Access 4 SMEs

National Contact Points for Innovation

European Innovation Council (EIC)

SME Instrument

"ANNOTATED PROPOSAL TEMPLATE
SME INSTRUMENT PHASE 1 AND PHASE 2"

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ACCESS4SMEs' main objective is to provide support and specialised services to the network of SMEs and ARF NCPs.

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"The European Innovation Council (EIC) will strengthen breakthrough innovators and boost the number of high-growth companies. This annotated template is yet another example of the importance of NCPs' contribution to the ambitious challenge that the European Commission has committed to."

Ignacio Puente
Policy Officer – Access to Finance and SMEs
Access4SMEs Project Officer

European Commission
DG Research & Innovation
B3 - SMEs, Financial Instruments and State Aids

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INTRODUCTION AND BACKGROUND

The '**Annotated proposal template SME Instrument Phase 1 and Phase 2**' is a guide created in order to assist innovative companies in applying to the EIC SME Instrument 2018-2020 call of Horizon 2020. Its aim is to help companies better understand the requirements of the template and write better applications. The annotated template is provided for information only, and reflects solely the view of the authors.

This guide has been written as part of the Access4SMEs project, a Coordination and Support Action funded by the European Commission, with the goal of empowering the network of Horizon 2020 National Contact Points (NCPs) for Small- and Medium-sized Enterprises (SMEs) and Access to risk finance (ARF). More specifically, the project is focused on identifying and sharing best practices in applying to SME-dedicated instruments in Horizon 2020.

The authors of this guide are Horizon 2020 NCPs dealing daily with SME Instrument applications. Their recommendations appear in the document as "**Expert recommendations**" and also include feedback received from evaluators of SME Instrument proposals employed by the European Commission. Before starting to work on this document, and during the first four years of the SME Instrument Call (2014-2017), the NCPs interacted with, trained and provided advice to thousands of companies that wanted to introduce their innovative product or service to market by using SME Instrument funding.

This guide is largely based on the needs of these companies, extracted from those interactions. It also draws upon a workshop which took place in May 2017, where a number of evaluators presented their evaluation methodologies to a team of select NCPs. The evaluators actively participated in the workshop, providing a different angle on the quality of SME Instrument proposals, based on their experience in assessing proposals.

Another main goal of this annotated template is to help applicants focus on the business side of the application and not only on the technological part of it. A successful business idea needs to be presented in a convincing way to broad range of experts from a wide array of fields; while the scientific/technical soundness of an SME Instrument proposal can be central to its ultimate success, it is without doubt that the **market strategy** to be envisaged, **the user needs** to be met, and the **business opportunity** to be answered should be clear and comprehensible to all readers, and in particular to SME Instrument evaluators.

The document has been structured to guide companies on how to best present information answering the evaluation criteria of (1) **Excellence**, (2) **Impact** and (3) **Implementation**. It is meant to provide companies with a clear guidance on structuring the **innovation and business aspects** contained in their applications. The guide should be useful for anyone who wants to submit an EIC SME Instrument related proposal.

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AIM AND CONTENT

The **SME Instrument call** is directed at SMEs with a revolutionary business idea and an underlying technology, all based on a business plan for rolling out a marketable innovative solution – and with an ambition to significantly scale up. In 2018-2020 under the European Innovation Council (EIC), this instrument focuses on **market-creating innovations**, **breakthrough** products, services, processes or business models, which open up new markets, with the potential for rapid growth at both European and global levels. With that spirit, the current proposal templates have been drafted by the European Commission, and are more focused on these goals than the previous version which was relevant for 2014-2017.

The overall aim of this annotated template is to provide SMEs with tools and tips on how to draft a proposal / business plan with a better chance of winning the EIC SME Instrument call. The tools have been included both in this document and in the tool box developed under Access4SMEs. The examples used in the document are based, among others, on successful proposals that SME NCPs have previously identified and consulted, and are

generalized to become more universal. One of the main goals of the annotated template is to emphasize the **business elements** that a good SME Instrument value proposition should contain. The template also refers to some basic differences between Phase 1 and Phase 2 applications.

The **Expert recommendations** and the **Examples** provided in the document are intended to help applicants when developing their own business ideas, by clarifying certain relevant points requested in the proposal template. These directives are not taken from a running funded project. Also, they should not be followed blindly, but seen as illustrations of the expert recommendations. They are meant to give an idea of the elements that should be covered, but these elements should be described in greater detail in the proposal itself.

As explained above, the three main criteria used to evaluate the **innovative aspects** of a project proposal for H2020 are:

EXCELLENCE (CRITERION 1)

This section shall demonstrate how the high-risk/high-potential innovation goes beyond the state of the art in its field, in comparison to existing and competing solutions. Also, the applicant should show that the product/service/model is already at an advanced stage of development (high TRL).

IMPACT (CRITERION 2)

This section assesses the extent to which the proposed innovation will create substantial demand (including willingness to pay) for the product, service or model. It must also assess and quantify the competitiveness and growth of the applying SME, based on the project, and in relation to environmental/industrial/social issues.

IMPLEMENTATION (CRITERION 3)

This section must address, among other things, how the innovative product will be managed, and which team resources are available for that. It is of particular relevance, as an effective innovation management scheme allows the applicant to exploit new opportunities, both inside and outside the project.

The structure of this document mirrors that of the proposal template for the EIC SME Instrument. It mainly focuses on sections 1 and 2 (**Excellence** and **Impact**) with some notes also relevant to criterion 3 (**Implementation**).

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HOW TO READ THIS GUIDE

*The text of the original SME Instrument templates appears in **black**.*

Access4SMEs ***NCPs recommendations*** *appear in **orange boxes.***
These recommendations also include feedback collected from evaluators of relevant proposals.

In the blue boxes the award criteria are referenced next to the relevant segment in the template.

This guide is limited to annotations to the templates of the EIC SME Instrument 2018-2020 calls. For a more general overview of how the Horizon 2020 grants work, see the Online Manual provided by the European Commission.

A comprehensive list of all Horizon 2020 reference documents (including legislation, work programme and templates) can be found on the Reference documents page of the Participant Portal and the European Innovation Council portal.

Horizon 2020 terms are explained in the Glossary part of the Participant Portal.

If you need help, you can also contact the H2020 National Contact Points of your Country.

BASED ON NCPS AND EVALUATORS EXPERTISE

This guide, developed under the Access4SME project (H2020-723120) aims to put together the vast knowledge acquired about the SME instrument by relevant key stakeholders in Europe, for the benefit of the proposers. This type of information is detailed in ORANGE boxes throughout the document. Key stakeholders include –

- **Evaluators -** Tips from SME Instrument evaluators across Europe on how to make your proposal understandable & in line with their expectations.

- **NCPs –** Summarizing their key recommendations based on hundreds of SME instrument proposal revised each year.

- **Business coaches –** Highlighting a number of selected questions that need to be properly tackled if you aim to really become an international, scalable and sustainable business.

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PROPOSAL TEMPLATE (TECHNICAL ANNEX) SME INSTRUMENT – PHASE 1 & 2

[ADAPTED FOR EIC]

Proposals shall be based on a on a strategic business plan developed through SME instrument phase 1 support or by other means.

