EIT RawMaterials
Go-to-market strategy for upscaling projects
Process and guidance

October 2018

1. Background information

Upscaling projects are innovation projects based on validated technologies (TRL5) that need additional step(s) for up-scaling, demonstration or implementation, and must aim to market introduction and/or a commercial use within 3 years (or less) after the end of the project. This implies a clear focus and strategy to customer need analysis, value/customer proposition, market analysis, IP strategy, competitors, implementation and commercialisation strategy. These factors must be accounted for in the Go-To-Market (GTM) strategy and need to be addressed from the very beginning of the project and updated during the whole project's duration.

Starting from KAVA call 5 for Upscaling projects, the EIT RawMaterials has mandated for Upscaling projects the inclusion of a Work Package (WP) "Go-to-market strategy" running over the whole project duration, aimed to define a Business Model, a Business Plan with Commercialisation or Implementation Plan for filling the gap from the end of the project to the market introduction. The main objective is securing partners' availability to implement, disseminate and commercialise the project's results and learnings.

The GTM activities should be planned every year, and clear milestones should be defined. Activities carried out every year in the GTM WP should verify and validate the identified milestones. The planning should be discussed and reviewed with EIT RawMaterials' staff during the Project review 1 (PR1) or kick-off meeting every year. The outcomes of the work should be included in a yearly "Go to market strategy" report, to be submitted by the Consortium by 31 March in each year of the project.

The report will be reviewed and discussed during the yearly Project review to be held in autumn. This report will be part of a project GO/NO-GO decision. Business potential will be included as an evaluation criterion for the judgement of the performance of the ongoing project, together with time, scope and budget criteria.

Figure 1 gives a general indication of the GTM WP process and requirements.

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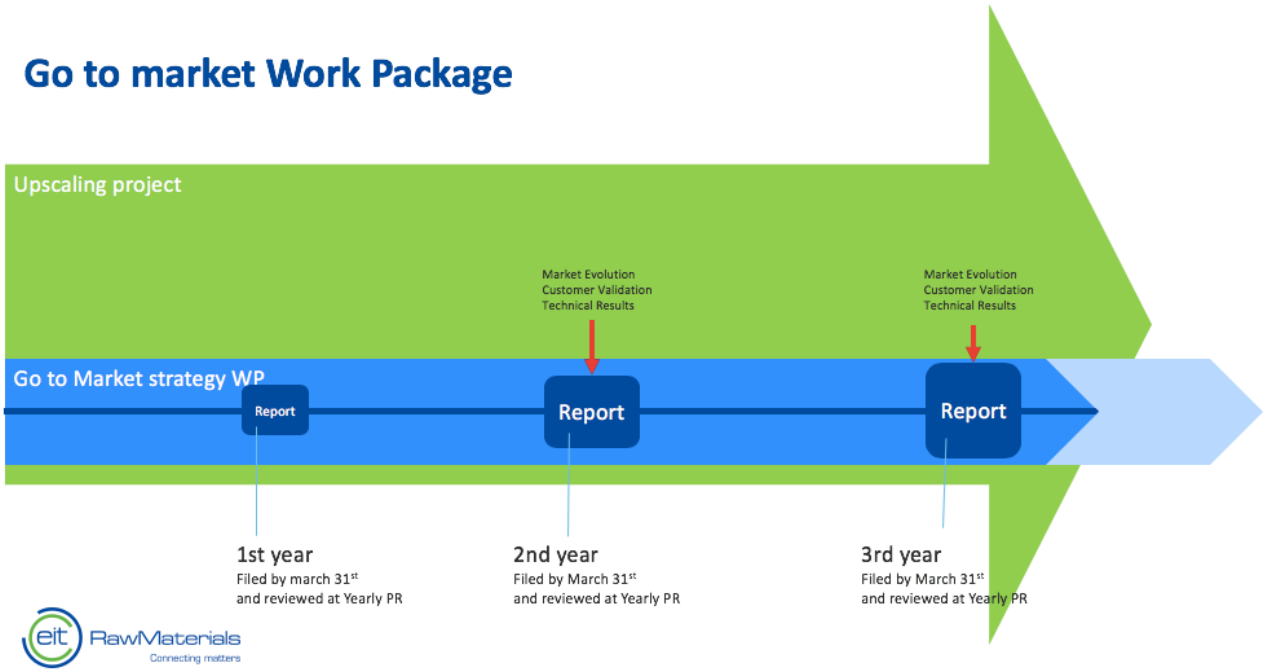

Figure 1. Conceptual timeline of the Go-to-market WP for Upscaling projects.

