience.
- **Retention:** how many people come back for a second/third/tenth time? It's about making sure that your customers continue to use your solution, e.g., % of customers you manage to retain over a given period.
- **(pre) Revenue:** Why should customers pay for your service? It's about understanding how many people are available to pay for your solution, i.e., % of customers who sign up for the list of early deliveries; % of customers who pre-order the solution.
- **Referral:** why should customers recommend your service? It's about understanding how many people like your service enough to refer it to others, e.g., % of customers who refer friends to your product, number of referrals per customer.

FOCUS BOX: Minimum Viable Product (MVP)



MVP is that version of a new product that allows a team to collect the maximum amount of validated learning about customers with the least effort (Eric Ries)¹.

Generally speaking, an MVP can be everything: a wireframe, a mockup, a clay prototype, a power-point presentation, a video, etc.

What matters is that the MVP has the basic subset of features that you believe really perform your product offering and the way you are going to deliver value, considering both their impact on the product and the ease of implementation.

¹ [https://www.agilealliance.org/glossary/mvp/#q=~\(infinite~false~filters~\(tags~\(~'mvp\)\)~searchTerm~'~sort~false~sortDirection~'asc~page~1\)](https://www.agilealliance.org/glossary/mvp/#q=~(infinite~false~filters~(tags~(~'mvp))~searchTerm~'~sort~false~sortDirection~'asc~page~1))

3.6 THE AD-LIB SHORT PITCH

Once the Value Proposition Canvas is validated, it can also be used to shape a short pitch to describe, in few words the key result. This is valuable for dissemination purposes (see also chapter 5 “The Pitching Guidelines”).

A template to be used to prepare the short pitch is shown below.

Our  Products and Services

help(s)  Customer Segment

who want to

 Jobs to be done

by verb (e.g. reducing, avoiding)  and a customer pain

and verb (e.g. increasng, enabling)  and a customer gain

(unlike  competing value proposition **)**

You have to fill in this template by using what you wrote both in the customer profile and in the value map in order to come up with your value proposition: first, your product and service, then the customer segment you identified, then the job to get a done, a customer pain (the most relevant one), then a customer gain (one of the most relevant one), and finally, if you like, in the last line, you can refer to the current solution or competitor.

The final outcome should be a short sentence that sum up the added value of your solution, also pointing out who your customers are.

3.7 THE EXPLOITATION ROADMAP

The highest risk a consortium faces is not being able to implement the exploitation and dissemination plan and increase the TRL level or go to market, after the project is ended, due to lack of resources.

The exploitation roadmap is designed to address this risk and pave the way toward the use and a stronger impact.

The table below is designed to help the consortium to identify and plan activities to be performed after the end of the project, by focusing on the key components of a “business plan” and preparing a detailed roadmap for the implementation of the first steps planned.

Once carefully examined and validated all key aspects of their business (through the Lean Canvas), partners are able to prioritize the next steps for the implementation of the business plan [securing resources, creation of the most appropriate vehicle (start-up, joint venture, etc.), accessing to funds/finance, etc.].

Exploitation roadmap

Briefly describe actions planned to be executed 3-6 months after the end of the project.

TIPS: make sure you do not just focus on technical activities (realisation of a prototype, software interface, etc.) but also consider the finalisation of a business plan, the protection of intellectual property, the collection of authorisations, all that will be needed to start implementing what is envisaged in your exploitation plan.

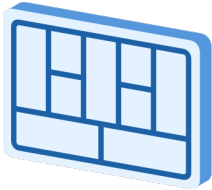
1) Actions

Exploitation roadmap	
2) Roles	<i>Roles of partners involved in the actions defined above.</i>
3) Milestones	<i>List the milestones and KPIs to be used for monitoring the implementation of the actions listed above.</i>
4) Financial costs	<p><i>Cost estimation to implement planned activities (1 year, 3 years).</i></p> <p>TIPS: provide information on the costs/investments needed to bridge the end of the project to the next steps planned and increase TRL or go to market (you may invest in a patent, in the realisation of a prototype, etc.).</p>
5) Revenues	<p><i>Projected revenues and eventual profits once the key result will be used (1 and 3 years after use).</i></p> <p>TIPS: consider the revenues you will expect to collect by licensing or thanks to service provision or sale of devices. Revenues generate the cash flow that will make the use of the result sustainable over time (provide an estimation concerning the first year and what is expected after 3 years, if possible). It is recommended that you estimate the revenues according to your early adopters and potential customers and include the information in the draft exploitation plan.</p>

6) Other sources of coverage	<p><i>Resources needed to bridge the investment to increase TRL and ensure the result is used.</i></p> <p>TIPS: consider the financial resources needed to cover costs incurred before collecting the first revenues (during the “time to market” – see costs) and their sources. Sources can be partners’ budgets, other project grants, national/regional incentives, risk capital, loans, etc. Make sure to obtain them at the right timing.</p>
7) Impact in the 3-year time	<p><i>Describe impact in terms of growth/benefits for society.</i></p> <p>TIPS: the impact should mobilise measurable changes in terms of growth/benefits for the society (i.e. jobs created, investments mobilized, turnover generated).</p>

3.8 AN OVERVIEW OF THE MAIN TOOLS FOR BUSINESS MODELLING AND PLANNING

LEAN CANVAS



The Lean Canvas is a framework that helps people describe, analyse, design and develop business models more systematically. The Lean Canvas suits research projects and start-up particularly well and is essentially based on problems, on customers and on the connection between them.

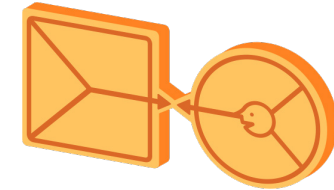
The lean canvas can support you in:

- designing the right go-to-market strategy of your project/startup/spin-off
- doing your business plan;
- preparing an elevator pitch, where you have to provide potential investors with the key elements of your solution in maximum 5 minutes: the lean canvas can be very helpful in writing down the core elements of your idea;
- understanding if your current business is running well or not, if there are any critical elements, bottlenecks, thing that need to be changed.