Please follow the structure of the template when preparing your proposal. It has been designed to ensure that the important aspects of your innovation and planned work are presented in a way that will enable the experts to make an effective assessment against the award criteria.

If you upload a proposal longer than 30 pages for phase 2, or longer than 10 pages for phase 1 (only sections 1-3, including cover page and executive summary) before the cut-off date, you will receive an automatic warning and will be advised to shorten and re-upload the proposal. After the call cut-off date, excess pages will be automatically made invisible and will not be taken into consideration.

Please, do not consider the page limit as a target! It is in your interest to keep your text as concise as possible, since experts rarely view unnecessarily long proposals in a positive light.

Please respect the following formatting constraints:

- Times New Roman, Arial or similar, at least font size 11, page size A4, margins (2.0 cm side and 1.5 cm top and bottom), at least single line spacing.

Further guidance is available in the Guidelines for Applicants.

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GENERAL TIPS

- **Writing to investors:** when preparing your proposal, think of the evaluator as if he/she was an investor. Ensure that the proposal includes all the details presented in your company's investor presentation.

- **The WOW effect:** the project abstract (which you will fill online) should be a short pitch of your company: Problem – Solution – Competitive Advantage. Catch the evaluator's eye, and make her/him want to read the rest of the proposal. Write the abstract and choose the keywords last. These are used to select the evaluators. It should NOT be the usual scientific abstract, but rather it should sell your project and should be understandable to the generalist.

- **The company and not only the project:** yes, you're requesting funds for a specific project, but note that the evaluator is looking for an excellent company. Focus not only on the project but also on the company – its history, its strategy, its future and its ability to scale-up. Describe how the project fits into the company's overall development plan and strategy.

- **Business over technology:** the commercial part of the proposal is more important than the technological part. It's important to show that your product is innovative, but it's more important to show its commercial value. Put an emphasis on describing your competitors and on explaining your competitive advantage.

- **European dimension:** make sure to clearly show how your proposal is relevant to Europe: analyse the market in Europe, detail how your product is relevant to Europe, and discuss European goals and regulations if relevant.

- **Form and content:** Delete the hints, comments and guidance notes that are inserted in the template. Bear in mind that form matters: Take the time to review and polish the language. You can change the appearance of the proposal, as long as you maintain the font size, margins and numbering of chapters and sections. DO NOT REDUCE FONT SIZE! Remember, the evaluator who reads the proposal is a human being – let her/him have a good time reading your proposal. Increase the spacing between letters makes the proposal easier to read, and seem less dense.

- **Visuals:** a picture is worth a thousand words. Use pictures and graphics instead of lengthy textual explanations, where possible and where they increase the comprehension.

- **Using links:** you can include links to web-pages that demonstrate different aspects of the project; however, this isn't a gateway to buy additional space for text. The proposal must have all the information needed, while the links are 'bonuses'. Do not assume the evaluator will click these links, since they sometimes prefer printing the proposal and reading the hard-copy.

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GENERAL TIPS

- **As many eyes as possible:** before submitting, let other people read your proposal and comment. Try to choose people who are not from your field, to make sure the proposal can be easily understood by a "layman".

- **Telling a story:** make sure the proposal is written as a continuous coherent story, rather than as a collection of parts. Again, remember that the evaluator is a human being and it's better for you when your proposal is easier to read. Make the story interesting for the reader.

- **For re-submissions:** evaluators do not know that you re-submitted unless you mention it. They are instructed to ignore any reference to previous submissions. Nonetheless, if you choose to mention that this is a re-submission, make sure to write what were the weak spots of the last submission and what you did in order to improve it. In any case, evaluators will not receive a copy of the first submission or the results of the previous evaluation.

- **For those who won Phase 1 and are now submitting for Phase 2:** You have to upload your final report together with the Phase 2 proposal. The evaluators will receive this copy of your final report. Make sure to describe your development since winning phase 1 and why now phase 2 is your next step. Make sure the final report for phase 1 and the proposal for phase 2 are in correlation. Do not repeat steps that were already taken.

- **A good proposal is to the point**, written in an easy to read manner, without repetitions and most importantly help the evaluator answer the questions he has. You do not have to reach the maximum number of pages by force, so don't repeat yourself or provide redundant information and 'hot air'. Also, there is no need to repeat the essence of the project in the beginning of each section, as it might be tedious for the reader.

- **Completeness:** do not forget to answer every single question, even if you think you don't really understand what the template means and/or do not think that the particular question is important. Not answering a question could cost you half a point which might be the difference between being selected for funding and not.

- **Essential tips for SME Instrument application** by the Executive agency for SMEs (EASME).

- **Further reading** on the specific challenges, scope and description of the call, as well as links to submission and additional documents can be found under the **SME Instrument topic page**. It is strongly recommended to read the **Guide for Applicants**.

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I. COVER PAGE

- **Title of proposal**

- **Acronym of proposal**

- **List of participants**

- Fill in the table (use the same participant number as the one used in the administrative proposal forms)

Participant number	Organisation name	Country
(Coordinator)		

- Use the cover page wisely: below the table of contents (which should be added following subsection I) add general information about your company in a very short and concise manner. Think of it as an 'elevator pitch'. You may add a picture.

- Take time to think about a good ACRONYM – You will talk about it – so keep it pronounceable, short and catchy. Make sure it doesn't have a 'double meaning' in English.

- If you use many abbreviations, consider adding an index table. Having said that, try to avoid using too many abbreviations, as this will force the reader to go back to the abbreviation index each time, thus preventing an enjoyable continuous reading of your proposal. Explain acronyms or initialisms on first occurrence.

- If you submit a proposal as a single entity, you are considered as the coordinator for a consortium made up of one single company.

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II. EXECUTIVE SUMMARY

(1-PAGE MAXIMUM)

TIPS FOR WRITING A SUCCESSFUL EXECUTIVE SUMMARY:

- Keep it short and simple! Strip away redundant content to focus on the core message. Any layperson who reads your executive summary should clearly understand who are you and what your company does, what you aim to sell, what are the objectives of the proposed project and how you are going to measure success.

- Start with a bang! Inspire the investor to read on– What is the most compelling thing about your company? What are you doing that nobody else is? This could be along the following lines: "A big problem today is X, and current solutions are not good; we propose Y which is innovative in aspects A, B and C, and is much more efficient / cheaper / solves issues which no one knew how to solve before".

- Problem, solution & opportunity should be the 'meat' of your summary – what problem does this project solve, how does it solve it and what's the market for this solution. This part should also include your value proposition and your unique selling point.

- You may include a very brief financial summary. Provide some financial information such as the company's valuation, history and future of revenue, cash, expenses and losses/profits. This will help the investors get an idea of what return they can expect. Give info on the growth in headcount, as job creation is a very important factor in the evaluation.

- Sell, don't tell! The summary doesn't need to outline your entire business plan, but rather it should convince the reader to read on.

- Emphasize your strong parts! Push hard whatever makes you stand out. Answer the question "Why you and not someone else?".

- Ask for what you need – what amount will help you get to the next milestone, and what is that milestone?

- Provide an excellent description of the market opportunity – who are the clients and what is the market size (with a European angle, of course) of the competition and your competitive advantage, of the pricing model and the go to market.

- Describe the team in short but powerful sentences.

