Clarification for NMP+B project proposers and evaluators on “Business Plan” and “Synergies with ESIF”

Q: What do you mean by “business and exploitation plan” in the NMP+B Work Programme 2014-2015 topics and proposal templates?

A:

A business plan is referred to in the proposal template technical annex: “2.2. Measures to maximise impact, a) Dissemination and exploitation of results:

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

For innovation actions describe a credible path to deliver the innovations to the market. The plan, which should be proportionate to the scale of the project, should contain measures to be implemented both during and after the project.

Dissemination and exploitation measures should address the full range of potential users and uses including research, commercial, investment, social, environmental, policy making, setting standards, skills and educational training.

The approach to innovation should be as comprehensive as possible, and must be tailored to the specific technical, market and organisational issues to be addressed.

Explain how the proposed measures will help to achieve the expected impact of the project. Include a business plan where relevant.”

Some topics of the NMP+B Work Programme mention it explicitly: “For this topic, proposals should include an outline of the initial exploitation and business plans.”

In all “Conditions for this call” a business plan is mentioned in the Eligibility and admissibility conditions:

Proposals for Research & Innovation and for Innovation Actions should include an outline of the initial exploitation and business plans, which will be developed further in the proposed project.

Participants are expected to submit an outline of the initial exploitation and business plans in their proposals. The lack of such plans will however not interfere with their eligibility. The business plan in this outline of a proposal context should describe how the consortium intends to use results of activities carried out during the project, such as further research activities or developing, creating and marketing a product or process, or providing a service.

The actual structure is left to the proposers. The outlined plans should be appropriate to the scale and development status / Technology Readiness Level of the project and provide also information on how the planned exploitable results contribute to the business and growth strategy of the different partners. Content of this Outline typically covers:

- the planned key exploitable results and their expected key areas of applications: development status, facts and figures that facilitate the assessment of the potential impact, differences from existing competing products/services, the main IPR issues to be clarified in the consortium agreement;
- **The exploitation team**: partners involved in the exploitation activities providing information on their previous experience and their business strategies, complementing external resources if not in the consortium;
- **the market**: the potential geographical and economic size of the market, market trends, main competitors and competitive advantage need to be addressed;
- **the business model**: marketing strategy, main clients;
- **the financial projections**: sales forecasts, investment needed for covering the costs, funding strategies, including internal sources, loans, equity, public support through for example ESIF\(^1\), national programmes etc., complementary or parallel projects;
- **the commercialization roadmap**: the steps planned before the product is ready for the market (i.e. proof of concept, prototyping, demonstrations of technological performance and cost effectiveness field trials, pilots, validation and standardisation issues, regulatory requirements, barriers and how to overcome them);
- **the risk assessment**: financial, commercial and production risks, early standardization needs.

The business plan has to fit within the page limit of the Annex II (70 pages altogether). It is not a separate document. At the proposal stage applicants are not expected to describe in detail how they plan to deliver a product or process, a service as result of the exploitation of their planned project results. They are supposed to briefly provide relevant information on key elements of a commercialization strategy. The business plan elements can also be located in different sections of the proposal (implementation, exploitation etc.).

The business plan provides an insight of the activities connected to exploitation of research results planned as follow up of the concerned action during the project or after its end. There is no pre-defined time frame up to where it should reach. The time frame depends how far out into the future you need to plan for business activities. For example the business plan could look into the future time needed to provide credible information on returns connected to the proposed exploitation approach for the foreseen exploitable results.

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

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\(^1\) European Structural and Investment Funds
**Q:** What do you mean by synergies and cumulative funding with European Structural and Investment Funds (ESIF) in the NMP+B Work Programme 2014-2015 topics?

The synergies are referred to in the scope of some NMP+B topics:

“For this topic, proposals should include an outline of the initial exploitation and business plans. Wherever possible, proposers could actively seek synergies, including possibilities for cumulative funding, with relevant national / regional research and innovation programmes and/or European Structural and Investment Funds in connection with smart specialisation strategies. Exploitation plans, outline financial arrangements and any follow-up should be developed during the project.”

And in in the call conditions:

For topics xxx, these initial plans [i.e. the initial exploitation and business plans] may address private funds, or assess synergies and possible cumulative funding with relevant national / regional research and innovation programmes and/or European Structural and Investment Funds related to smart specialisation strategies. For this purpose the tools provided by the Smart Specialization Platform, Eye@RIS3 may be useful. The results of these activities as well as the envisaged further activities in this respect should be described in the final report of the project.

Existence of additional funding from ESIF is not an independent evaluation criterion. What it demonstrates, however, is business planning and thinking above and beyond the project, which will be considered within the evaluation of the “impact” criterion. The additional funding, which should be explained in the exploitation and business plan sections of the project proposal are by no means limited to ESIF. Other possibilities include private industry funding, bank funding, national funding programmes etc. The H2020 project evaluation will, however, look at the project as an independent entity at its own merits.

The exploitation plans are expected to be further developed during the project duration, but at the time of submission the proposer should already have a clear indication of the possibilities, going beyond mere checking online that a specific programme etc. exists. The proposer should for example have made an initial contact with the ESIF Managing Authority to verify that the project fits into the Smart Specialisation Strategy of the area in question.

The Eye@RIS3 is only an indicative tool to start looking for which region might have an appropriate priority in their Smart Specialisation Strategy (and might therefore present a possibility of additional funding). It does not cover all regions. It is not enough as a reference for “actively seeking synergies”.

Combining several sources of funding in a same project simultaneously is the most ambitious option. For most projects it would be more realistic to think in terms of subsequent projects, for example taking up the exploitation activities of a H2020 project with ESIF funding.