# EIC Transition Guide

## Results from lab to market

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# EIC Transition Guide: results from lab to market

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# Introduction

The European Innovation Council (EIC) aims at supporting the rapid scale up of innovative technologies and companies. This is why a key priority is to ensure that researchers and entrepreneurs supported by the EIC overcome the European paradox: a strong science base but weak innovation performance.

The new proactive management approach for EIC projects emphasizes on a stronger innovation management and a focus on the exploitation of the R&D projects to bring applications to the market.

**EIC Work-programme**: EIC takes an active approach of project and programme management to develop business and technology-based visions. It is assisted by EIC Programme Managers, whose task is to identify, develop and implement such visions and to nurture potential market-creating innovation out of EIC funded projects and activities.

The Transition Plan constitutes a key tool for proactive management. This is why EIC Transition projects are invited to design a Transition plan at an early stage of the project.

Transition is a process that is most of the time not linear, being more an iterative process. It requires constant investigation and follow-up during project implementation to address key success factors and major risks at any stage. This is why Transition Plan should evolve and be updated during the implementation of the project. Such revisions of the Transition Plan can be performed at any time by the consortium or it can be requested by the EIC staff.

The initial Transition plan will constitute a roadmap towards access to market.

This Transition plan shall define:

- The key (expected) research outputs for innovation
- the team responsible for the innovation management and exploitation of results
- the expected Transition roadmap
- Expected milestones towards market
- Gaps and needs to be addressed by EIC expertise and services or by other resources.

This guide offers resources to develop a Transition Plan. It comprises:

- Background information to build a Transition Plan
- Checklist for the follow-up of its implementation
- Information on resources

# Building a Transition plan

## Appoint the team responsible for the transition planning

The Consortium shall identify the leadership for the Transition planning and exploitation activities. This leadership can be ensured by a specific role such as innovation manager and by a dedicated governance body (such as innovation Board). This shall be empowered as key role in project implementation.

It can include researchers with strong skills and interest in the commercial uptake and/or innovators in the consortium with major role in the exploitation of results.

It is advised to ensure that the relevant skills and competences for enabling exploitation of results are present in the consortium. This comprises entrepreneurship, innovation management, IPR skills, as well as understanding of targeted market(s).

It is also primordial to set-up project management processes that:

- facilitate the dialogue between R&D and innovation activities
- is agile and able to adapt to internal and external changes

Gaps in the current team shall also be identified, and followed by a plan on how and when it can be addressed with internal and/or external resources (e.g. new partner, consultancy services, coaching).

## Identify the expected Transition scenario

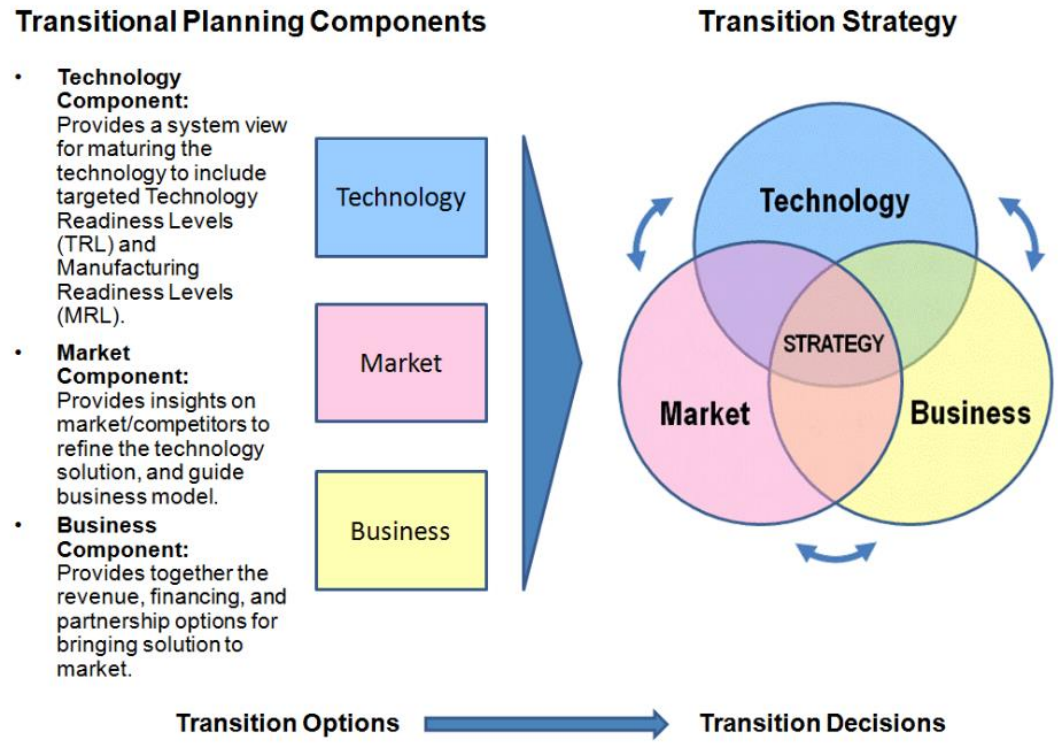
The use of a research results can take several forms summarized below.