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III. CONTENT

1. EXCELLENCE

- In this section you will be required to present your technology and innovation. Make sure that the innovative aspect of your project is clear. You need to convince the evaluators that your innovation is excellent, that your product, process or service is disruptive in the market(s) of interest, and that it has the potential to change the dynamic of the market and possibly to address a societal challenge.

- Know the difference between innovation and disruption – Disruptors are innovators, but not all innovators are disruptors. While innovation and disruption are similar in the sense that they are both 'makers and builders', disruption differs by the fact that disruption displaces an existing market, industry, or technology and produces something new and more efficient and worthwhile. It is at once destructive and creative.

- Try not to be too technical. The evaluator might not be from your exact field, and too many technical terms might distract him/her.

CHALLENGE AND SOLUTION

- Describe the identified customer pain point? What is the business need, technological challenge or market opportunity?
- What is your innovation?

- **High-risk/high-potential innovation idea** that has something that nobody else has. It should be **better and/or significantly different** to any alternative. Game-changing ideas or breakthrough innovations are particularly sought after.
  Its **high degree of novelty** comes with a high chance of either success or failure.

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- Explain how your solution or product solves the stated problem and avails of the business opportunity.

- Make sure to define a value proposition.

- Identify and explain the first & secondary market application.

- Show that the pain point is such that a solution is a 'must-have' and not a 'nice-to-have'.

- What do you do that was never done before – why wasn't it done before and why can you do it now.

- What is the market's state-of-the-art? How would your innovation compare with available solutions, practices or products (e.g. performance, costs, ease-of-use, gender dimension[1], climate change or environmental aspects, benefits to society)?

- **Highly innovative solution that goes beyond the state of the art** in comparison with existing or competing solutions, including on the basis of costs, ease of use and other relevant features as well as issues related to climate change or the environment, the gender dimension, any other benefits for society, or (Phase 1 only) includes plans for obtaining this information.

- Compare alternative technologies/products explicitly, don't compare companies here. Competitor analysis should be detailed in section 2.

- Appropriate use of graphical elements is recommended. Again – a picture is worth a thousand words.

- Know & address the European Union's challenges and policies – meeting more than one challenge is great! (For instance meeting both the energy and housing challenges…). Adding references to these challenges can help, but don't send the reader to additional reading outside of the proposal. Know the European Union's 17 sustainable development goals (SDGs).

- Further information on climate action and sustainable development can be found under the H2020 online Manual.

- Gender issues must be addressed. Ensuring an equality policy upon recruitment in the company can help. Further guidance on this can be found in the H2020 Online Manual.

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1 How your innovation takes into account the needs and interests of women and men users and/or customers. For examples of how gendered innovations can improve products and increase market share please refer to http://ec.europa.eu/research/swafs/gendered-innovations/index_en.cfm?pg=home

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APPROACH

- What is unique in your approach, compared to those of other companies?

  - Clearly explain what your competitive advantage is.

- Why now? Explain the historical evolution of your category and define recent trends that make your solution possible.

- What is the current development stage of your innovation? Refer to Technology Readiness Levels (TRL) or something analogous for non-technological innovations (see General Annex G of the Work Programme).

- Realistic description of **current stage of development** (Phase 2 only: TRL 6, or something analogous for non-technological innovations), and clear outline of **steps planned to take this innovation to market**.

  - It is recommended that you include graphics that illustrate the milestones, TRLs, already achieved.

  - TRL: The TRL should be 6 (prototype/demo of the technology in a relevant environment) or above. Note that the SME instrument is not a tool for company creation!

- You may include results from early field trials, prototype development, reference site installations, etc.

- The technology should have been demonstrated working in a relevant environment, make sure to refer to that.

- The definitions of the different TRLs can be found here.

- Phase 1 only: What do you plan to achieve in the feasibility study? Explain the methodology distinguishing the activities to assess the technological / technical / practical feasibility and economic viability of your innovation.

- Which milestones led to the current development stage (e.g. proof of concept completed, early field trials under way)? Describe the results obtained on the technological, practical and economic feasibility of the innovation.

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- **Very good understanding of both risks and opportunities** related to successful market introduction of the innovation from both technical and commercial points of view or (Phase 1 only) includes convincing plans for obtaining this information.

- Phase 2 only: Documentation on the **technological, practical and economic feasibility of the innovation**.

- *The 'feasibility' aspect is particularly examined in Step 2 of the evaluation of Phase 2 proposals ('face to face interview').*

- What are the further stages and activities needed to commercialize your innovation and which of these activities do you intend to perform in this project?

- The activities foreseen should match the expected outcome (and the budget, of course).

- What are the expected outcomes of this project and the related success criteria?

- Phase 1 (only): **Objectives for the feasibility study** and the **approach and activities** to be developed are consistent with the expected impact of the project.

- Phase 2 (only): **Objectives for the innovation proposal** as well as the **approach and activities** to be developed are *consistent with the expected impact* (i.e. commercialisation or deployment resulting in company growth). Appropriate definition provided of specifications for outcome of project and criteria for success.

- How to measure success and performance = Key Performance Indicator (KPI).
  A good KPI should act as a compass, helping you and your team understand whether you're taking the right path toward your strategic goals. KPIs should be quantifiable.

- Taken as whole, to what extent the above elements are **coherent and plausible.**

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2. IMPACT

- This is the most important section, as it has a weight of 50% in calculating the final score. Make sure that all questions are answered in an appropriate manner. This is not a research proposal (or an R&D proposal). The clear focus should be on the business side of things.

- ENTERING THE MARKET
  - Who are the targeted users and/or customers and why will they want to buy your product/ service (unique selling point)? Are they new or already part of your customer base? What is your relation with them (e.g. market survey, testing/feedback, letters of intent)?

- Convincing description of **targeted users or customers** of the innovation, how their needs have been addressed, why the users or customers identified will want to use or buy the product, service or business model, including compared to what is currently available if anything at all.

- Identify and prioritize user needs and detail user profile(s).

- Identify and quantify client segments.

- Explain why are you so sure that the customers will be willing to pay for your product, given its competitive advantage. Example: if you develop a speech recognition software that may reach 98% accuracy, and your competitors are currently reaching only 90%, are you sure that the added accuracy is worth the added price for the customers?

- If you already have 'market connections' or relationships with potential customers/distributors, show it by adding (as annexes, and reference here) letters of intent, memorandums of understanding, even contracts/agreements. If you already have paying customers, don't forget to mention them – this might be one of the most important factors in the evaluation.

- Demonstrate the need. Know your market. Show how your solution answers these market needs.

- Any element showing demand for your solution/product gives you extra points. If you already have paying customers that's great, but in the absence of that, LOIs or even successful meetings with potential clients and partners should be mentioned explicitly.

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- What is the market in terms of type (e.g. niche, /high volume, new/mature, growth rate), size (e.g. volume, value, geographical scope) and growth? What is your targeted market share?

- Convincing description of **substantial demand** (including willingness to pay) for the innovation; demand generated by new ideas, with the potential to create new markets, is particularly sought after.

- Total **market size** envisaged.

- Research the **global** marketplace. Do not narrow your research to a few national markets, if possible. In particular avoid talking only about your own country, even if it's a large market in itself. Demonstrating international expansion is crucial.