2. Content of Go-to Market WP

The content of the GTM WP should be individually designed from each project, depending on the specific needs, and should consist of selected processes and activities that will support the project consortium to build a feasible roadmap for the implementation or commercialization of the results of the project after its end. The Project Consortium should identify the different roles and interest of the project partners, to secure GTM strategy for the expected outcomes and results of the project.

Activities need to be planned to reach the milestones set in the GTM process. The extent of the yearly feasibility reports expected from the progression of the GTM WP will increase every year and will be eventually delivered as a final GTM strategy at the end of the project. The report will include a clear roadmap for the implementation and commercialisation plan. Activities should be designed to support the project development and key impact factors should be identified to address:

- Technology
- Market
- Economy
- Environment
- Society
- Education (increasing dissemination of learnings)

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- Entrepreneurship (new spinoffs / start-ups)

Activities and process to identify/frame important aspects, data and information include:

- External context (technical, regulatory, social, environmental, political, etc.)
- User needs and targeted applications and customer value proposition
- Competition and competitive advantage
- Value chain with stakeholders, partners, customer and distribution strategy
- Target markets (size, structure, growth potential, segmentation, etc.)
- Design and/or market studies
- Risk assessment
- Intellectual property rights strategy
- Business Model, business potential and market potential
- Investment required, Financial plan and model
- Implementation and commercialisation plan

3. Content and structure of feasibility study reports

The following template is not mandatory but can be adapted depending on the needs of the specific project, i.e., in some cases the results should be implemented by the partner(s), while in others a commercialization of the results is required to reach the market application. The level of maturity of the different sections can differ from project to project and should evolve in the different yearly releases with the progression of the GTM activities. The document should not exceed the overall the length of 30 pages, excluding additional information that can be put in annexes.

1. EXECUTIVE SUMMARY

The executive summary should be a clear and concise description of the project's key elements: "What, Why and How". This text may be used as part of the Business Plan, or for presentations and other materials, and should therefore be formulated as a business pitch.

2. SECTION 1 – VALUE PROPOSITION

The objective of this section is to provide a clear description of the real market demand that the solution is trying to address, the advantages achieved by using the solution, the competitive advantage with respect to the state of the art and the IPR status. It should be written in a short and precise way, referring to quantitative targets. The value proposition should be highlighted through the output of a customer validation (interviews, meetings), the analysis of a potential use case with quantified benefits for the user, or evidence of legislation or regulation requirements.

2.1 Market needs and value proposition

Explain the customer/user needs or demand that the solution addresses (and justify how these needs have been investigated and validated). Indicate the regulative/legislative context and the related needs of new solutions.

Describe the proposed solution (product/service/process), its specific characteristics and how it will contribute to solving the problem (in terms of cost, performance, efficiency, safety, environmental impact, lifetime, etc.) for a potential customer. Indicate who is your target customer and the benefits they will get from the application of the solution through the description of a use case.

Provide simple statements addressing the following:

- What are the main challenges solved by this solution?
    - Describe the importance or size of these challenges
    - Explain to what degree the solution addresses each of these challenges
- Who faces these main challenges?
    - What urgency do they feel to resolve these challenges?
    - What benefit would be created after solving these challenges?
- Are there any extra or indirect benefits associated with the technology? What are they?
- What are the cost considerations for implementing the solution?
    - What does the customer have to do or buy in order to use it?
    - What are the switching costs associated with moving from the currently used solution to the new one? Change out/build out, reengineering, retraining, etc.?

To describe the project's technology value proposition a good start is to identify features, benefits and value of the technology. The decision for implementation and commercialisation is based on value and benefits of key impact factors. **Features** are technology functions, what it does, or what it is. **Benefits** are the advantages these features bring the customer. **Value** is the business impact of these benefits.