- More R&D before transition to market is needed
- Spin off: the R&D team or part thereof is planning to leave the organisation and engage directly in the transition to market activities
- Direct Exploitation: a partner of the consortium is planning to directly engage in the exploitation of the result
- Through a licence to an established company (not SME)
- Through a licence to an SME: identify the company[-ies]
- Through a licence to a startup (a company not formed by the research team)

The envisaged exploitation route will influence the strategy and activities of the consortium and/or of the partner(s) targeted for the exploitation, as highlighted in the Inventors' handbook from the European Patent Office.

## Tools to identify activities and milestones based on maturity stage

In its Transition planning guide for SBIR/STTR programs[1], the Darpa identifies the need to combine technology, market and business components, as presented in the figure below.



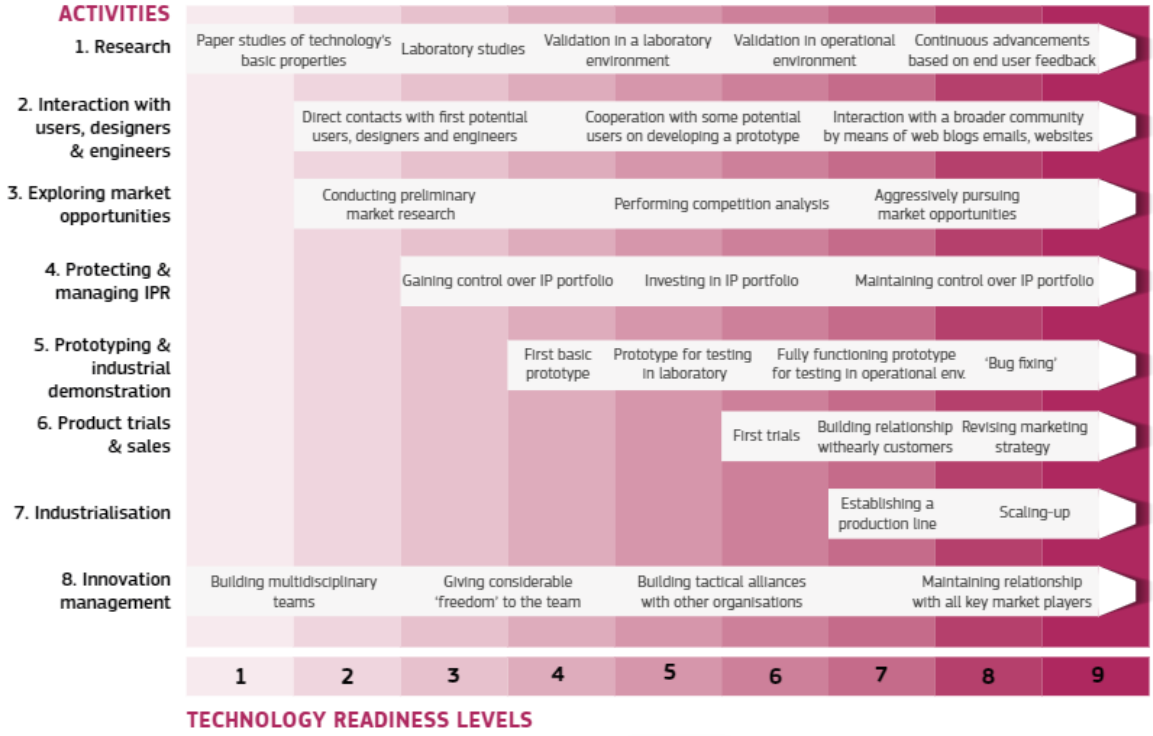

The template Technology-to-Market Milestones from ARPA-E provides examples of milestones covering key Go to Market activities.

An innovation cycle comprises different steps between ideation and market uptake. For each step, the project shall identify relevant innovation activities. Technology Readiness Levels (TRLs) is commonly used for EU funded R&D&I projects. Projects can identify actions and milestones related to technology, market and business components depending on the maturity of the technology.

**Technology readiness levels (TRL) and activities of innovation trajectory**

The guide "How to convert Research into Commercial success Story" part 3 identifies activities and their evolution depending on TRLs. It is summarized in the table below and more developed in the guide.

[1] Transition planning guide for SBIR/STTR programs, March 2010