- Note that a market sizing exercise needs to be performed bottom up and not top down. Keep in mind that your **total addressable market (TAM)** is only a subset of the overall industry market and can often be only a fraction of it.

- If your solution requires market education, make sure to mention how you plan on doing that. If possible, try to avoid a solution which requires market education, as this is an extremely difficult feat to perform.

- Narrow your export markets – which international markets would be targeted first? Consider how you will communicate with buyers. You may need a distributor that can close the language and culture gap between your product and the client. Make sure to look at the countries' taxes and legal fees, as some countries may be less costly than others.

- If you need actual presence (a subsidiary of your company – not just a local distributor) in some geographies in order to sell there, show how you create that presence.

- Explain the market conditions and the current trends, and the evolution of the competition.

- Who are your main direct and indirect competitors? (Competitors, substitutes and alternatives).

- Phase 1 (only): Good understanding of need for a realistic and relevant analysis of market conditions, total potential market size and growth-rate, competitors and competitive offerings, key stakeholders, clear identification of opportunities for market introduction: potential for market creation is particularly sought after.

- Phase 2 (only): Realistic and relevant analysis of market conditions and growth-rate, competitors and competitive offerings, key stakeholders, clear identification of opportunities for market introduction, market creation or disruption (e.g. via new value-chains).

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- Make sure to include an in-depth competitor analysis, as this is one of the most important parts of the "impact" section. Show that you know your competitors (as well as your competitive advantage – why you are better than them). The statement "we have no competition" is never true – don't forget that indirect competitors are also relevant. Any product that competes with you on the client's money/attention is a competitor. Example: one of the competitors of an electronic car navigation system is a paper roadmap.

- You may use any graphical element to illustrate competitors' analysis.

- Which are the barriers to entry? How do you intend to overcome them?

- **Alignment of proposal with overall strategy of applicant SME (or SMEs)** and commitment of the **team** behind them. Demonstration of need for commercial and management experience, including understanding of the financial and organisational requirements for **commercial exploitation** and **scaling up** (and - Phase 2 only) as well as key third parties needed.

- Types of barriers to market entry could be capital costs, economies of scale, legal barriers, vertical integration, predatory pricing, etc...

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▪ BUSINESS MODEL

- ▪ How does this innovation fit with your company's overall business strategy?

- ▪ Describe your value chain. Identify which of these or other stakeholders should be involved to ensure successful commercial exploitation. Define the nature of your current relation with them.

- ▪ Outline your business model, including the revenue model and your commercialization plan with an approximate time-to-market or deployment.

- ▪ Phase1 (only): Outline of **initial commercialisation plan** and how this will be developed further (in-house development, licensing strategy, etc.).

- ▪ Phase 2 (only): Realistic and relevant **strategic plan for commercialisation**, including approximate time-to-market or deployment. Activities to be undertaken after the project.

- ▪ *The 'commercial strategy' aspect is particularly examined in Step 2 of the evaluation of Phase 2 proposals.*

- ▪ Explain how you make money. Do you sell your product? Do you provide it for free but make money from advertising and/or for selling data you've gathered? If you don't sell directly to end users, do you intend to use licensing or other business models? Are post-sale services a money making element too?

- ▪ If you make money from sales – what is your pricing model and how did you choose it?

- ▪ If relevant, what post-sale assistance services will be required?

- ▪ You may also include a Business model canvas/lean canvas.

- ▪ A toolbox containing a value proposition tool, a revenue model selection & projection tool and a competitive analysis tool, has been developed by Access4SMEs and is freely downloadable under the publications section of the Access4SMEs' webpage.

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- Why is your model scalable? How do you intend to scale-up and reach European and/or global markets?

- Realistic and relevant description of how the innovation has the **potential to scale-up the applicant company (or companies).** This should be underpinned by a convincing business plan with a clear timeline, and complemented, where possible, by a track-record that includes financial data.

- **European/global dimension** of innovation with respect to both commercialisation and assessment of competitors and competitive offerings.

- This part should focuses specifically on scaling and there is no need to repeat what was written earlier.
- In how many countries do you already have presence with clients/ distributors/ staff/ offices?
- Are you commercializing with your own sale force/ Distributors/ partners/ the internet?

- Consider using different commercial channels for the different geographical areas in order to accelerate market penetration.

- You may need to have a separate approach per market segment/country.

- Know the different countries' export regulation and licensing laws. Do not forget about foreign import regulations. Get export counseling.

- If there may be a need to localize the product – make sure to explain how it will be changed to meet local conditions.

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- ▪ FINANCING

  - ▪ What is the company's ownership and capital structure?

  - ▪ Phase 2 only: What would be the impact of your innovation on the company financials (profit/loss, turnover and cash flows), jobs and efficiency/productivity improvement in the 3 years following the launch of this Phase-2 project?
    Phase 1 only: What is the expected growth potential of your solution in terms of turnover, profit and jobs?

  - ▪ Indicators for growth potential of your solution should be presented in a table with projections for at least three years.
  - ▪ You need to demonstrate that your project will generate revenues and create jobs.
  - ▪ P&L forecast: provide information on why this forecast is realistic and on why you think you will reach it ("we will increase sales by 3 million!" How? Why?). Use a standard P&L table. Detail your go-to-market strategy: will you sell your product directly? Through distribution channels? On the internet? Who is the purchasing "champion" in the client company [this is relevant for B2B products and services]?

EXAMPLE FOR A P&L TABLE:

Profit and Loss (P&L)	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue (€)	**1,500,000**	**4,000,000**	**7,000,000**	**12,000,000**	**18,000,000**
Manufacturing (€)	500,000	1,500,000	2,500,000	4,000,000	6,000,000
Shipping (€)	40,000	80,000	150,000	300,000	500,000
Direct Labour (€)	200,000	300,000	500,000	700,000	900,000
Total Variable Costs (€)	**740,000**	**1,880,000**	**3,150,000**	**5,000,000**	**7,400,000**
Gross Profit (€)	**760,000**	**2,120,000**	**3,850,000**	**7,000,000**	**10,600,000**
Personnel (€)	200,000	200,000	400,000	600,000	800,000
Marketing (€)	40,000	50,000	60,000	70,000	80,000
Rent (€)	10,000	10,000	15,000	15,000	20,000
Utilities (€)	1,000	2,000	4,000	6,000	8,000
Legal Consulting and IP Protection (€)	50,000	50,000	100,000	100,000	100,000
Accounting (€)	10,000	10,000	15,000	15,000	15,000
R&D Project (X% of revenue) (€)	150,000	400,000	700,000	1,200,000	1,800,000
Indirect Costs (X% of the total overheads) (€)	46,100	72,200	129,400	200,600	282,300
Total Fixed Costs (€)	**507,000**	**794,200**	**1,423,400**	**2,206,600**	**3,105,300**
EBITDA (€)	**253,000**	**1,325,800**	**2,246,600**	**4,793,400**	**7,494,700**
D&A (€)	0	0	0	300,000	300,000
EBIT (€)	**253,000**	**1,325,800**	**2,246,600**	**4,493,400**	**7,194,700**
Interest (€)	0	0	0	0	0
EBT (€)	**253,000**	**1,325,800**	**2,246,600**	**4,493,400**	**7,194,700**
Tax (€)	67,045	351,337	595,349	1,190,751	1,906,595.5
Net Profit (€)	**185,955**	**974,463**	**1,651,251**	**3,302,649**	**5,288,104.5**
Cash Flow (€)	**185,955**	**974,463**	**1,651,251**	**3,302,649**	**5,288,104.5**

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- Phase 2 only: Indicate the estimated funding requirements and the timeline to reach the commercialization stage of your innovation. How you intend to finance the 30% co-financing rate? Outline your plans to ensure the subsequent financing of your innovation (next rounds, top-up financing, etc.).

