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**2022 Innovation Call for Proposals**

Commercialisation and Financial Return Mechanism Template

EIT Food

07 October 2021



# Value Proposition and Unfair Advantage

* What is your single, clear compelling message; what are the features of your solution?
* Please describe the value proposition of your innovative solution according to the definition LEAN Business Model Canvas.
* Please describe the Unfair Advantage of your innovative solution (something that cannot be easily copied or bought).

Please provide your answers in the box below.

**Optional supporting documentation:** Attach an analysis report following the structure of the Value Proposition Canvas.

# What are the Key Exploitable Results

What is/are the Key Exploitable Result(s) of the KAVA project and who are the IP owners?

* Please describe one or more Key Exploitable Results (KERs) of the KAVA project in the table below. Please read Appendix A at the end of this document for an explanation of Key Exploitable Results (KERs).
* In case IP is developed during the development of a KER please provide the name of the IP owners
* Please explain how you plan to protect the generated IP during and after the project?

Please provide your answers in the box below.

**Optional supporting documentation:** Attach a Summary of previous research / lab / Proof of Concept results, quantified, when possible.

Please complete the requested information in the table below:

|  |  |  |
| --- | --- | --- |
| **# KER** | **Title of KER** | **IP owner - responsible** |
| 1. |  | [ one of the KAVA consortium partners ]  |
| 2.  |  |  |
| 3.  |  |  |
| 4.  |  |  |
| 5. |  |  |

# Who are the exploiting parties

Who is the exploiting party for each KER and is it part of the consortium for the KAVA project?

|  |  |  |
| --- | --- | --- |
| **KER #** | **Exploiting party of KER** | **Part of consortium KAVA project?** **State yes or no**  |
| 1. | [ one of the KAVA consortium partners ]  |  |
| 2.  |  |  |
| 3.  |  |  |
| 4.  |  |  |
| 5. |  |  |

# Scope of activities and responsibilities of exploiting party

Please describe in the tables below the following scope of the exploiting party for each KER:

1. What is the contractual basis of the exploitation: IP owner or IP license?
2. Does the exploiting party generate (manufactures / executes) the KER?
3. If answer to question b) is “no”, which party generates (manufactures) the KER?
4. Does the exploiting party partly or fully distribute the KER, i.e. sells and delivers the KER to clients?
5. Please describe the sales distribution model(s) of the exploiting party and if applicable of third party distribution partners in maximum 3 sentences.
6. Please highlight any sales channels you already have access to (e.g. through a KAVA partner or otherwise) in maximum 3 sentences.

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. **contractual basis of the exploitation**
 | 1. **exploiting party manufactures/ executes the KER**
 | 1. **If not, which party generates (manufactures) the KER?**
 |
| KER # 1 | IP owner / IP license | Yes / No | *[ Name of third party ]*  |
| KER # 2 | IP owner / IP license | Yes / No |  |
| KER # 3 | IP owner / IP license | Yes / No |  |
| KER # 4 | IP owner / IP license | Yes / No |  |
| KER # 5 | IP owner / IP license | Yes / No |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. **Fully or partly distribution of KER by exploiting party**
 | 1. **Sales distribution model exploiting party**
 | 1. **Sales distribution model third party distribution partners, if applicable**
 |
| KER # 1 | Fully / partly | [ max. 3 sentences ] | [ max. 3 sentences ] |
| KER # 2 | Fully / partly |  |  |
| KER # 3 | Fully / partly |  |  |
| KER # 4 | Fully / partly |  |  |
| KER # 5 | Fully / partly |  |  |

|  |  |
| --- | --- |
|  | 1. **Sales channels of KER**
 |
| KER # 1 | KAVA consortium partner (if so please name partner) / Existing network of exploiting party (if so please provide names) / online sales / other, please specify type of sales channel (e.g. supermarkets, food producers etc.) |
| KER # 2 |  |
| KER # 3 |  |
| KER # 4 |  |
| KER # 5 |  |

# Does the consortium have exploitation rights on the IP/Freedom to operate

### The application of IP

* Did you carry out a **Freedom to Operate Analysis**?
* Is there third-party IP you need to take into consideration when exploiting your KER? If so, how will this be arranged?