2.2 Competition and competitive advantage

Describe how the main challenges that the solution addresses are currently being dealt with, and what is considered to be the 'state-of-the-art', i.e., alternative existing solution.

Describe the technical and economic performance of the solution proposed compared to existing solutions, defining the competitive advantage and the value proposition (i.e., a business statement that summarizes why a consumer should buy it). If possible, provide a competition table indicating the key features for each existing solution and for the envisaged solution.

Describe key competing solutions and address these points for each one:

- How is the new solution different from the competitor/competing solution?

- What appear to be the key strengths and weaknesses of the competitor and competing solutions?

The following table is optional. Below is an example.

Solution	Competitor advantages	Competitor disadvantages	Your advantages
Regular salt	can be used as a preservative	mainly sodium, health risks	No sodium
XX	XX	XX	XX
XX	XX	XX	XX

2.3 IP status

Provide a brief description of the background IP (list only the main IP assets, and explain why they are important for the success of the project). Describe the areas where you expect that IP will be created and how you intend to protect such IP and by which partner the IP will be owned or used.

If the assessment revealed any potentially similar patents or trademarks, then simply state that they exist but "determining similarity or potential infringement is beyond the scope of this report and should be determined by IP professionals." Don't forget to list the patents or trademarks in an Appendix to this report. Ensure freedom to operate from two perspectives:

1. The internal IP agreement among partners for contributing background required to commercialise the product/service
2. No constraint from external IP to commercialise the product/service. For this aspect, IP mapping is required. It should comprise detailed analysis of validity of patent and extensions, geographical coverage, etc.

3. SECTION 2 – MARKET PLAN

The objective of this section is to describe your target market and customers for the implementation or commercialization, the business model envisaged, the role of each partner in the exploitation, the value chain required to commercialize and implement the solution.

3.1 Business opportunity

Indicate the market segments you target, the estimation of the total addressable market, first potential customers and how you plan to reach them, including your relationship with them (e.g., involved in the consortium, already customers, market survey, testing/feedback, letters of intent). Indicate which are the challenges and opportunities for entering in the different markets.

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3.2 Business model and value chain analysis

Indicate the Business Model and revenue model (how do you plan to commercialize? product or service, sales or licensing?).

Describe the value/supply chain related to the technology/solution (suppliers, distributors, etc.). Identify which of these or other stakeholders should be involved to ensure successful commercial exploitation and the needs to introduce changes in value/supply chain to commercialise the solution.

Provide a clear description of the expertise of each partner and describe how the various partners provide access to the relevant resources and cover the relevant steps along the chain, as required to produce and deliver the solution to the targeted customers/users).

Questions related to the Business Model:

- What business model(s) are most viable for commercialization of this technology and why? An initial business model shall be defined. A Business Model is a useful tool to describe and establish interrelations between many different decisions/aspects previously tackled. One possible model is the Canvas Model that describes and interrelates the following aspects: i) customers' segments, (ii) value propositions, (iii) channels, (iv) customer relationships, (v) revenue streams, (vi) key resources, (vii) key activities, (viii) key partnerships and (ix) cost structure
- Describe the exploitation strategy for commercialization of this solution and why. The exploitation strategy consists of defining who is going to commercialise your solution (a partner in charge of the commercialization or through a start-up) and how. Different options for commercialising your solution include:
    - Sale of product/service
    - IP sale
    - IP licensing
    - Usage fee
    - Subscription fee
    - Lending/renting or leasing
    - Brokerage fee
    - Advertising

Some issues related to value chain may include:

- Do all elements in the value chain exist? Are the different players available and connected? If not, how are you going to tackle this?
- Are the elements in the value chain already connected, as per the identified chain? Do you need to introduce new connections?

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- Is there any bottleneck or potential risk at any of the elements of the value chain that may affect your product, its performance, quality, price, etc.? (e.g., monopolies, resources located in one country with constraining market policies or high political instability, potential situations of under-supply/over-demand, high price volatility, etc.)
- Does the value chain need changes in order to introduce your products/ services? If yes, how do you expect to deal with this?