Other Scales on Commercialisation Readiness and Investment readiness are also relevant to assess the preparedness and define activities and milestones for transition planning:

**Business Readiness level and Commercial readiness index**

The project Access2EIC developed a toolbox to help EIC Pathfinder and EIC Transition projects to frame better their way to market.

The methodology is based on the technology maturity level of a technology (TRL) and integrates Business Readiness Level (BRL) concept developed by the CloudWATCH2 project.

The BRLs "aim to categorize the status of the business from its readiness to market, starting on the business conceptualization phase and ending in the business scaling phase"[2].

It is complemented by a methodology to use of the Business Model Canvas (BMC)[3] adapted to the three main stages of the Business Readiness Level (BRL).

[2] Access2EIC Business Glossary 2020

[3] Definition in Access2EIC Business Glossary 2020: "Business Model Canvas is a widely used & renowned tool for developing new or documenting existing business models. It consists of a visual chart with 9 building blocks that assess the 4 key dimensions of any business (the company "infrastructure", its value proposition or offer, its target market and the main business finances)"

*Market readiness level scale and associated three phases by www.cloudwatchhub.eu*

The toolbox is available on the Access2EIC website.

The Australian Renewable Energy Agency (ARENA) developed similar scale with the Commercial Readiness Index (CRI):

| | |
|---|---|
| CRI 1 | Hypothetical commercial proposition |
| CRI 2 | Commercial trial |
| CRI 3 | Commercial scale up |
| CRI 4 | Multiple commercial applications |
| CRI 5 | Market competition driving widespread deployment |
| CRI 6 | "Bankable" grade asset class |