Please provide your answers in the box below.

Please complete the requested information in the table below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Freedom to Operate Analysis is executed for IP of KER?** | **IP by third party to take into account when exploiting the KER?** | **In case of third party IP, how will this be arranged?** |
| IP KER # 1 | Yes / No | Yes / No | *Provide short description in approx. 2-3 sentences* |
| IP KER # 2 | Yes / No | Yes / No |  |
| IP KER # 3 | Yes / No | Yes / No |  |
| IP KER # 4 | Yes / No | Yes / No |  |
| IP KER # 5 | Yes / No | Yes / No |  |

# Clients /client group identified & fee model identified

* Who are the expected main clients of each KER? How did you choose your entry price?
* Please describe the clients per KER.
* Provide specific client names or client types, i.e. retailers, manufactures, farmers etc., who could partly be the KAVA’s consortium partners.

|  |  |  |
| --- | --- | --- |
| KER # | Client name or Client type | Fee model |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |

### Motivation of clients

Please provide any information (including quantifications where appropriate) that motivates the customer to acquire (i.e. buy, procure) your proposed product or service, for example based on the expected outcomes of the KAVA. In case of more than one KER please provide the customers’ motivation for each KER.

Description motivation of client to acquire KER #1 of exploiting party

# Serviceable Obtainable Market identified

What is the serviceable and obtainable market (SOM) of each KER?

Describe and quantify to which market segments each KER is to be exploited. This market segment(s) is also referred to as the **‘serviceable and obtainable market (SOM)**’. The SOM is the basis of the estimated sales (volumes) of each KER and in result is the basis for revenues. Ideally the scope of SOM is based on the top-down approach as explained in appendix B (the TAM-SAM-SOM approach).

Supporting questions to make a description and quantification of the SOM for each KER in the tables below:

1. For each KER there can be one or more market segment(s). Please provide a short description of each market segment in the tables.
	* For this, describe a.o. client type (or client names), region / countries. In case client type or countries change over time, please describe this change with the related calendar years.
	* Are there any specific customers who are KAVA consortium partners (launching customers or key customers for longer term)? If so, please name these consortium partners and for which time period they are customers in the description of the market segment(s) in the tables below for each KER.
2. Please select the relevant sales unit for each KER that are used to quantify the market potential. For example the number of persons, kg, litres, m2 or describe another type of unit.
3. Quantification of SOM for each KER:
4. What is the estimated SOM and market share within SOM (%) of each KER within your targeted region/ country and market segment (i.e. a market for certain type of customer)?
5. Quantify in the tables below whether this SOM and market share will stay the same over the years or whether these have an increasing trend for the coming 5-10 years?
6. Potentially a KER can be sold to more than one market segment. If so, provide an estimation of the SOM and market share for market segment 1, 2 etc. in the table below.
7. Please provide of sources of information on which the expected SOM and market share your quantification is based; draft /expected offtake agreements, letters of intent customers, market research reports, competitor analysis etc.

*Please copy and complete the table below if you have more than one KER.*

|  |  |
| --- | --- |
| SOM for KER # 1: |  |
| 1. Name market segment 1:
 | [ e.g. client type(s) or client name(s) (which can be consortium partners), specific region(s) / countries ] |
| 1. Units in:
 | Please select relevant unit for KER: Persons, kg, ltr, m2 or describe other type of unit |
|  | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 1. SOM market segment 1 in units
 |  |  |  |  |  |  |  |  |  |
| Market share segment 1 (1-100%) |  |  |  |  |  |  |  |  |  |
| 1. Sources estimated SOM
 | [ e.g. draft /expected offtake agreements, letters of intent customers, market research reports, competitor analysis etc.] |
|  |  |
| 1. Name market segment 2:
 | [ e.g. client type(s) or client name(s) (which can be consortium partners), specific region(s) / countries ] |
| 1. Units in:
 | Please select relevant unit for KER: Persons, kg, ltr, m2 or describe other type of unit |
|  | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| 1. SOM market segment 2 in units
 |  |  |  |  |  |  |  |  |  |
| Market share segment 2 (1-100%) |  |  |  |  |  |  |  |  |  |
| 1. Sources estimated SOM
 | [ e.g. draft /expected offtake agreements, letters of intent customers, market research reports, competitor analysis etc.] |

**MANDATORY Supporting Documentation:** Please provide documentation explaining on which expected SOM and market share your quantification is based on. This might include: draft /expected offtake agreements, letters of intent customers, market research reports, competitor analysis etc.).