3.3 Business potential

Indicate preliminary hypothesis of cost and price of the product/service. Indicate potential sales and related revenues from exploitation of the solution, possibly based on different scenarios of assumptions on how the market will take up the innovation.

Report an estimation of Profit and Loss for the exploitation of the solution, or for the partners involved in the exploitation, for 3 or 5 years after the commercialization.

4. SECTION 3 – IMPLEMENTATION PLAN

The objective of this section is to describe your implementation plan for the technology, the activities that are necessary to be fulfilled after the end of the project to improve the "technology readiness level" and the "customer readiness level" to reach the first commercial use within three years after the end of the Upscaling Project, the investment required and the ROI expected.

4.1 Development

Describe the status of the solution in terms of its readiness for the market (its readiness to be utilized by a customer) at the present stage as well as at the stage expected at the end of the project.

Indicate key steps and activities necessary to bring the technology to market, as a product, service or process after the end of the project, including time schedule and milestones.

Provide simple statements addressing the following:

- Is there a finalized Prototype/product/service?
    - To what extent is it functional?
    - What is it its development stage?
    - What is needed to finalize the product/service?
    - When could it be finalized?
- To what extent has the solution been tested?
    - For reliability? How? What were the results?
    - For scalability? How? To what scale was it successful?

- For ability to integrate into the imagined product or process? How? What were the results?
- For usability by end users? How? What were the results?
- For adoptability by end users? How? What were the results?

- Are there customers or units currently in service?
  - What has been the experience?

4.2 Investment needs and financial plan

Indicate the resources required for the implementation plan and the sources intended for the implementation of this plan. Make sure to evaluate your strategy in terms of time, and resources required for implementation in practice (e.g., cost-benefit analysis), including the estimated ROI for the investment.

Indicate the consortium's views on the possibility to provide some financial backflows to the KIC, e.g., in the form of license royalties, a share of future cost savings, a share of future revenues, equity in a new entity created to commercialize the developed solution, etc.

This section is normally hard to develop at the beginning of an Upscaling Project and needs to be refined at least once per year.

- What investments are needed to launch the product/service to the market?
- What are the intended sources of funding to realise such an investment? Are they available?
- What do you need to do to secure them?
- What is the expected Return on Investment (ROI) for the investment in relation to the profits ROI (%) = (Net profit (€) / Investment (€)) x 100

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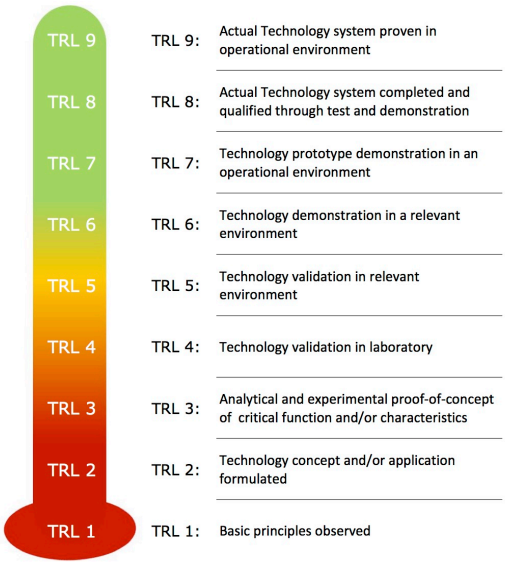

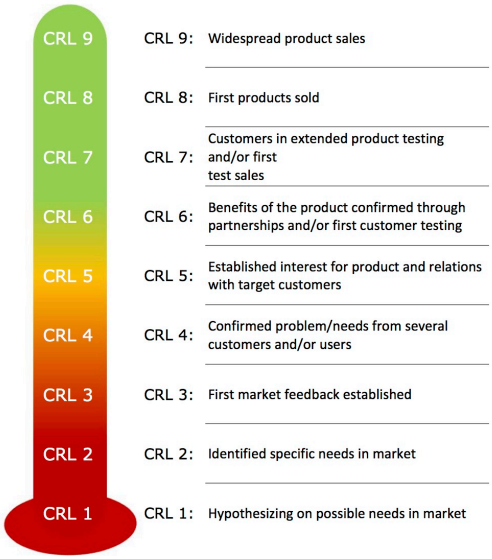

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