

Deliverable 4.2

ICT SMEs business plan assessment methodology

Project acronym:	TRACK
Project title:	<i>Tracking opportunities to develop and strengthen data collection and big data in agri-food chain to increase competitiveness of SMEs - TRACK</i>
Funding Scheme:	COS-CLUSTPARTN-2017-3-02
Grant Agreement number:	822067
Coordinator:	Nicolas Fégeant



Project was co-funded by the European Union's COSME Programme.

Start date of the project:	October, 1st, 2018
Project duration:	24 months

Work package:	4 – ICT SME's training and mentoring (Task 4.1)
Lead beneficiary for this deliverable:	Fundación Corporación Tecnológica de Andalucía
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Delivery Date from Annex I (Part A):	Month 5 – February, 28 th 2019
Delivery Date :	February, 28 th 2019

Dissemination level		
PU	Public	
CO	Confidential, only for members of the consortium (including the Commission Services)	X
CI	Classified	

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The TRACK Consortium

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2	ASOCIATIA CLUSTERUL AGRI-FOOD-IND NAPOCA	ATC	Romania
3	CLUST-ER AGROALIMENTARE	Clust-ER	Italy
4	FUNDACION CORPORACION TECNOLOGIA DE ANDALUCIA	FCTA	Spain
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Contents

1. Aim of the document.....	4
2. Business plan content.....	4
a. Company description.....	4
b. Market	4
c. Product and Technology.....	5
d. Team	5
e. Financial analysis	5
3. Business plan assessment methodology	6
a. General description of the activity company evaluation	6
b. Market evaluation	6
c. Technology and Product evaluation.....	6
d. Team evaluation	7
e. Financial Situation evaluation	7
4. Scoring	7
Annexe 1. Evaluation report template	9
Annexe 2. Business plan description	11

1. Aim of the document

This deliverable describes a selection protocol developed by FCTA. The first version was shared to all partners 17th of February 2019 and commented by the coordination team during TRACK online meeting 21th of February 2019. This deliverable relates to Task 4.1 aims at identifying and selecting ICT promising SMEs to be part of the training programme addressed and Task 4.2. SMEs candidates' selection is based on the assessment of their business plan. The business plan information is gathered and analysed in order to identify specific needs of ICT promising SMEs to approach agrifood market and to improve its competitiveness.

2. Business plan content

Applicants must submit a business plan for three years, including all the activities that the company plans to undertake within that period. It must regulate, at least, the following aspects:

a. Company description

- Company presentation and activity sector. Background: previous history of the company.
- Geographic location, incorporation date.
- Relations with universities or research centres. Scientific-technical and commercial agreements signed with other entities, both public and private.
- Justification of its technological base.
- Industrial activities.
- State aids received previously and knowledge of financial tools, all focused in entrepreneurship.

b. Market

- Potential and segmentation market:
 - Value proposal. Advantages that the company brings with their products/services to the end-user compared to others in the market.
 - Market needs. Potential and attractiveness of the market. Most relevant market data (size, evolution).
 - International development plan. Capabilities.
 - Social/health and/or environmental impact of the company.
 - Regulatory issues.
 - Nb of clients in the agrifood sectors (if applicable).
- Competition analysis:
 - Brief sector description. **Interest in other sectors and knowledge about it, especially in the agrifood field.**
 - Most significant competitor companies (market share, trends, prices, performance, products performance and service products).
 - Strength and weaknesses un comparison with existing or competing solutions.
- Marketing strategy:
 - Business model: monetization, value chain, suppliers, collaborators, cross-sectorial aspect, cross-border features.
 - Commercial strategy: potential market, substantial demand, etc.
 - Commercial organisation description.

- Quantify the sales forecast.

c. Product and Technology

- Products/Processes/Services description:

- Portfolio description. Differential aspects and advantages of the products/processes/services.
- Portfolio focused on agrifood sector (if applicable).
- Specifics objectives.
- Level of development (TRL) and feasibility.

- Technology and technological innovations to apply in the agrofood sector (if applicable):

- Definition of the technological challenge.
- Scientific-technical background and technological need.
- State-of-the-art.
- Technological barriers (product/service or production/manufacturing level).
- Advantages and technological innovations.
- Diversification possibilities of the proposed technology.

d. Team

- Team competences and their relationship capacity:

- Current company structure.
- Roles and responsibilities assumed in the company by the team.