# Market introduction / distribution channels

### Description of the sales/distribution channels for the described SOM

**MANDATORY Supporting Documentation:** Please provide a Business Plan that includes the description of the sales/distribution channels for the described SOM.

# Clear problem and market need identified

### Summary of the market analysis report

Please provide a summary of the market analysis report with a clear description of elements in the respective fields:

* the societal and/or economic problem related to one or more of the 5-6 innovation clusters (nutrition, digitalization, circular economy etc),
* the general solution path / approach to this problem (not yet being the solution developed during the KAVA),
* the market's need for the solution path in terms of total addressable market both historic and outlook, market segments in case of multiple applications of solution and range of types of prospective clients,
* historic and prospective competitors with alternatives to the solution developed during the KAVA

Please provide your answers in the box below.

# ROADMAP GO TO MARKET AND SCALE UP MILESTONES FOR KER’S

Please provide a high-level **roadmap for the commercialization and exploitation** of each KER resulting from the KAVA project in the table below. This roadmap describes key milestones that represent a feasible commercial growth path (scale up pace) for each KER in the **coming 5 to 10 years**, that is, at least for the **period related to revenue sharing with EIT Food**. Please provide in which quarters and calendar year certain milestones of each KER are planned. Examples of milestones are:

* KER fully developed in order to be exploited (e.g. Technology Readiness Level 9)
* supplier or offtake agreements are signed
* a first commercial scale production plant
* first /launching customer(s)
* certain threshold in sales volumes
* number of customers
* financial break-even point reached (i.e. costs for development and market introduction of KER are paid back by sales of KER)
* introduction in certain countries
* introduction to new type of customers

*Please copy and complete the table above if you have more than one KER.*

|  |  |  |
| --- | --- | --- |
| **Milestones KER # 1** |  |  |
| **Milestones description** | **Time (Quarter, Year)** | **Targeted market introduction channels and SOM*****(quantify channels and SOM)*** |
| KER # 1 fully developed for market introduction |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**MANDATORY Supporting Documentation:**

**Product Readiness Level:** Please provide evidence documenting the status of the activities required to launch the innovation in the market.

# Revenues Of Key Exploitable Results

Provide the type of estimated revenue streams of each KER for the exploiting party in the table below: sales of product or sales of service. For this select Yes or No in the table for each KER. This can be a verification of what you have indicated in Plaza.

|  |  |  |
| --- | --- | --- |
| KER # | sales of product | sales of service |
| 1 | Yes / No  | Yes / No  |
| 2 | Yes / No  | Yes / No  |
| 3 | Yes / No  | Yes / No  |
| 4 | Yes / No  | Yes / No  |

Please provide an estimation of the annual revenues in euro per KER in the table below with the following guidelines:

Please note that the projected revenues have to be in line with the previous sections on clients /client group identified & fee model identified, commercial scale up milestones and the serviceable & obtainable market for each KER.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In € | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Revenues KER 1 |  |  |  |  |  |  |  |  |  |
| Revenues KER 2 |  |  |  |  |  |  |  |  |  |
| Revenues KER 3 |  |  |  |  |  |  |  |  |  |
| Revenues KER 4 |  |  |  |  |  |  |  |  |  |
| Revenues KER 5 |  |  |  |  |  |  |  |  |  |
| Total Revenues |  |  |  |  |  |  |  |  |  |

# Proposed Financial Return Mechanism

**Is your proposed Financial Return Mechanism based on revenue sharing?**

* Please state: Yes or No.
* In case of ‘yes’ please go to question 2 and in case of ‘no’ please go to question 3.