Here you can find additional information about the Lean Canvas:

- **Canvas (downloadable):** <https://s3.amazonaws.com/leanstack/v4/Lean-Canvas.pdf>
- **Video:** www.youtube.com/watch?v=RPoI0oYTKNg
- **Book:** Eric Ries, 2011. The Lean Startup. Crown Business; Ash Maurya, 2012. Running Lean – Second Edition. O'Reilly

VALUE PROPOSITION CANVAS



The Value Proposition Canvas (VPC) helps you in describing the benefits, the value, deriving from the use of your solution.

The VPC is based on 2 concepts:

- the Customer Profile: the set of customer characteristics and needs that the novel solution assumes. You need here to put yourself in your customer's shoes and make some assumptions.
- the Value Map: the set of values provided by the novel solution to respond to the needs of the "customers".

The VPC is a useful tool to achieve the problem-solution fit, namely the evidence that a product, or a service, solves a customer's problem.

Here you can find additional information about the Value Proposition Canvas:

- **Canvas (downloadable):** <https://strategyzer.com/canvas/value-proposition-canvas>
- **Video:** <http://www.youtube.com/watch?v=ReM1uqmVfP0>
- **Book:** Osterwalder, Pigneur, Bernarda and Smith (2014) Value Proposition Design. Wiley

SECTION 4 | A CASE STUDY FOR FAMILIARISING WITH THE PROPOSED TOOLS - COGVIS

4.1 THE COMPANY

cogvis is an Austrian company specialized in 3D smart sensor technology and artificial intelligence for the health and care sector with application modules for fall detection and prevention, safety and dementia.

Cogvis GmbH was founded in 2007 as a spin-off of the Vienna University of Technology by Dr. Martin Kampel and DI Michael Brandstötter. cogvis has been working closely with the Vienna University of Technology and other partners like Toyota. cogvis gained great expertise from many years of research and work in the fields of computer vision, machine/deep learning, artificial intelligence and 3D data processing, to make the most modern technology and innovation in the field of artificial intelligence usable for the health and care sector - and thus for people in their everyday life.

4.2 THE TEAM

Management Team: Rainer Planinc: he is the CEO and manages the company's operations and is responsible for strategy and execution of customer projects.

Michael Brandstötter: he is a co-founder and partner of cogvis GmbH

Martin Kampel: he is a co-founder and partner of cogvis GmbH and lecturer at the Institute for Visual Computing & Human-Centered Technology at TU Wien.

Employers: Apart from the management team, cogvis employs three experts in tech & development. The business development manager is designing the growth path for the company and product. The marketing manager builds the brand and marketing materials and activities. Cogvis also employs a field sales representative and one sales representative in the back office with two people for customer support.

4.3 THE PRODUCT

The main product is called "cogvisAI", a solution to the increasing number of patient falls and accidents that are affecting many health organisations. cogvisAI combines fall prevention and detection functionality, originally performed by a previous product called "fearless", with other valuable modules, such as absence detection, suicide prevention, lightning control.

By using 3D smart sensors, cogvisAI can detect and analyze movements in a room and trigger an alarm in critical situations.

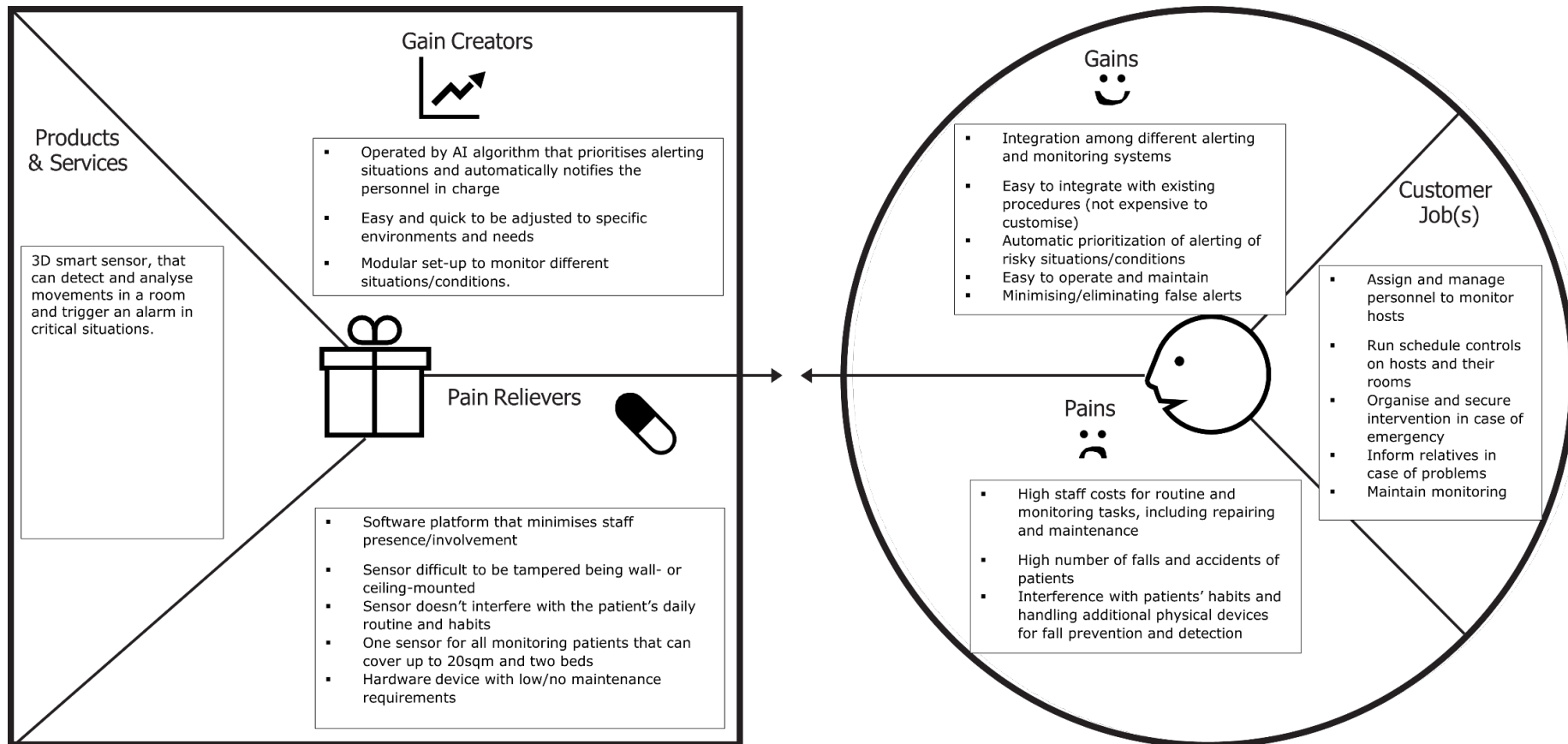
cogvisAI offers multiple functions that can be set for each device and adjusted to fit the needs and status of each inhabitant or patient which increases effectiveness. This system is wall- or ceiling-mounted and therefore cannot be tampered with so easily, offering a solution to a long-standing problem for many health care organisations, such as hospitals, nursing homes, and senior residences. Also, one sensor can cover up to 20sqm and two beds - depending on the layout of the room. cogvis platform enables its customers to easily select other functions or change settings with just a few clicks.