- Team involvement and its ability to generate new funds:

- Shareholding structure.
- Degree of shareholder commitment of the management team and dedication of the promoters in the company. Participation of promoters in other companies.
- Information about other shareholders that have a relevant participation in the capital of the company, not belonging to the entrepreneurial team: participation of the rest of the shareholders in other companies. Degree of dedication of the rest of the shareholders to the project.
- Ability to attract financing and attract new partners (contracts, risk capital, etc).

- Team management capacity involved in business development:

- Training and relevant experience of the team and the main people involved in business development, highlighting specific education (MBA, PhD, etc) and previous experiences in the management area (R&D projects, business management, creation of companies, etc).
- Relationship capacity within the objective sector. Participation in technological platforms/sector associations. Contacts with national and international research groups.

e. Financial analysis

- Investment and financing plan:

- Profit and loss account and balance sheet for the last two years for which accounts have been closed.
- Sales forecast for the next three years.
- Perspectives in medium and long term.
- % of turnover done in agrifood sector.

3. Business plan assessment methodology

Business plan will be evaluated by a national TRACK partner from the same country of ICT promising SMEs. Scoring will take into account the following aspects:

a. General description of the activity company evaluation

- **Maturity level of the company:** description of ability and competence of the management team to undertake the business plan as well as their technical and business experience.
- **Business origin:** description of business idea along with the identification of the business opportunity.
- **Internal and external information sources:** description of quality and variety of the information sources used by the company in the elaboration of the business plan.
- **Mission and vision:** description of values to make up the mission and vision of the company, as well as the planning of their implementation.

b. Market evaluation

- **Market needs:** description of size and growth rate of the potential market and the possible barriers or opportunities of the market.
- **Customer segmentation:** description of target market as well as the homogeneity and similarity of the groups or segments in which it is divided.
- **Business model:** description of potential of the value proposal on which the business model proposed by the company is based.
- **Analysis of the competition:** description of the target market, as well as the homogeneity and similarity of the groups or segments in which it is divided.
- **Interest in the agrifood sector:** description of needs identified or existing applications in the agrifood sector.

c. Technology and Product evaluation

- **Quality and clarity of the products/process/services description in their company:** description of advantages provided by the company, and the differential added value, in terms of expansion and/or improvement of benefits, increase of productivity and/or performance, with other competitors.
- **Quality and clarity of the products/process/services description in their company focused on agrifood sector (if applicable):** description of advantages provided by the company, and the differential added value, in terms of expansion and/or improvement of benefits, increase of productivity and/or performance, with other competitors especially focused in agrifood sector.
- **Technological barriers:** description of relevant, complexity and technical risk of the development of the products/services/process, and its degree of novelty and progress on the state-of-art and technique will be assessed.
- **Level of development (TRL) and feasibility:** description of how the company with their products/process/services goes beyond the state-of-the-art un comparison with existing or competing solutions.

d. Team evaluation

- **Organisation:** description of organization chart of the company, as well as the identification of all the necessary positions for an efficient execution of the tasks described in the business plan.
- **Profiles:** description of suitability job profiles to carry out the business plan.
- **Experience and education (technical, business and financial management):** description of suitability of the skills, knowledge and experience to carry out the activities described in the business plan.
- **Fundraising capacity and generation of business opportunities:** description of capacities and skills to raise financing.

e. Financial Situation evaluation

- **Turnover and Profit and loss account:** description of adequate financial plan that includes the different mechanisms with which it is intended to finance the business plan.
- **Needs and financing planning:** description of team knowledge of the different sources of public-private financing, both from alternative sources such as credits and loans with advantageous characteristics, etc.

4. Scoring

Business plans should be evaluated primarily based on the information provided by the applicants, in addition to the knowledge that the evaluators may have for the companies. This will result in greater homogeneity in the process and prioritize those proposals with better quality of documentary presentation. For each criterion, score must be in range 0-5, according with the following:

0 – The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.

1 – Poor. The criterion is inadequately addressed, or there are serious inherent weaknesses.

2 – Fair. The proposal broadly addresses the criterion, but there are significant weaknesses.

3 – Good. The proposal addresses the criterion well, but a number of shortcomings are present.

4 – Very Good. The proposal addresses the criterion very well, but a small number of shortcomings are present.

5– Excellent. The proposal successfully addresses all relevant aspects of the criterion.

The document must not exceed **10 pages**, including tables and figures. Minimum front size is 11. The participant can include appendix with the copy of the profit and loss account and balance sheet for the last two years for which accounts have been closed, tables or figures.

The minimum score per each section is 3 out of 5. If one of the sections is scored below 3, automatically the business plan will not be eligible. The total punctuation is over 25 score, a business plan must have minimum 15 out of 25 for being eligible.