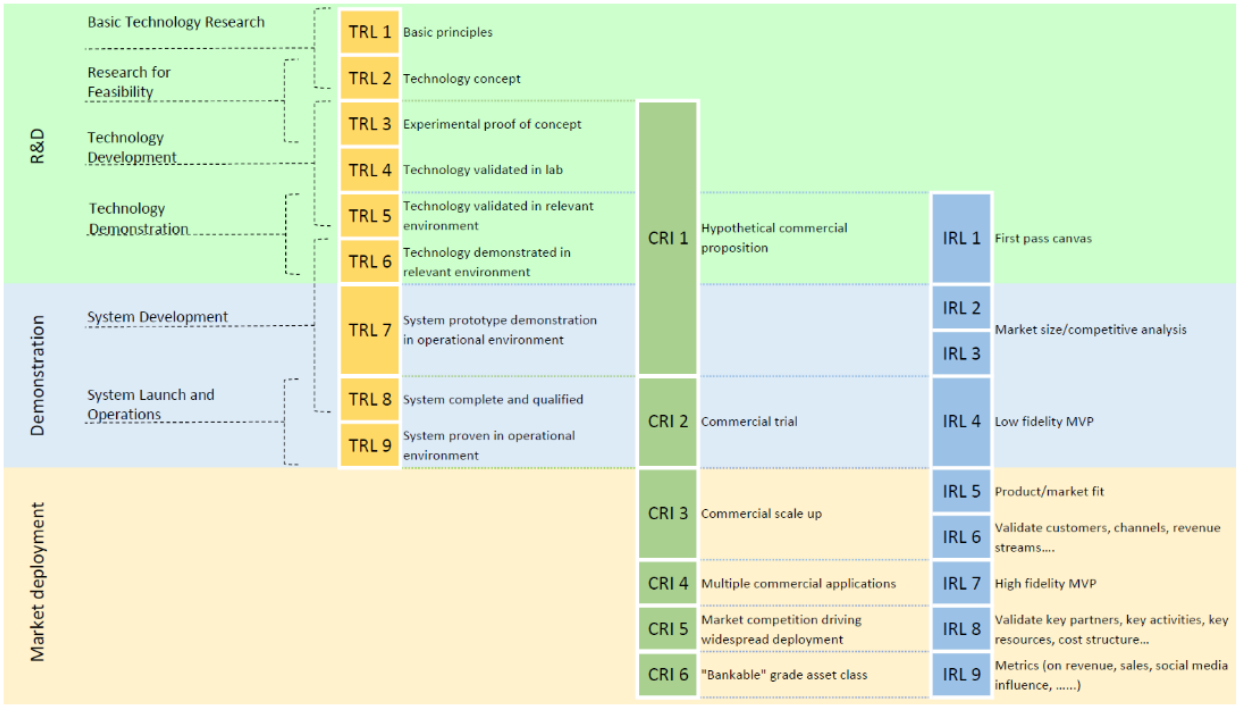
**Investment Readiness Level**

This tool was developed by Steve Blank to also assess the readiness of start-ups for investment and it relies on the business model canvas technique to plan business development. The IRL1 can usually be linked to TRL5.

| LEVEL: | DEFINITION: | ACTION: |
|---|---|---|
| IRL 1 | **1.** First pass canvas | **1.** The lowest "level" of investment maturity. At this level, a rough outline of a business model has been drafted, but it is mostly non-validated assumptions. |
| IRL 2 | **2.** Market size/ competitive analysis | **2.** Once a rough business model in place, the next most important ancillary step is market research. It is important to know what the market looks like and whom your potential competitors are. |
| IRL 3 | **3.** Problem/solution validation | **3.** Market research, the next step is to begin validating that there is a problem and that your business plan aligns with possible solutions to that problem. |

| | | |
|---|---|---|
| IRL 4 | **4.** Low fidelity MVP | **4.** Once you have validated your solution in theory, it is time to begin validating it in practice. Do this with a low fidelity MVP to conserve resources. |
| IRL 5 | **5.** Product/market fit | **5.** Offering validation and its effect in solving the problems (that originated the product need). What are the UVPs and their market. Appreciation. |
| IRL 6 | **6.** Validate right-side of canvas | **6.** Validation of the left-side of your business model canvas (customers, relationships, customer segments, channels, revenue streams). Some were validate in previous steps. |
| IRL 7 | **7.** High fidelity MVP | **7.** Analyse the high fidelity MVP against the investment readiness (how to maximise it) and prove your technology. |
| IRL 8 | **8.** Validate left-side of canvas | **8.** Validation of the right-side of your business model canvas (key partners, key activities, key resources, cost structure). Some of this will have been completed during previous steps. |
| IRL 9 | **9.** Metrics that matter | **9.** Once the business model and product are validated, the next step is planning the economic growth. Key to this is identifying the metrics that matter (e.g. revenue, sales, social media influence). |

The table below presents how these different scales can relate and helps to identify activities depending on the TRL of an exploitable result.




The Tool Kit KTH Innovation Readiness Level™ provides a method that gives a visualization based on six Innovation Readiness Levels:

Customer Readiness Level – CRL
Technology Readiness Level – TRL
Business Readiness Level – BRL
IPR Readiness Level – IPRL

Team Readiness Level – TMRL
Funding Readiness Level – FRL

## Define risks and mitigation measures: definition and follow-up

It is primordial to set-up a robust risk and mitigation measures plan at an early stage of the project and have a regular update of this plan. Risks shall be classified based on their potential impact and their likelihood, such as in the table below.