Additionally, cogvis launched the product "ergofox" together with its partner company Fitbase. Ergofox analyses your posture while working in front of the computer, provides you with a posture report and exercises to strengthen your muscles.

4.4 COGVIS LEAN CANVAS

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
<p>List your customers' top 3 problems.</p> <p>High staff costs for routine and monitoring tasks.</p> <p>High number of falls and accidents of patients.</p> <p>Interference with patients' habits and handling additional physical devices for fall prevention and detection.</p> <p>Existing Alternatives</p> <p>List how these problems are solved today.</p> <p>Conventional systems such as fall mats/sensing floor mats, bed security systems or disorientation systems.</p>	<p>List the top 3 features enabling your solution to tackle the problems.</p> <p>3D smart sensor, that can detect and analyze movements in a room and trigger an alarm in critical situations.</p> <p>This system is wall- or ceiling-mounted and therefore cannot be tampered with so easily.</p> <p>One sensor can cover up to 20sqm and two beds – depending on the layout of the room.</p> <p>Key Metrics</p> <p>Key activities you measure</p> <p>Lead conversion rate</p> <p>Repeat purchase rate</p> <p>Purchase frequency</p> <p>Return on Innovation Investment</p>	<p>Single, clear and compelling message that states why you are different and worth buying</p> <p>Doesn't interfere with the patient's daily routine and habits</p> <p>Easy and quick to be adjusted to specific environments and needs</p> <p>Modular set-up to monitor different situations/conditions.</p>	<p>Something that can't be easily copied or bought.</p> <p>Well-trained proprietary AI cannot be copied so easily.</p> <p>Formalized agreements with large industrial partners.</p> <p>Market-ready pipeline of applications for different customers segments.</p> <p>Channels</p> <p>List your path to customers</p> <p>Newsletters and direct emails.</p> <p>Presence in trade fairs.</p> <p>Presentation at congresses.</p> <p>Word-of-mouth.</p>	<p>List your target Customers</p> <p>Nursing homes.</p> <p>Senior residences.</p> <p>Hospitals.</p> <p>Rehabilitation clinics as well as psycho-social long-term facilities.</p> <p>Early Adopters</p> <p>List the characteristics of your ideal customers.</p> <p>Private-managed nursing homes in Austria and Germany.</p>
Cost Structure		Revenue Structure		
<p>List your fixed and variable costs.</p> <p>Staff costs (R&D, marketing and sales, customer care and administrative tasks).</p> <p>R&D equipment and service purchase.</p> <p>Marketing activities.</p> <p>Rents, overheads.</p>		<p>List your sources of revenue.</p> <p>cogvisAI sales.</p> <p>Related services sales.</p>		

4.5 COGVIC VALUE PROPOSITION CANVAS



4.6 COGVIS AD-LIB SHORT PITCH

Our 3D smart sensor
Products and Services
help(s) private-managed nursing homes
Customer Segment
who WANT to
provide a more efficient monitoring of their hosts —
jobs to be done
by reducing personnel costs and the number of accidents
verb (e.g., reducing, avoiding) and a customer pain
AND by increasing the integration and automatization of alerting systems ■
verb (e.g., increasing, enabling) and a customer gain
(unlike _____ **)**
competing value proposition

SECTION 5 | THE PITCHING GUIDELINES

5.1 INTRODUCTION

Being effective in presenting your business value proposition in a clear and convincing way, being able to explain the potential of a business idea and **catch the attention of different typologies of investors** (business angels, crowdfunding platforms, etc.) **and/or potential customers, business partners** is a key step in driving project results into the market.

This section will provide a short description of recommended aspects to include in a 3-5-minute pitch. If you touch upon all of these areas in the pitch, you will have caught the most important parts. The pitch setup is based on the Lean Canvas, whose contents should be used to present your business idea.

TIP BOX



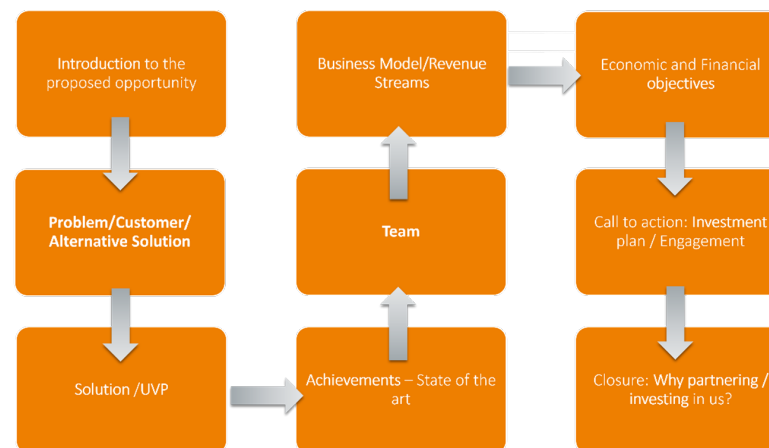
Time goes fast and the attention of the audience needs to be focused on you and your most important statements. A few simple slides with clear messages are preferable. Pitching is all about capturing the attention of the audience! Keywords to keep in mind are: **"Relatable"**, **"Sharp"** and **"attention-grabbing"**.