**If your proposed Financial Return Mechanism is based on revenue sharing, please complete the features of the revenue shared with EIT Food in the table below for each KER.**

This table describes the elements on how you propose to calculate the amount of revenues shared with EIT Food, referring to the estimated revenue streams in chapter 5.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| KER # | % of revenues shared | Start year of revenue sharing | End year of revenue sharing | Total revenues shared per KER with EIT Food in € |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |
|  | Total in € |  |

**In case you propose another base for your self-developed Financial Return Mechanism than revenues sharing please specify how you propose to calculate a financial return for EIT Food.**

Description

**Please provide your proposed timing for the project financial return(s) to EIT Food for revenue sharing, lump sum or other mechanism, after the end of the KAVA project.**

For EIT Food’s budgetary purposes to have estimations of the financial returns to be received, please provide your projections of financial returns (amounts in euro) to EIT Food for each relevant calendar year in the table below. In practice EIT Food will send an invoice to the exploiting party in the first quarter of the year subsequent to the year in which the revenues are realised.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In € | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| Projected financial return to EIT Food for KER 1 |  |  |  |  |  |  |  |  |  |  |  |
| Projected financial return to EIT Food for KER 2 |  |  |  |  |  |  |  |  |  |  |  |
| Projected financial return to EIT Food for KER 3 |  |  |  |  |  |  |  |  |  |  |  |
| Projected financial return to EIT Food for KER 4 |  |  |  |  |  |  |  |  |  |  |  |
| Total Projected financial return to EIT Food  |  |  |  |  |  |  |  |  |  |  |  |

1. **Please describe how EIT Food can monitor the realisation of projected revenues and milestones is described in this template?**

In case the KER(s) is (are) actually exploited EIT Food requires insight into the revenues that are actually realised for each KER which may differ from the projected revenues in chapter 5. EIT Food requires this insight annually to invoice the exploiting party for the actual revenues to be shared based on the revenues realised by the KER(s).

Please describe in the text box how the exploiting party of each KER provides clear insight in the realised revenues of the KER(s), e.g. based on annual accounts and/or a dedicated annual progress report. Note that a company’s annual accounts may not be sufficient as the revenues of individual KERs cannot be derived from the reported revenues therein.

Description

**Please provide the name and department of the department and duly authorized person to sign the Financial Return Mechanism Agreement with EIT Food**

*In case of more than one exploiting party please provide the following items for each exploiting party.*

* Exploiting party for KER #:
* Organisation name:
* Department:
* Duly Authorised person to sign:
* E-mail of authorized person:
* Telephone number of authorized person:

The duly authorized person is aware of the intention to sign the Specific Agreement: yes / no

# Appendix A – Explanation ‘Key Exploitable Result’

* What is an **exploitable result**? A product, process, new service, new standard, new training courses, input for new project, patent which:
	+ will be further developed for **market introduction** after the project end
	+ which responds to a specific **need** or to a **demand** of a well-**defined group of customers/users**
* How can a ER be exploited:
	+ **Direct use**: Manufacturing, Industrialization; Selling of technology/product; Research Consultancy for external clients; New research project; Training/ new university course
	+ **Indirect use**: Distribution and licensing agreements; Development of a new legislation standard; Joint ventures; Start-up/ Spin-off company
* What are the differences among **KER** and **ER**:
	+ **More than 1 partner** that contributes/ benefits from KER
	+ **KER**: Result selected for building a **full business plan**; 1st step: filling the full KER table
	+ **ER**: no full business plan, only short ER table filled for exploitation plan, time to market, TRL. ER example: new university course, input for new project due to a spin off research from the project

# Appendix B – Guidance for market size indications

**Example**

Problem: water shortage and food supply in danger. Young trees that are cultured (seedlings) in developing countries need to grow up to point to which they can provide fruits, nuts etc.

Solution (KER): Casing around tree to catch water vamp for irrigation





**Total Addressable Market (TAM):**

Total worldwide coastal irrigation market for all types of young trees (food and non-food) with imminent water stress (EUR 3.1 bln)

**Serviceable Available Market (SAM):**

Total coastal fruit, nut and olive tree irrigation market with imminent water stress (EUR 1.4 bln)

**Serviceable Obtainable Market (SOM):**

Portuguese and South-African fruit, nut and olive trees (EUR 70 mln)