- Phase 1 only: Indicate the estimated funding requirements to reach the commercialization stage of your innovation. What are your plans to ensure the subsequent financing of your innovation (applying for a SME phase 2 grant, next rounds, top-up financing, etc.)?

- Provide a graphic showing the company's funding requirements over the next few years and the milestones reached with that financing. Show that each fundraising round gets you to a fundable stage.

- How do you plan to co-fund the 30% of the SME instrument grant? What additional financing is needed to reach the market apart from the SME instrument funding (time & budget)? How will you get it? Prove you have the relevant resources to execute the project. Show that you know you will need to raise money and that you have experience in doing so.

▪ INTELLECTUAL PROPERTY RIGHT (IPR) AND LEGAL FRAMEWORK

- Describe the legal and regulatory requirements to be fulfilled for the exploitation of your innovation and whether it is incorporated in or compliant with standards relevant to the technology.

- What are your IPR assets? Describe the key knowledge items and who owns them and who else may have rights to use them; patents (applied/granted) or other ways of protection.

- What is your strategy for knowledge management and protection?

- What are your measures to ensure commercial exploitation ('freedom to operate')?

- Phase 1 (only): Realistic and relevant description of **knowledge protection** status and strategy, need for **'freedom to operate'** (i.e., possibility of commercial exploitation), and current IPR situation or a plan for obtaining this information. Where relevant, description of potential regulatory requirements.

- Phase 2 (only): Evidence of or realistic measures to ensure **'freedom to operate'** (i.e., possibility of commercial exploitation), convincing **knowledge-protection strategy**, including current IPR filing status, IPR ownership and licensing issues. **Regulatory and/or standards requirements** addressed.

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- Which kind of IP applies to the product/service?
- Highlight the conclusions of your Freedom-to-Operate analysis.
- If you depend on standard certifications (like CE etc.) – make sure to describe why you are confident that you will receive the certification.
- For phase 1 – make sure to conduct an FTO; do not write you will only do it in Phase 2.

- ### PHASE 2 ONLY: COMMUNICATION AND ACCESS TO RESEARCH DATA
  - How will you publicly communicate about your innovation during the period of the grant?[2] Where relevant, mention measures for public/societal engagement on issues related to the project.

- Identify the key events in your target market where you will showcase your product/service.
- Specify the communication means to promote the project and its results during the time span of the project (for instance – company website, participation in conferences and international events etc).
- Consider different audiences in your communication strategy.
- Have a clear marketing message per each target audience.

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2   **For more information on communicating EU research and innovation guidance for project participants, please refer to the** H2020 Online Manual.

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- If relevant, how will you manage/exploit/share the research data[3] generated and/or collected during the project? What are the types of data and standards to be generated/collect? How will this data be curated and preserved and what are the costs involved? If data cannot be made available for commercial reason, explain why.

- If relevant, what are the measures to provide open access (free on-line access, such as 'green' or 'gold' model) to peer-reviewed scientific publications to result from the project?[4]

- Grantees have the right to opt-out, but need to say why. Top three reasons for opt-out: Privacy, IP rights & Jeopardy for project's objective. Further info can be found here and here.

Actions under Horizon 2020 participate in the extended 'Pilot on Open Research Data in Horizon 2020 ('open research data by default'), except if they indicate otherwise ('opt-out')[5]. Once the action has started (**not** at application stage) those beneficaries which do not opt-out, will need to create a more detailed Data Management Plan for making their data findable, accessible, interoperable and reusable (FAIR).

- Taken as whole, to what extent the above elements are **coherent and plausible.**

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3   **For more information on open research data and data management, please refer to the** H2020 Online Manual **on the Participant Portal.**

4   **Further guidance on open access and self-archiving is available in the** H2020 Online Manual.

5   **Opting out of the Open Research Data Pilot is possible, both before and after the grant signature. For further guidance on open research data and data management, please refer to the** H2020 Online Manual.

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3. IMPLEMENTATION

- **TEAM**

  - Describe your team and their achievements and experience in relation to the approach you will be taking.

  - Describe the roles of the team within your project. What is the role of the company's owner(s)? What are the main strengths and weaknesses of the team?

  - If your project is to be implemented by a consortium, describe how the partners complement each other.

- **Technical/business experience of the team,** including management capacity to lead a growing team

- Only Phase 1: If relevant, the proposal includes a plan to acquire missing competences.

- Only Phase 2: If relevant, the proposal includes a plan to acquire missing competences, namely through partnerships and/or subcontracting*, and explains why and how they are selected (subcontractors must be selected using 'best value-for-money' principles).

- *The 'team' aspect is particularly examined in Step 2 of the evaluation of Phase 2 proposals*.

- The industry experience of the management team has to be convincing. Make sure to show that you have relevant experience in all fields: technology, marketing, staffing, fundraising etc.

- When describing the company's abilities, you can mention you will use the coaching that is provided to perform actions that are currently beyond the company's capabilities.

- Properly present your key people in the management structure.

- Keep in mind that you will be required to provide further information on your company and its operational capacity in Section 4.

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WORK PACKAGES, DELIVERABLES, MILESTONES, RISKS

PHASE 1 ONLY:

- Present a detailed project plan comprisin: (see table 3.a)
  i. one work package: feasibility study
  ii. one deliverable: feasibility report including a business plan

PHASE 2 ONLY:

- Describe the overall structure of the work plan.

- Explain the timing of the work packages and their components (include a Gant chart or similar).

- Present a detailed work description:

  i.   List of work packages (table 3.a)

  ii. A description of each work package (table 3.b)

  iii. List of major deliverables (table 3.c)

- Include a list of milestones (table 3.d)

- What might go wrong? Include a table with critical risks identified and mitigating actions (table 3.e). Explain your approach to the proposed mitigation measures.

Work package means a major sub-division of the proposed project.

Deliverable means a distinct output of the project, meaningful in terms of the project's overall objective. It can be a report, a document, a technical diagram, a piece of software etc.

Milestones are control points to help to chart your progress. Milestones may correspond to the completion of a key deliverable. They may also correspond to other inputs, allowing the next phase to begin, to decide on further steps or to take corrective measures.