Your main goal is to attract interest, not to close or to explain in details, because the time at your disposal is very little.

EXECUTIVE SUMMARY	PITCH	BUSINESS PLAN	POWER POINT
<ul style="list-style-type: none"> 1/2 - 1 page +written summary Balanced presentation Attract interest not "explaining" 	<ul style="list-style-type: none"> Very short verbal summary (3-5 minutes) Product, differentiation, opportunity Attract interest not "closing" 	<ul style="list-style-type: none"> 20-50 pages plus appendices Validation scorecard (due diligence) Convincing investors/ partners 	<ul style="list-style-type: none"> 20 min. verbal presentation Cover whole business plan Convincing investors/ partners

The pitch is comparable to the executive summary, where the basic goal is to present the key elements of a given topic in a few lines and attract the interest of the reader. Then, if you succeed in attracting the interest of the audience, you will have time for longer and more detailed presentations, such as a business plan or a longer slide deck, to convince your interlocutors.

5.2 THE PITCH STRUCTURE



1 | An attention-grabbing first line

Pitching is about grabbing the attention of the audience and thus the first line is crucial to your pitch. Your first attention-grabbing line needs to be exciting and must leave the audience wanting to hear more.

TIP BOX



A good starting point to shape the initial 5 seconds of your pitch is to use the AD-LIB short pitch (see paragraph 3.6).

2 | Problem, Customer and Alternative Solutions

The first thing you do when pitching is to present the problem and the customer (often the earliest adopter) who experiences this problem. This will allow you to quickly explain to the audience, why there is a need for your solution and who your customers are. Include the current alternative solutions and why they are inadequate so that you build up tension for the presentation of your solution.

"This is Bill. Bill is one of the millions of people, who has left home and traveled to another country. Unfortunately, Bill is missing both his parents and his friends and he wants to get in touch with them. Currently, the only thing that Bill can do is to use Mors-Code or travel great distances by train. These alternatives are however either impersonal or cost a lot of money and time. Bill is sad because he feels stuck."

Blue: CUSTOMER

Green: PROBLEM

Red: ALTERNATIVE SOLUTIONS AND THEIR INADEQUATENESS

As you can see, in a matter of 15-20 seconds, you will have set the stage for your solution. You have presented the customer, the problem, the alternative solutions and shown why they are inadequate.

3 | Solution & Features + Unique Value Proposition

Present your solution that is going to solve the problem of your customer. Briefly present the various feature of the solution (not too technical! Keep it simple!) and describe why you are better than your competitors/alternative solutions.

"To solve Bill's problems, we have created "The Telephone". The telephone is a new intervention that enables the sound of voices to be transferred over great distances in a matter of milliseconds, enabling two persons to have a live conversation, even though they are separated by thousands of miles. I will not go so much into technical details, but basically, each participant is provided with a telephone into which they speak and the sound will then be transferred directly. Compared to alternative solutions this enables a far more personal interaction between the users to a fraction of the cost; and simultaneously Bill and others like him, avoid traveling great distances."

Blue: SOLUTION

Green: FEATURES

Red: UNIQUE VALUE PROPOSITION

You can also choose to turn it around and state the unique value proposition before the solution and its features. This is more up to you. E.g. The "Phone Pitcher" could have started the last part with: *"We have created something that enables Bill to get in touch with his friends and family in a far more personal way to a fraction of the price. And simultaneously, he avoids traveling great distances. I present to you, "The Telephone." (...) - The telephone is a new intervention...."*

Turning it this way builds momentum. It is up to you to pick the order that you prefer.

By doing this, you will now have presented the most important parts of your pitch in about a minute (depending on your ability to sharply present your product and customers).

4 | State-of-art of solution + Team

Explain how far you are in the development process of the solution and convince

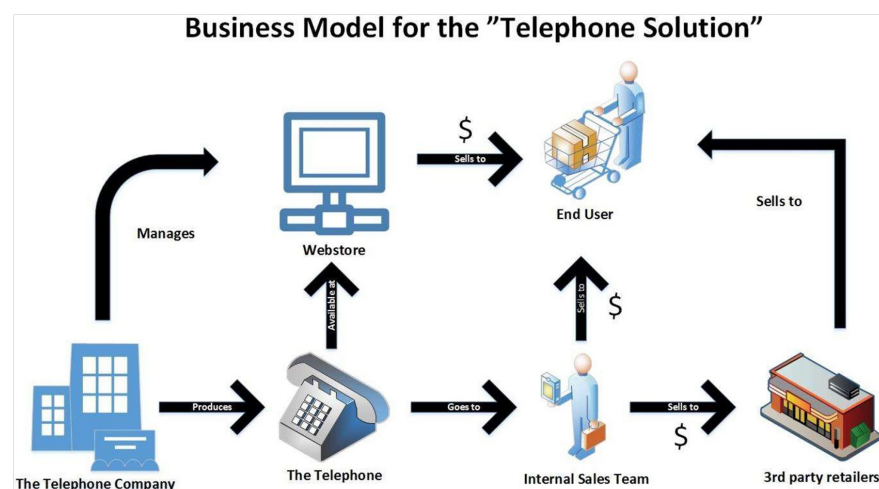
the audience that you and your partners are the right team to bring the product to market. Explain the current state-of-art of the solution (how far you have gotten in the development or commercialization of the product) and the professional competencies and experience of your team.

The team explanation is very important. You need to show who you are, which skills and expertise you have, and especially, how you complement each other in day-to-day operating activities.

5 | Business Model/Revenue Streams

Describe your business model (how you intend to earn money) and your various revenue streams. Remember, a graphic illustration can be very good to accompany your explanation.