**Indicative table to measure risks**

| Likelihood / Impact | Rare [1] | Unlikely [2] | Moderate [3] | Likely [4] | Certain [5] |
|---|---|---|---|---|---|
| Low [1] | Low | Low | Low | Low | Low |
| Slight [2] | Low | Low | Significant | High | High |
| Moderate [3] | Low | Significant | Very High | Very High | Very High |
| Serious [4] | Low | High | Very high | Unacceptable | Unacceptable |
| V. Serious [5] | Low | High | Very high | Unacceptable | Unacceptable |

In the Study "Risk Factors on 59 NMP projects Exploitation Strategy Seminars" performed for the European Commission in 2009, the following most frequent risks were identified from a sample of EU-funded projects. The table also provides examples of mitigation measures.

| N° | RISK | EXAMPLES OF SOLUTIONS AND ACTIONS |
|---|---|---|
| 2 | Worthless result: earlier patent exists | Establish state of the art in house and with patent attorney |
| | | Compare project to disturbing patents + apply for a patent |
| | | Negotiate an exploitation agreement |
| | | Negotiate a license agreement |
| | | Seek legal advice against liabilities |
| 3 | Worthless result: better technology/methodology exists. | Reassess the functions of the project technology/methodology |
| | | Manage a value analysis. |
| | | Set up technology watching points. |
| 4 | Significant dependency on other technologies. | Identify clearly these technologies and assess their IPRs |
| | | Negotiate an exploitation agreement with IPR holders |
| 15 | Worthless result: performance lower than market needs. | Determine the performance level needed by the market |
| | | Question potential customers and review your work as a consequence of these inputs |
| 17 | Nobody buys the product. Too expensive. | Re-assess production costs and make functional and value analysis investigation |

| | | |
|---|---|---|
| 24 | Know-how risks: It is easy to counterfeit the patent | Re-asses the strength of the patent claims |
| | | Take steps to police the patent |
| 25 | Know-how risks: a counterfeit cannot be proved | Attend specialized fairs, where you could find out about infringing competitors |
| | | Apply for a trademark |
| | | Review your claim at the outset and make them stronger |
| 28 | Know- how risks: there are leaks of confidential information. | Use appropriate security practices in dealing with confidential issues. |
| 30 | Inadequate communication among partners. | Establish a communication platform with clear rules and apply them strictly |
| 31 | Off time supply of financial means. | Think ahead of time of financial needs to get loans to ease investments and cash-flow problems. |
| | | Follow carefully administrative rules |
| | | Draw up an excellent business plan |
| 32 | Weak exploitation. Inadequate business plan | Identify items in the business plan which are inadequate |
| | | Review them with competent consultants and make your own due diligence. |

## Checklist for the transition planning process

The checklist below is designed to ensure that a Transition planning process includes all relevant elements.

| Nbr | Element | Y - N - N/A | Comments |
|---|---|---|---|
| **1** | Leading team for Transition planning identified and empowered | | |
| **2** | Initial Transition plan performed early in the process | | |
| **3** | Transition plan regular update fully integrated in the project management | | |
| **4** | Transition scenario defined | | |
| **5** | Milestones based on maturity level (TRL) integrated to the work plan | | |
| **6** | Risk analysis performed and constant follow-up | | |
| **7** | Perform an analysis to assess strengths, weaknesses, opportunities and threats (SWOT) | | |
| **8** | Potential gaps for Go to Market regularly assessed and solutions identified | | |
| **9** | Ensure knowledge of production process, supply chain and scalability issues | | |
| **10** | Define an IP Strategy and protection envisaged | | |
| **11** | Initiate constant dialogue with potential users and integrate feedback in R&D activities | | |
| **12** | Relevant ecosystems actors are identified and connections are made | | |
| **13** | Process set-up for market analysis and assessment of the technology over the existing state-of-the-art and competing technologies | | |
| **14** | Identify networking opportunities for market/business feedback (events, fairs, etc) | | |
| **15** | Identify regulatory barriers | | |
| **16** | Define standard / certification needs | | |
| **17** | Identify potential funding sources (private/public) for next step and engage with relevant actors | | |
| **18** | Regular identification of services from EIC or external that can support the Go to Market strategy | | |

# From Lab to Market support services

The European Innovation Council and partners provide different types of services and actions to support the Go to Market routes of EIC funded teams. Project officers, Programme managers and Tech to Market advisors will guide you to identify relevant opportunities.