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- WP descriptions need to match with your (current) TRL 6 status and demonstrate TRL increase.
- Does your WP structure consider your business development?
- Give enough information at task level to fully understand what you are aiming to do.
- Provide a realistic time frame.
- Make sure the work plan describes how you fill the existing gaps you mentioned in the 'market' section and will overcome the barriers specified.
- Make sure the information about subcontractors is also included in the relevant WP.
- Have you considered the risks that could hinder your success? Make sure to fill up the risk assessment section according to the guidelines above. Some people tend to leave this blank or give a very skeletal answer. This will result in a lower grade. Also make sure to address all relevant risks: technological and commercial. Example: if you develop a speech recognition machine where your competitors reach 90% accuracy and you claim to reach 98%, detail what might prevent you from reaching that level of accuracy.
- Risk analysis – very important to take this section seriously. Show the reader you have given it a serious thought and that you analyzed all the risks and prepared for them. Also reflect the mitigation measures in your task action plan. Example:

Risk Category	Risk	Likelihood	Mitigation methods
Management	Lack of integration within the research teams, areas and WP	Medium	███ online evaluation meetings and biannual face-to-face meetings between participants. Definition of common specs and operational procedures.
	Financial risks	Medium	Cost analysis and budget allocation early in the grant agreement.
Infrastructure	Inaccessibility to key research data	Low	Bibliography granted by accessing to comprehensive printed and electronic publications provided by all partners. Creation of wide-ranging database to train ███. Generation of additional data ███.
	Insufficient computational resources	Medium	Use of redundant, high-performance computers in all centers. Distributed and consistent data backup under ███ & revision tools.
	Failure of electronic instrumentation	Medium	Access to alternative equipment guaranteed by the exhaustive number of resources available at partner institutions.
	Inaccessibility to humans resources/services	Low	Interviews and consultations early during the grant agreement.
	Delays in the realization of the different tasks/ Inappropriate methodology	High	Generous time planning. Specification of concrete milestones. Dedication of additional personnel to work in parallel with the fellow. Periodic meetings. Elaboration of concretely-scheduled reports and contingency plans (C1.1, C1.2).
Design	Unsatisfactory behavior of hardware implementations	Medium	███

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ANOTHER EXAMPLE:

Description of risk	WP(s)	Proposed risk-mitigation measures
Associated to general matters		
Complexity of remaining research activities, potentially impacting the overall work plan time schedule.	WP...	Even if the expertise involved are indisputably accustomed to the complexity of this type of challenging R&D activities, the company will be able to re-arrange the overall work plan, in order to accomplish the scheduled plan.
Stakeholders and Special Groups of Interest could not be enough engaged and consequently not aware enough on the innovativeness of the product.	WP... WP... WP...	Ensure appropriated involvement measures both during the testing and evaluation program, and also during the dissemination stage.

Description of risk	WP(s)	Proposed risk-mitigation measures
Associated with management of the project		
Company / organisation cannot carry on managing the project.	WP...	Although this case is unlikely, the company has the support of a high skilled/qualified structure, with a relevant capacity in Complex Project and a long experience in development of new industrialization project management. The progress of works will be monitored via bi-weekly meetings and thus possible problems will be early recognized and resolved.
Company will not be able to foresee all the risk related with the project, in terms of technical, validation and commercialization issues.	WP... WP... WP...	Risk assessment for each specific target will be enhanced, in order to promptly detect unexpected risks and manage it properly. The lesson learned from other typical projects will be taken into account.
Increase in cost of raw materials.	WP...	Research and selection of other supply sources are planned after the definition of prototypes production process.
Production time of PRODUCT is not respected.	WP...	Contractual protection. Rely on multiple suppliers with certified experience.
Defaulting subcontractor.	WP...	Only subcontractors with high international reputation will be selected, many of which have already interacted with us in the past and had optimal track records. At least three subcontractors will be screened for each task.

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ANOTHER EXAMPLE:

Description of risk	WP(s)	Proposed risk-mitigation measures
Associated with the exploitation objectives		
Low involvement of target audience/Not finding interested customer.	WP... WP...	We already received initial positive feedbacks from potential customers (letters of interest enclosed to Section 4). Demonstration and validation (WP...) with key Customers have been planned. Proactive participation to fairs events, exhibition. With this multi-channel methodology we expect to come around any unexpected difficulties that may arise with target audience collaboration.
Risks related to IPR.	WP...	We performed a detailed freedom-to-operate and received two positive National/EU/PCP Patent Reports by ■■. We will continue to keep monitoring the patent landscape and competitors' activities and press release.
Different regulations across different countries may hamper rollout.	WP...	An analysis of the regulatory framework of the target countries is performed early in the project. In case of complex regulatory situations, the PMO may decide to drop such a country and to target another one (with Similar condition).
Establish a week partnership for the commercialization and distribution of the product	WP...	We have already signed a Contract of Exclusive License of patents to ■■ who is the key manufacturing partner for the commercialization and distribution worldwide thanks to their direct presence in Europe, United States, Canada and China; as well as a Letter of Intents with the ■■, who is the key manufacturing partner for us.
Emergence of a competitor product during the period of the project	WP...	Competitors emergence is validation and helps to establish the market; the market is large and there is room for competitors; WP...- commercialization can identify different visions and services to better position the PRODUCT.

Description of risk	WP(s)	Proposed risk-mitigation measures
Associated with the Sustainability		
Production sustainability, standing by market demand	WP…	Although this case is strongly unlikely, the company need to be ready to manage a potential unsustainability, and re-organization of the planned manufacturing plan, taking in account a potential involvement of outsourcing manufacturing.
Delayed/reduced market penetration	WP…	■■'s agreements aimed to provide adequate financial compensation. Focusing on selected pilot customers and key industrial partners in target areas. Development of a Financial Sustainability plan.

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RESOURCES

PHASE 1 ONLY:

⚠️ *Include the following budget table; no modification is possible. The description of work (feasibility study) in table 3.a must demonstrate that it corresponds to the total costs (in EUR).*

	Costs of the feasibility study/ Direct and indirect costs of the action	Total costs	Reimbursement rate %	Maximum EU contribution	Maximum grant amount
Form of costs	Lump sum				
	50 000	71 429	70%	50 000	50 000

PHASE 2 ONLY:

- What are the resources, equipment and facilities required for the project and how you will access them? Would you need additional resources for scaling-up your business? Please provide the following:

    i. a table showing number of person months required (table 3.f).

    ii. a table showing 'other direct costs' (table 3.g) for participants where those costs exceed 15% of personnel costs (according to the budget table in section 3 of the proposal administrative forms).

EXAMPLE:

	WP1	WP2	WP3	WP4	WP5	WP6
Person Months	80	15	10	70	10	5
Personnel Costs (€)	400,000	75,000	50,000	350,000	50,000	25,000
Travel Costs (€)	10,000	5,000	3,000	5,000	5,000	3,000
Equipment (€)	40,000	-	-	-	-	-
Materials (€)	150,000	-	-	350,000	-	-
Other (€)	100,000	70,000	2,000	100,000	20,000	2,000
Direct Costs (€)	300,000	75,000	5,000	455,000	25,000	5,000
Indirect Costs (25%)	175,000	37,500	13,750	201,250	18,750	7,500
Subtotal (€)	875,000	187,500	68,750	1,006,250	93,750	37,500
Subcontractor 1: ▮ (€)	100,000	-	-	-	-	-
Subcontractor 2: ▮ (€)	-	70,000	-	-	-	-
Total Budget (€)	975,000	257,500	68,750	1,006,250	93,750	37,500
Requested EC Contribution (70%) (€)	682,500	180,250	48,125	704,375	65,625	26,250

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TABLE 3.A: PHASE 1 ONLY:

Work package title	Feasibility Study

Objectives

Description of work (where appropriate, broken down into tasks), lead partner and role of participants

Deliverable: **Feasibility report, including a business plan** (brief description and month of delivery)

TABLE 3.A: PHASE 2 ONLY: List of work packages

Work package No	Work Package Title	Lead Participant No	Lead Participant Short Name	Person Months	Start Month	End month
				Total months		

- In case the project is submitted by a single entity, the Lead Participant in each Work Package will be the company itself. Otherwise, in cases of submissions by a consortium, each Work Package should be led by one of the participating entities. Do not write names of specific people.

