

A Plan to Make Money

5

Killer tips on developing a **business plan** for your next grant proposal application.

Quick Intro.



What are we even talking about?

Many technology-based innovation proposals **live or die** by the strength of their business plan, i.e. the strategy for turning an exciting piece of technology into a product or service that customers **want to buy**.



Why does it matter for my proposal?

Applicants often **underestimate** the amount of research and thought required to articulate a compelling and credible business plan, resulting in low scores **despite the brilliance** of their idea.



“Remember, the customer is king!”

THE
THOUGHT
BOX

No.1

Start with your
customer.

Picture your ideal customer in your head ... now make a list of all the reasons why they would want to buy your product or service (performance, price, reliability, experience, etc.).

Then tell the assessor how many of these customer types exists, and how much they currently spend on products/services such as the one you are proposing.

Finally, provide some kind of evidence that you've spoken to this customer, and they might one day want to buy your product or service, e.g. Letter of support, Voice-of-Customer Interviews, etc.

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“Iron sharpens iron!”

THE
THOUGHT
BOX

No.2

Don't be afraid
to compete.

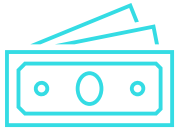
If you **don't have any competitors**, you probably don't have a product or service, or you're not looking hard enough. For instance, have you considered what 'indirect competitors' may exist? Having many competitors is a clear signal to assessors that there is a **need/want** for your product/service in the market.

Don't be shy when it comes to talking about your main competitors, highlighting that they **do well** (i.e. their strengths) and **where you'll do even better** (i.e. their weaknesses), allowing you to take over their market share..

In some cases, it may be appropriate to **partner with competitors** in order to reach end-users, e.g. via license model, especially if you are new up-start.

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“Money makes the world go around!”

No.3

Show me the money.

Assessors want to know about your **revenue model**, i.e. “How does your product/service make money for your business?”. There are many models to choose from, e.g. direct sales, licenses, freemium, etc., so be sure to explain why your model is the most appropriate.

Your plan for making money needs to be **a**-realistic but ambitious. Consider providing numerous sales forecasts showing **best/worst case scenarios**.

Don't forget to tell assessors what your target **profit margin** is, and how you arrived at this estimate. You may also describe how this margin is likely to change as the business scales and further efficiencies are introduced. .



“Financing the in between bit!”

THE
THOUGHT
BOX

No.4

Explain the post-project financing plan

Help the assessor understand the main steps you need to take post-project to achieve a first market launch. Explain how much these activities are estimated to **cost**, and crucially, how you **intend to finance** these. For example, will you see to raise private financing?

It's rare that grant funded projects, when finished, are immediately ready to enter the market launch phase. R&D processes are not linear. So **be realistic** with your timing and costs – your assessor will welcome it!

In calculating your post-project expenses, don't forget to mention crucial **non-technical activities**, e.g. manufacturing, marketing, staff recruitment, legal fees, etc.

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"ABC. "A", always. "B", be. "C", closing. ALWAYS BE CLOSING".

THE
THOUGHT
BOX

No.5 B2Consumer is a tough sale

There are always exceptions but generally speaking public grants **shy away** from business plans based on B2-Consumers sales due to the complexities and costs of cracking consumer markets.

Here it is important to note that unlike private investment funds, the majority of public grant programmes don't support business costs related to the marketing and **post-development customer acquisition** activities.

If your business plan is indeed based on B2-Consumer sales, think carefully about what your project **needs to deliver** in order for your business to secure additional private financing in future.

THE THOUGHT BOX

THETHOUGHTBOX is an online collection of easy-to-digest tips, tricks, and tools for improving your next grant proposal application.

THETHOUGHTBOX content distils real-world experiences made by BOR&BAR consultant and guest contributors into bite-size actionable insights.

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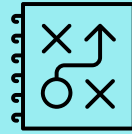
A little about us.

BOR&BAR helps public & private organisations successfully engage with grant funding programmes.

In the last 2-years we have helped clients secure more than EUR 21 million in grant funding for their ground breaking projects.

From our Berlin office, our team of international consultants cover all major regional, national and European funding programmes.

www.BORANDBAR.com/about



Design and implement grant acquisition strategies.



Identify and qualify the most suitable grant programmes.



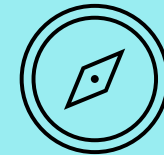
Deliver tailored training on grant writing & pitching.



Articulate 'investment worthy' grant applications.



Provide actionable feedback on your draft grant proposals.



Offer intelligence on customer and competition activities involving grants.