In order to strengthen your pitch, a good way could be to make a simple graphic illustration of your business model, as shown below.



The \$ signals when money is generated for the Company

With this simple graphic illustration, you will be able to show your various revenue streams in a simple way (you are probably able to make a nicer illustration than this one. Let us be honest, it looks like something that was made on the windows 98 OS!).

6 | Financial plan

The financial plan of the business proposition is the connection between costs and revenues. It can be difficult to make precise assessments of costs and revenues, but the ability to make estimations shows that you are not completely disconnected from your targeted market. Develop estimations about the amount of money you expect to generate after 12, 24, and 32 months and connect these to the costs that you expect to have in the same periods. This will provide experts with an idea about when you expect to have a profit, how much capital you will need to launch your business proposition, and the financial expertise of the team.

7 | Call to action

This is the most important part of your pitch! In the previous sections, you have provided a wide array of information about your project that benefitted the audience. Now it is time for you to benefit from the pitch.

What do you want to gain from the pitch and the audience? An investment, a partner, a customer review? Present it here.

8 | Ending

The ideal ending would be to go out with a "bang" or a "joke" or something "smooth" (this all depends on your style of pitching). In general, try to include an ending to your pitch. This will convince the audience that you are well-rehearsed and that you have planned your pitch from beginning to end.

**TIP 1 - FIND YOUR PRESENTATION STYLE**

Grabbing the attention of your audience is closely connected to your presentation style. Are you energetic, funny, cozy, professional to the bone, or something different? Not all styles suit every person, and you should find the style that suits your best. Don't pretend to be something that you are not.

**TIP 2 - PAY ATTENTION TO YOUR BODY LANGUAGE**

When communicating, body language counts for more than 50%. Have a vibrant and balanced voice. Speak clearly and loudly. Look at your audience in the eyes.

**TIP 3 - FIND A GOOD TEXT-TO-IMAGE RATION**

Don't fill your presentation with a lot of text. The audience is there to listen to you, not to read text on a slideshow. Slides are supposed to integrate and complement the information you deliver with your voice. Slides are for the audience to understand and get interested, not for you to remember the pitch. Slides with good, illustrative pictures, combined with key bullet points, are advisable.

**TIP 4 - KEEP IT SIMPLE**

If you have a technical solution, find a way to present it simply and understandably, so that even a 10-year old boy would be able to understand. The pitch is about grabbing the attention of your audience. If the audience doesn't understand part of your presentation, the attention will be lost. If you have a prototype, a Minimum Viable Product (MVP), show it to the audience. This is the best way to get the message across, better than a lot of words.

**TIP 5 - MOVE FROM A RESEARCH PROJECT TO A SOLUTION**

When you pitch, you need to move from a research project to a solution (product, process, service, etc.) to be purchased by customers. Thus, remove project jargon (partners, deliverables, etc.) and acronyms (WPs, H2020) from your pitch and present your main result (Key Result) as the "product" connected to a business opportunity.

**TIP 6 - PRACTICE!**

Once created the pitch, the next thing to do is to present it. Find an audience and present. This could be anybody ranging from your mom to your boss and practice both contents, body language, and presentation style. Listen to your audience's feedback and review your pitch accordingly. The more you rehearse and practice your pitch, the more secure and relaxed you become, the more positive your body language, the easier to find your presentation style. Check the time and adjust the presentation according to the time at your disposal.

SECTION 6 | INTRODUCTION TO CROWDFUNDING

6.1 WHAT IS CROWDFUNDING

Crowdfunding is a collective effort of many individuals who network and pool their resources to support endeavours initiated by other people or organizations. This is usually done via or with the help of the Internet. Individual projects and businesses are financed with small contributions from a large number of individuals, allowing innovators, entrepreneurs and business owners to utilize their social networks to raise capital. Entrepreneurs and businesses can utilise the crowd to obtain ideas, collect money, and solicit input on the product, overall fostering an environment of collective decision-making and allowing businesses to connect with potential customers. The main advantage of crowdfunding is that the funders are also potential customers and ambassadors of the project or business they support and that they will help to promote it through their own networks.

6.2 WHO IS THE CROWD

The crowd is all the individuals who decide to participate in the projects. In order to succeed in a crowdfunding campaign, it will be necessary to generate a community of people willing to support your project. The crowd can be linked to geography, special interest or more broadly distributed, but will need to be engaged by the project owner.

6.3 WHAT ARE THE MAIN BENEFITS?

Crowdfunding makes it possible to engage the crowd to obtain ideas, collect money, and solicit input on their initiative, fostering, in this way, an environment of collective decision-making and strengthening the connection with potential customers. One of the main advantages of crowdfunding is indeed that the supporters are also potential customers and ambassadors of the project, and they will help to promote it through their own networks.

6.4 TYPES OF CROWDFUNDING

In crowdfunding, we must distinguish between financial and non-financial models. In the non-financial one, we find donation and reward crowdfunding. Both models have in common a strong social component at the core of their campaigns for contributions, highlighting, in particular, the benefit for their communities. As for the financial models, we can distinguish mainly between equity- and lending- based crowdfunding.

Donation and reward-based crowdfunding can benefit both an individual person or a business, while equity-type instruments can only be invested into business. All crowdfunding platforms must adhere to general laws and regulations, but in some cases there are dedicated rules specific to this market, ensuring consumer protection and oversight by relevant authorities.

DONATION:

For socially motivated or not-for-profit projects. Individuals donate small amounts while receiving no financial or other return. The donation is a philanthropic act for charity causes, and the funders are not expecting monetary compensation.

REWARD:

The funders receive a tangible, but non-financial reward like products or services for their contribution. However, in the case of tangible products the reward-based model has turned out to be an excellent pre-sales tool since the product can be offered at a lower price compared to the real retail price. In reward-based crowdfunding, the perceived value of rewards should be higher than the economic one. This model is very useful for companies that can be scalable and want to conduct market research or networking with future customers.