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TABLE 3.B: PHASE 2 ONLY: Work package description

FOR EACH WORK PACKAGE:

Work package number		Lead beneficiary				
Work package title						
Participant number						
Short name of participant						
Person months per participant						
Start month			End month			

Objectives

Description of work (where appropriate, broken down into tasks), lead partner and role of participants

Deliverables (brief description and month of delivery)

Give full details. Base your account on the logical structure of the project and the stages in which it is to be carried out. Include details of the resources to be allocated to each work package. The number of work packages should be proportionate to the scale and complexity of the project.

You should give enough detail in each work package to justify the proposed resources and also quantified information so that progress can be monitored, including by the Commission.

Resources assigned to work packages should be in line with their objectives and deliverables. You are advised to include a distinct work package on 'management' and a distinct work package on 'commercialisation (dissemination and exploitation)' and communication activities.

If your project is taking part in the Pilot on Open Research Data, you must include a 'data management plan' as a distinct deliverable within the first 6 months of the project. A template for such a plan is given in the guidelines on data management in the H2020 Online Manual. This deliverable will evolve during the lifetime of the project in order to present the status of the project's reflections on data management.

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TABLE 3.C: PHASE 2 ONLY: List of Deliverables[6]

Deliverable (number)	Deliverable name	Work package number	Short name of lead participant	Type	Dissemination level	Delivery date (in months)

Number the deliverables in order of the delivery dates. Please use the numbering convention <WP number>. <number of deliverable within that WP>. For example, deliverable 4.2 would be the second deliverable from work package 4.

TYPE: USE ONE OF THE FOLLOWING CODES:

R: Document, report (excluding project periodic or final report)

DEM: Demonstrator, pilot, prototype, plan designs

DEC: Websites, patents filing, press & media actions, videos, etc.

OTHER: Software, technical diagram, etc.

DISSEMINATION LEVEL: USE ONE OF THE FOLLOWING CODES:

PU: Public, fully open, e.g. web

CO: Confidential, restricted under conditions set out in Model Grant Agreement

CI: Classified, information as referred to in Commission Decision 2001/844/EC.

DELIVERY DATE:
MEASURED IN MONTHS FROM THE PROJECT START DATE (MONTH 1)

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6   If your action is taking part in the Pilot on Open Research Data, you must include a data management plan as a distinct deliverable within the first 6 months of the project. This deliverable will evolve during the lifetime of the project in order to present the status of the project's reflection on data management. A template for such a plan is available in the H2020 Online Manual on the Participant Portal.

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TABLE 3.D: PHASE 2 ONLY: List of milestones

Milestone number	Milestone name	Related work package(s)	Due date (in month)	Means of verification

Due date: measured in months from the project start date (month 1)

Means of verification: show how you will confirm that the milestone has been attained. Refer to indicators if appropriate. For example: a first product that is 'up and running'; software released and validated by a user group; certificate attained.

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TABLE 3.E: PHASE 2 ONLY: Critical risks for implementation

Description of risk (indicate level: Low/Medium/High)	Work package(s) involved	Proposed risk-mitigation measures

Critical risk: a critical risk is a plausible event or issue that could have a high adverse impact on the ability of the project to achieve its objectives.

Level of likelihood to occur: Low/medium/high. The likelihood is the estimated probability that the risk will materialise even after taking account of the mitigating measures put in place.

- **Realistic timeframe and comprehensive description of implementation** (work-packages, major deliverables and milestones, risk management) taking the company's or applicant's innovation ambitions and objectives into account.

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TABLE 3.F: PHASE 2 ONLY: Summary of staff effort

Number of person months over the whole duration of the planned work, for each work package, for each participant. Identify the work-package leader for each WP by showing the relevant person month figure in bold.

	WPn	WPn+1	WPn+2	Total Person/ Months per Participant
Participant Number/ Short Name				
Participant Number/ Short Name				
Participant Number/ Short Name				
Total Person/Months				

- Table 3.f – a summary of staff effort – this is where you describe the staff work hours in the project.
- Your required Person Months (PM) need to be aligned with the current FTE in the company.

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TABLE 3.G: PHASE 2 ONLY: 'Other direct cost' items (travel, equipment, infrastructure, goods and services)

Please complete the table below for each participant if the sum of the costs for' travel', 'equipment', and 'goods and services' **exceeds 15% of the personnel costs for that participant** (according to the budget table in section 3 of the proposal administrative forms).

Participant Number/ Short Name	Cost (€)	Justification
Travel		
Equipment		
Other goods and services		
Total		

- This is where you mention the devices and equipment you will purchase. Ensure you put in the depreciated costs for all capital items. Give qualified detail on high cost capital items. Make sure to complete this table for **each** participant (not individual persons).
- Explain explicitly all "other direct cost" and their need for the project.

EXAMPLE:

	Cost (€)	Justification
Travel	40,000	20,000 for the two pilots in WP3 (includes total 6 month-long accommodation at €2,500/each and 5 week-long visits at €1,000/each); €20,000 for WP2 and WP4 (estimated 20 visits to target markets/stakeholders at average approx. €1,000/each)
Equipment	0	According to ▮▮-country's accounting practices equipment used R&D projects are put directly at cost and therefore no depreciation is required
Other goods and services	950,000	€800,000 for materials & consumables of the prototype pilots in WP3: -€600,000 for optimization and production of ▮▮; -€200,000 for ▮▮; €150,000 for services: -€10,000 in WP1 for audit services; -€30,000 for legal services in WP2 (Task 2.2); -€50,000 for transport services in WP3; -€50,000 for trade fair services in WP4 (2 fairs at €25,000 / each); -€10,000 for web-related services in WP4
Total	990,000	

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4. COMPANY

(OR, IF APPLICABLE: MEMBERS OF THE CONSORTIUM)

⚠ *This section is not covered by the page limit.*

⚠ *The information provided here will be used to judge the operational capacity[7] and the best value for money of subcontracts. Please make sure that you do not include information here that relates to the headings under sections 1 to 3. Experts will be instructed to ignore any information here which appears to have been included to circumvent page limits applying to those sections.*

4.1. PARTICIPANTS (APPLICANTS)

Please provide for each participant, the following:

- a description of the legal entity and its main tasks, with an explanation of how its profile matches the tasks in the proposal;

- a curriculum vitae or description of the profile of the persons, including their gender, who will be primarily responsible for carrying out the proposed activities;

- a brief description of relevant products, services (including widely used datasets or software) or other achievements (which may also include previous projects or activities connected to the subject of the proposal);

- a description of significant infrastructure and/or any major items of technical equipment relevant to the proposed work;

- **Phase 1 only:** a description of any third parties that are not represented as project partners but who will nonetheless be contributing towards the work, for example by providing facilities or computing resources.