5. Links with order WP and tasks

Results from WP2 (Strategy Work Package) and WP3, Task 3.2 (trans-cluster matchmaking event, thematic missions and common webinars) and Technology participants of pilot projects carried out in WP3, Task 3.3. (at least 5 pilot projects), will be especially relevant as those activities will mobilize an important number of SMEs.

Annexe 1. Evaluation report template (for evaluators)

Applicant SME:

Applicant country:

Evaluator:

Organism:

Country:

General comments of evaluation:

Total score: /25

Company Activity	Score
Add your comments (1.500 characters maximum)	/5

Company Market	Score
Add your comments (1.500 characters maximum)	/5

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Technology	Score
Add your comments (1.500 characters maximum)	/5

Team capacities	Score
Add your comments (1.500 characters maximum)	/5

Financial situation	Score
Add your comments (1.500 characters maximum)	/5

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Annexe 2. Business plan template (for ICT promising SMEs)

In order to insure transparency and impartiality of the assessment process, a business plan application form template is recommendable:

Name of the company:

Legal Status:

Date of creation:

Number of employees:

Turnover (last registered one):

Balance (last registered one):

Address;

Phone:

Email:

Web:

Legal person:

name:

Email:

Phone:

Company description	Score
<ul style="list-style-type: none"> - Company presentation and activity sector. Background: previous history of the company. - Geographic location, incorporation date. - Relations with universities or research centres. Scientific-technical and commercial agreements signed with other entities, both public and private. - Main industrial activities. - State aids received previously and knowledge of financial tools all focused in entrepreneurship. 	/5

Market	Score
<ul style="list-style-type: none"> • <u>Potential and segmentation market:</u> <ul style="list-style-type: none"> - Value proposal. Advantages that the company brings with their products/services to the end-user compared to others in the market. - Market needs. Potential and attractiveness of the market. Most relevant market data (size, evolution). - International development plan. Capabilities. - Social/health and/or environmental impact of the company. - Regulatory issues. • <u>Competition analysis:</u> <ul style="list-style-type: none"> - Brief sector description. Interest in other sectors and knowledge about it, especially in the agri-food field. - Most significant competitor companies (market share, trends, prices, performance, products performance and service products). - Strength and weaknesses un comparison with existing or competing solutions. • <u>Marketing strategy:</u> <ul style="list-style-type: none"> - Business model: monetization, value chain, suppliers, collaborators, cross-sectorial aspect, cross-border features. - Commercial strategy: potential market, substantial demand, etc. - Commercial organisation description. - Quantify the sales forecast. 	/5

Product and technology	Score
<ul style="list-style-type: none"> • <u>Products/Processes/Services description:</u> <ul style="list-style-type: none"> - Portfolio description. Differential aspects and advantages of the products/processes/services. - Specifics objectives. - Level of development (TRL) and feasibility. • <u>Technology and technological innovations to apply in the agrofood sector (if applicable):</u> <ul style="list-style-type: none"> - Definition of the technological challenge. - Scientific-technical background and technological need. 	/5

<ul style="list-style-type: none"> - State-of-the-art. - Technological barriers (product/service or production/manufacturing level). - Advantages and technological innovations. - Diversification possibilities of the proposed technology. 	
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Team	Score
<ul style="list-style-type: none"> • <u>Team competences and their relationship capacity:</u> <ul style="list-style-type: none"> - Current company structure. - Roles and responsibilities assumed in the company by the team. • <u>Team involvement and its ability to generate new funds:</u> <ul style="list-style-type: none"> - Shareholding structure. - Degree of shareholder commitment of the management team and dedication of the promoters in the company. Participation of promoters in other companies. - Information about other shareholders that have a relevant participation in the capital of the company, not belonging to the entrepreneurial team: participation of the rest of the shareholders in other companies. Degree of dedication of the rest of the shareholders to the project. - Ability to attract financing and attract new partners (contracts, risk capital, etc). • <u>Team management capacity involved in business development:</u> <ul style="list-style-type: none"> - Training and relevant experience of the team and the main people involved in business development, highlighting specific education (MBA, PhD, etc) and previous experiences in the management area (R&D projects, business management, creation of companies, etc). - Relationship capacity within the objective sector. Participation in technological platforms/sector associations. Contacts with national and international research groups. 	/5

Financial issues	Score
<ul style="list-style-type: none"> • <u>Investment and financing plan:</u> <ul style="list-style-type: none"> - Profit and loss account and balance sheet for the last two years for which accounts have been closed. - Sales forecast for the next three years. - Perspectives in medium and long term. 	/5