LENDING:

Individuals lend money to a company or to an individual with the expectation that the money will be repaid with interest. Lending is relevant for cash-flow positive companies that can credibly assure lenders of being able to pay back

the loan. As with banking, the interest rate of the loan is determined by the risk of the investment. Moreover, a loan does not dilute ownership, instead the crowd contribution provides working capital or, in some cases, leverages other investments.


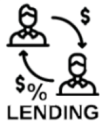


EQUITY:

The business sales shares or other transferable financial instruments to a number of individuals (investors). This model is often used by companies in their early and growth stages. Typical campaign funding amounts range from €20,000 to €5,000,000, depending on the legal framework and market conditions. Equity crowdfunding allows contributors to become investors or co-owners:

- shareholding, and/or;
- participating in profit generation or dividends, and/or;
- participating in capital gains in case of the sale of the business.

Frequently, financial crowdfunding platforms tend to operate under specific financial market regulations, for example, they may have to hold a banking licence, a license as a financial advisor, a broker dealer or they should be registered as payment institutions. It may also be the case that they are not allowed to operate in some countries due to the lack of specific regulations. For the European Union, a harmonised legal framework has been established under the European Crowdfunding Service Provider Regulation for business lending and equity investments.

6.5 HOW TO CHOOSE THE RIGHT MODEL?

NON-FINANCIAL	FINANCIAL
 <p>DONATION</p> <ul style="list-style-type: none"> • Socially motivated or not-for-profit projects • No financial or other return • Campaigns up to €30,000 	 <p>LENDING</p> <ul style="list-style-type: none"> • Money repaid with an interest • Suitable for positive cash-flow companies • Range from €20,000 to €100,000
 <p>REWARD</p> <ul style="list-style-type: none"> • Non-financial reward like products or services • Measure the market demand • Perceived value of rewards should be higher than the economic one • Campaigns up to €50,000 	 <p>EQUITY</p> <ul style="list-style-type: none"> • Scalable startups and SMEs aiming at growing their business • Allows contributors to become investors or co-owners • Range from €20,000 to €5,000,000

6.6 HOW TO CHOOSE THE RIGHT PLATFORM?

Do not get lost when you are looking for a crowdfunding platform that may best serve your specific needs. First of all, you have to think about which type of crowdfunding fits your project better. Then you can select between different types of crowdfunding platforms by using criteria such as specialization, allocation of funding or costs:

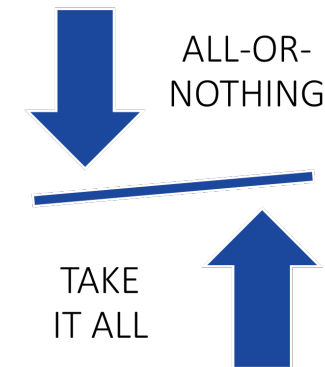
Specialization.

One difference between platforms is their specialization in terms of the business sector.

GENERALIST PLATFORMS	<ul style="list-style-type: none"> • No restriction, any type of project • For both individual or company
SPECIALIZED PLATFORMS	<ul style="list-style-type: none"> • On specific business sector (creativity, sustainability) • Geographical area • On industries or individuals
NICHE PLATFORMS	<ul style="list-style-type: none"> • Very specific sector

Allocation of funding.

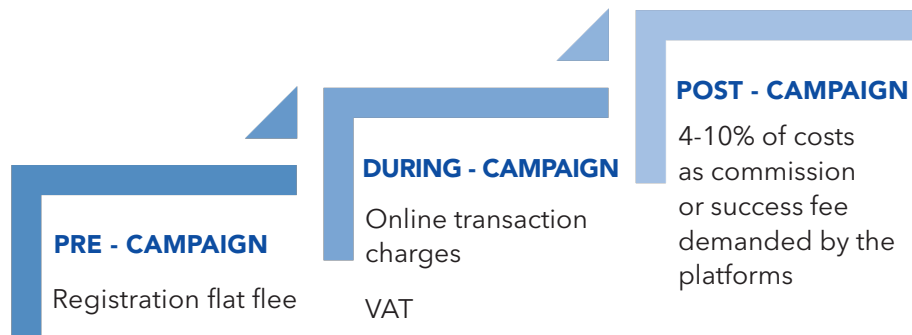
In general, each platform decides in which way the funding is allocated, but normally there are two main options:



All-or-nothing. When the fund-raising period is over, money is collected only if a predetermined minimum amount has been reached. If the goal is not met, no money is collected and funders are reimbursed. Many platforms offer a minimum threshold that needs to be reached in order to collect everything raised as of that point and keep a higher funding goal. It also happens that funding goals are exceeded beyond the funding goal.

Take it all. Projects benefit from every euro raised, whether the goal is met or not, all the collected funds are handed over to the project owner.

Costs. There is a wide variety of underlying business models of platforms, e.g. preparation fees, success-based fees and transaction costs. Crowdfunding is not a cheap form of funding, in case you wondered, considering that the overall costs of capital correspond to approximately 4-10% of the raised funds, with costs that are therefore comparable to other financial services. The benefits are rooted in speed and in general, you should check the overall cost structure and compare platforms. Do not forget to include yearly fees for the payment of commission or interest to investors, if they are handled by the platform, and potential additional fees for campaign support, post-campaign logistics and handling of rewards. In equity crowdfunding, a registration fee plus a legal due diligence fee are common, sometimes also equity participation. Fee structures vary significantly between business models and also countries.



6.7 ACTIONS NEEDED TO SUCCEED IN YOUR CROWDFUNDING CAMPAIGN

The pre-campaign phase will be hard work. You will have to define all your goals and actions in order to make your campaign successful. The main things you have to do before launching your campaign are:

Set a clear objective. To create a crowdfunding campaign you have to set a clear objective and make this goal shared by funders, staff and partners. The clearer, more concise and specific you are, the higher will be the chances that the crowdfunding campaign will reach its funding goal. The key for many campaigns is to focus on one clear objective. You can ask experts for assistance if you need so.

Set your funding target. To set your funding target based on your financial planning, specify all costs and outlays of the project and account for fees payable to the platform to calculate your funding goal - i.e., the minimum amount needed to cover all your costs until your project or project phase has been executed according to your business plan.