- **Phase 1 only:** Do you plan to subcontract any tasks? Y/N
  If yes, describe and justify the tasks to be subcontracted

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7 For the definition of operational capacity as selection criterion for the SME instrument, please, refer to corresponding section of the EIC work programme.

38 | This project has received funding from the **European Union's Horizon 2020 research and innovation programme** under Grant Agreement number 723120

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- **Availability of resources required** (personnel, facilities, networks, etc.) to develop project activities in the most suitable conditions.

- Where relevant, complementarity of partners in a consortium.

- Only Phase 2:
  Where relevant, realistic description of how key stakeholders / partners / subcontractors could be involved* (subcontractors must be selected using 'best value-for-money' principles).
  *Subcontracting is acceptable to the extent required for the implementation of the proposed activities. Subcontracting may be an essential part of the implementation of the project, but should not be a disproportionate part of the total estimated eligible costs. Subcontractors must be selected using 'best value-for-money' principles.

- Generally speaking, you will need to convince the evaluator that your company has the operational capacity and capability to execute the project at hand. Don't forget that, as well as describing technical competence, you'll also need to provide information on commercial competence.

- Although there is no page limit for this section – try not to be too lengthy.

- Implementation – team – Make sure to describe the team's technological knowledge and good understanding of market. Prove the team has expertise in all the relevant aspects.

- Although you will not get special marks for Section 4, it is important to take this section seriously. The marks will be integrated into the marks for sections 1-3.

- Describe the resources that are available to the company – the facilities, manpower.

- If your company is working on other projects/products in parallel, make sure to show that the one at hand has ample resources devoted to it.

- The CVs provided should be short, but must include information on previous work experience, activities and publications that are relevant to the proposed project.

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4.2. PHASE 2 ONLY: Third parties involved in the project (including subcontracting and use of third party resources)

Please complete, for your company, or for consortia, each participant, the following table (or simply state "No third parties involved", if applicable):

Do you plan to subcontract any tasks? *If yes, describe and justify the tasks to be subcontracted and please* ***fill in also the table 4.***	Y/N
Will any of your linked third parties work in the action tasks? *If yes, describe the third party, the link of the participant to the third party, and describe and justify the foreseen tasks to be performed by the third party.*	Y/N
Will you use contributions in kind provided by third parties? *If yes, describe the third party's contributions.*	Y/N

ASSESSMENT OF THE BEST VALUE FOR MONEY

Experts assess the 'best value for money' of subcontracts during the evaluation of the proposal.

For this, subcontracts have to be described in sufficient detail.

- **If you know the subcontractor,** include the key information on the subcontract in the proposal (name of subcontractor, price and task), together with the action task(s) that will be subcontracted and an explanation on how the subcontractor and the price are appropriate. This option is to be used when you have already selected a subcontractor for a task; normally, after following a competitive procedure.

- **If you do not know the subcontractor,** your proposal should set out the task(s) to be subcontracted, the estimated budget and the procedure you will follow to ensure the best value for money. Normally, this option is to be used when you have not selected yet a subcontractor for a task.

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Subcontracts (Article 13 of the Grant Agreement) concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1. [8]

Linked third party (Article 14 of the Grant Agreement) is an affiliated entity or has a legal link to a participant implying a collaboration not limited to the action.[1]

Contributions in kind provided by third parties (Article 11 and 12 of the Grant Agreement): Third parties contributing in kind make available some of their resources to a beneficiary without this being their economic activity (i.e. seconding personnel, contributing equipment, infrastructure or other assets, or other goods and services).

- Only Phase 2: Where relevant, the estimated budget and the procedure planned for selecting the subcontractors are appropriate*.

- Taken as whole, to what extent the above elements are coherent and plausible.

PHASE 2 ONLY:

- Subcontractors have to be justified and properly explained following COM rules. High focus on 'Value for money' – The evaluators would like to see that something will come out of the investment and that the price is worth the investment. The assessment of the best value for money is crucial. Since public money is being used, costs must be reasonable, with competitive selection. Include procedures to ensure best value for money. Demonstrate a comprehensive tendering process and your adherence to same, "value for money" being the guiding principal. Make sure to read the different guidelines for subcontractors that you already chose, as well as the guidelines for subcontractors you are going to choose. Make sure to include the costs, how were they chosen and the scope of their work.

- Subcontracting is **NOT restricted** to a limited part of the action; However, It is in the **SME Instrument spiri**t that the applying **SME has the capacity to carry out the activity**.

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8   Find further information in the [Annotated Grant Agreement](#)

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PHASE 2 ONLY:
If you said yes to the subcontracting of tasks, describe in the table below each of the tasks to be subcontracted.

TABLE 4

Number	Work Package Number	Task to be subcontracted*	**Justification of the 'best value for money'**** **If you know the subcontractor:** explanation why the subcontractor and the price are appropriate. **If you don't know the subcontractor:** procedure you will follow to ensure best value for money	Name of subcontractor if known	Amount*** (EUR)

*   Note that the task to be subcontracted has to be described in section "description of work" of table 3.a "Work Package description"

**   Justify per subcontract (i.e subcontracted task or subcontractor). Bear in mind that assurance can only be given on subcontracts that are described in sufficient detail in the proposal.

*** Total amount has to match the total amount indicated in Column C (Direct costs of sub-contracting/€), Part A (Proposal submission form), Section 3 (Budget for the proposal)

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5. ETHICS AND SECURITY

⚠️ *This section is not covered by the page limit.*

> - Don't skip part 5 even if it looks irrelevant and you're really tempted to do that. If Ethics are not relevant – briefly explain why that is the case. Same for security.
> - Examples of activities raising ethical issues and further information on ethics and research integrity can be found under Article 34 of the H2020 Annotated Model Grant Agreement (see link - page 256); In case you will be processing personal data (such as e-mail addresses or IP addresses, for example), also see Article 39 on Processing of personal data (see link - page 273).

5.1 ETHICS

⚠️ *For more guidance, see the document "How to complete your ethics self-assessment".*

If you have entered any ethics issues in the ethical issue table in the administrative proposal forms, you must:

- submit an ethics self-assessment, which:
  - describes how the proposal meets the national legal and ethical requirements of the country or countries where the tasks raising ethical issues are to be carried out;
  - explains in detail how you intend to address the issues in the ethical issues table, in particular as regards:
    - research objectives (e.g. study of vulnerable populations, dual use, etc.)
    - research methodology (e.g. clinical trials, involvement of children and related consent procedures, protection of any data collected, etc.)
    - the potential impact of the research (e.g. dual use issues, environmental damage, stigmatisation of particular social groups, political or financial retaliation, benefit-sharing, misuse, etc.).

- provide the documents that you need under national law(if you already have them), e.g.:
  - n ethics committee opinion;
  - the document notifying activities raising ethical issues or authorising such activities

⚠️ *TIf these documents are not in English, you must also submit an English summary of them (containing, if available, the conclusions of the committee or authority concerned).*

⚠️ *TIf you plan to request these documents specifically for the project you are proposing, your request must contain an explicit reference to the project title.*

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5.2   SECURITY[9]

Please indicate if your action will involve:

- Activities or results raising security issues: **(YES/NO)**

- 'EU-classified information' as background or results: **(YES/NO)**

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