Identify the fitting type. It is important that your project's characteristics match the funding type. Each type of crowdfunding has its own funding limits, but also limitations to applications to specific risks and exploitations. Not every project

or project owner can raise equity crowdfunding or a loan. The requirements are linked to the financial performance and capitalisation needs of your business. Only projects that need capital injections or loans should consider these types of funding. Platforms will perform due diligence on prospective projects and will select relevant submissions only. Reward and donation-based crowdfunding are more flexible, but also have clear benefits in specific situations, with tax deductions for donations being subject to national tax laws.

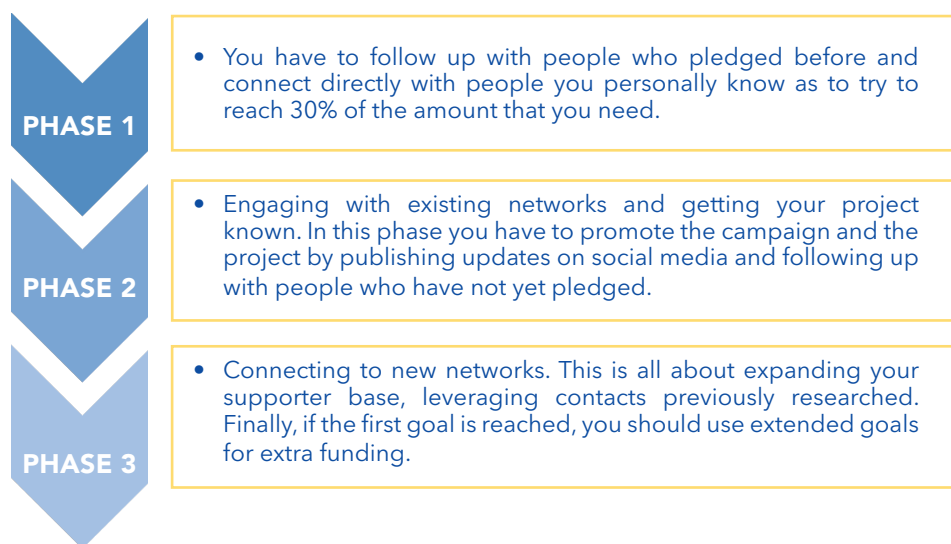
Set out your value proposition. To set out your value proposition you have to find out what your target group's preferences are and create attractive rewards and perks to capture your funders' attention. It is also important to prepare a pitch and a video in which your backers can find out why you are running the campaign, for whom it is and when it will start. It is also a very effective way to present yourself, the organization and the project. In financial crowdfunding, the risk-return ratio will be calculated by the platform in the case of loans and based on your financial documentation, while in equity crowdfunding a pre-money valuation, i.e. the estimated value of your business before the investment will be transparently calculated by yourself on the basis of your financial documentation, assets, and market potential - with the platform being able to refuse your valuation or to ask you to adapt it to common valuation practices.

Communication and marketing. As with every new project you have to do research first by finding related news, topics and events for your campaign. You should also combine online events and marketing with offline communication tools. The more you involve your community and keep them informed, the better are your chances to gain support. Finally, focus on your inner circle and influencers first, but also try to reach out to external networks. Recent research shows that the so-called "third circle" may be even more important for the campaign's success, as it demonstrates a wide audience contributing.

Choosing the right incentives. The development of an attractive incentive structure is a substantial effort on your behalf. It depends on the type of crowdfunding you have chosen, and the profile of your project. To create compelling incentives for your backers, you have to think about what your target group would like or ask them. It is also important to know their motivation for financing

your project. To get a general idea, you can also look at similar campaigns. In general, no matter what crowdfunding type, you have to keep costs as low as possible, create perks that appear valuable and scale up by introducing thresholds. In the case of reward crowdfunding, think about categories, don't forget small and big rewards. For lending, the platform will calculate your interest rate without you, while in equity you can calculate the share structure and valuation based on common valuation practices.

During the campaign, it is very important to know that you have a limited time to reach your funding goal, so every day counts. Normally crowdfunding campaigns last between 30 to 60 days, depending on the platform and the model chosen (lending platforms often use a different model and are able to fund your business much faster). To optimise this period, it will be important to divide it into **3 phases**:



The use of social media is generally essential, both before launching your campaign and throughout your campaign. Making a video explaining the project and catching the attention of the viewer will be key to success. In addition, parti-

cipating or organising events to disseminate the campaign can be very useful to raise more funds and make your project known outside your first circle. Campaign supporters will always want to know who are the people behind the project, so making them known in the written pitch or through video/photos will be very useful to achieve the funding objective.

It is very important to keep your funders/fans updated about the process with updates on the online platform.

Once the campaign time has ended, you move into the post-campaign phase. If the funding goal is reached within the allocated fundraising time frame, the project owner receives the money. If the funding goal is not reached, most of the platforms will reimburse the money to the funders. Do not forget: crowdfunding is neither easy nor quick. The majority of project owners have their work cut during the preparations, the campaign management and afterward. Many also fail, in reward and donations up to 50%, in equity and loan crowdfunding the success rate is much higher, but it is much more difficult to get your project onto a platform with selection processes refusing in some cases 90% of the project application.

Hopefully, you have worked well and therefore your initiative has been successful, but in that case, the campaign is finished but your activities are not. You should try to get follow-up articles in traditional media and blogs and ask supporters for feedback that will provide you with first-hand market intelligence. The second priority is to actively manage the expectations of your community, so keep supporters informed on everything that could be relevant, build loyalty and distribute rewards.

SECTION 7 | WEBINARS: RECORDED VERSIONS

The Lean Canvas

The webinar presents you the Lean Canvas and guides you through the right steps to rapidly develop and test novel solutions and develop a goal-oriented and well-planned business model for exploitation and dissemination of key results and solutions.

[WATCH THE WEBINAR >>](#)

How to Craft a Compelling Unique Value Proposition

This webinar presents you the Value Proposition Canvas and guides you through the steps needed to define and understand your customer and to ensure that your product or service is positioned around its values and needs.

[WATCH THE WEBINAR >>](#)

Early-Stage Investors (Who they are and what they are looking for)

This webinar aims to prepare early-stage start-ups to approach the right investor knowing in advance the rules of the game to increase their chances to be successful in securing finance and establishing with investors a fair collaborative governance framework until the exit moment.

[WATCH THE WEBINAR >>](#)

Introduction to Crowdfunding

The goal of the webinar is to understand how crowdfunding can be used as an alternative form for financing innovation and how it can be complementary to traditional forms of financing. The webinar highlights different crowdfunding models and gives practical advice on what aspects must be considered to run a successful crowdfunding campaign.

[WATCH THE WEBINAR >>](#)

Basics on IPR

The webinar introduces you to the basic categories of registered and unregistered IPs. The patenting process and the ownership of IPs are also introduced and clarified, in order to help you to understand the opportunities and processes to be seized and adopted.

[WATCH THE WEBINAR >>](#)

Advanced IPR

The webinar presents the preliminary negotiation issues alongside the major topics of the license agreement by introducing the term sheet and the financial opportunities. The webinar also introduces you to the non-technical issues of the license agreement and case studies to demonstrate the process of IP transfer.

[WATCH THE WEBINAR >>](#)

How to Pitch to Investors (Tools and Tips)

This webinar is about grabbing the attention of investors when presenting an investment proposition in its early stage of development. The webinar guides you through the steps needed to prepare an appealing pitch and provides tips based on experience and feedback from investors.

[WATCH THE WEBINAR >>](#)

SECTION 8 | CHECK-LISTS AND TOOLS

8.1 AYR INVESTMENT READINESS SELF-ASSESSMENT TOOL

The AyR investment readiness self-assessment tool takes into consideration key strategic aspects such as the team, the market and financial requirements with additional elements concerning investment readiness. The software has an input and reporting section. The reporting section is divided into five parts, covering key aspects of the activity according to the information requirements of investors.

Click [here](#) to access the tool.

8.2 MARKET-READINESS CHECK-LIST

The Business Opportunity Self-Assessment Tool-BOSAT is a free tool applicable for users who want to assess their business opportunities in different phases of development.

The tool is presented in a form of questionnaire divided into 6 sections which are covering all important business opportunity development areas (technology, team, market, unique value proposition, IP, financials).

By completing the self-assessment, you will gain insight into all points which need improvement and possibly identify additional aspects which previously were not taken into consideration. This will enable you to plan future activities in a way that will positively affect further development of assessed business opportunity.

To access the tool, click [here](#) and register.

8.3 PITCH TEMPLATE WORKSHEET

In this appendix, you will be assisted in writing the basic parts of your pitch. What you need to do is simply to follow the instructions presented throughout and include your text where the "InsertTextHere" is presented. The headlines follow the structure presented in the "Content of the Pitch" section and it is therefore recommended to follow those guidelines as you start writing.

An attention-grabbing first line

Write your first, attention grabbing line. It needs to be exciting and leave your audiences wanting to hear more!

InsertTextHere

Customer, Problem and Alternative Solutions

Precisely present the problem, your customers (the problem owners) and the alternative solutions that are currently available. Remember Bill, the guy needing a telephone to call his mother.

InsertTextHere

Solution & Features + Unique Value Proposition

Present your marvelous solution that is going to solve the problem of your customer. Briefly present the various feature of the solution (not too technical! - Keep it simple!), and describe why you are better than your competitors/alternative solutions.

InsertTextHere

State of the art of solution + Team

Present how far you have come with the development of your solution and the team behind it. Remember to explain your individual competencies and how you complement each other as a team.

InsertTextHere

Business Model/Revenue Streams

Describe your business model (how you intend to earn money) and your various revenue streams. Remember, a graphic illustration can be very good to accompany your explanation.

InsertTextHere

Financial plan

Present your financial estimations both related to revenues and costs. How much revenue do you expect to generate after 12, 24 and 36 months? And what about

costs? Will your business proposition require a large initial investment or are there almost no costs connected? Remember, tables and comparisons between revenues and costs are more than welcome in your slide deck.

InsertTextHere

Call to action

What do you need to gain from the pitch and the audience? An investment, a partner, a customer review? Present it here. Remember, the pitch is most of all for you; take advantage of the opportunity!

InsertTextHere

Ending

Go out with a "boom"!

InsertTextHere

8.4 FIRST PITCH ITERATION

Now that you have completed the Pitch Template Worksheet, simply copy & paste your answers in the template below and start developing the transitions from topic to topic. You will now have developed the first pitch for your solution.

An attention-grabbing first line

InsertTextHere

Customer, Problem and Alternative Solutions

InsertTextHere

Solution & Features + Unique Value Proposition

InsertTextHere

State of the art of solution + Team

InsertTextHere

Business Model/Revenue Streams

InsertTextHere

Financial plan

InsertTextHere

Call to action

InsertTextHere

Ending

InsertTextHere

8.5 CROWDFUNDING READINESS CHECK-LIST

TASK	DONE?
1. identify current networks, create a community	
2. articulate a clear goal of the project	
3. draw up a consistent and confidence-building message	
4. create an emotional story	
5. research and identify partners for production, delivery, etc.	
6. research and identify communication channels, in particular social media and events that take place during your event for personal contact	
7. research and identify fitting platforms	

TASK	DONE?
8. research and compare current and similar campaigns	
9. research in depth your target groups	
10. develop a convincing incentive structure	
11. set a timeline and mark everything relevant	
12. plan and set the video shooting	
13. define your communication strategy and team	
14. walkthrough various scenarios that can happen throughout the campaign	
15. test your projects story and incentives within your network before you go live	
16. plan information flow pre-, during and post-campaign	
17. ensure all promises are delivered on	

NOTE

This image shows a full page of white paper with ten horizontal blue dashed lines, typical of primary school handwriting practice paper. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



AAL



PROGRAMME

Created by META and APRE in the framework of the AAL2Business Support Action