## EIC Business Acceleration Services

Through Business Acceleration Services, the EIC provides several services supporting beneficiaries on their lab to market activities. It includes tailored Tech to Market services for EIC Pathfinder and EIC Transition beneficiaries.

### EIC Business coaching

EIC offers 3+ business coaching days free of costs to EIC projects. It can be a solution to address business development priorities, whether for teams are just coming from the laboratory or for versed entrepreneurs. From EIC large pool of coaches, a project can find a coach with ample experience in specific industries and market contexts. The focus may vary from go-to-market, or acquiring partnerships, organisational or financial development. The coach will challenge assumptions and will let the project considers new options in a learning-and-solving manner.

- For Pathfinder researchers the objective can be to discover innovation opportunities and to provide insight in the entrepreneurship potential.
- For Transition teams the objective can be to analyze the industry and to create a value proposition.

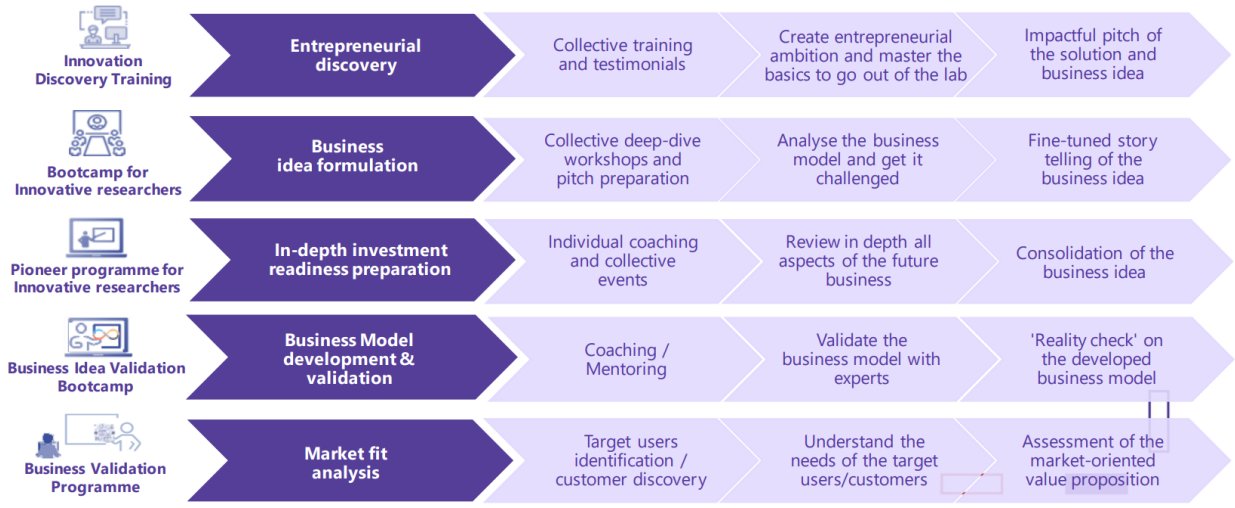
For more information, consult EIC website and ask your project officer.

### EIC Tech to Market

T2M EIC Tech to Market **Entrepreneurship** & **Venture Building** Programmes

EIC Pathfinder and Transition beneficiaries can apply for the **EIC Tech to Market (T2M) services**: EIC T2M Entrepreneurship & Venture Building Programme.

1. The **EIC Tech to Market Entrepreneurship Programme**. It delivers training to help entrepreneurial researchers to acquire the critical knowledge for developing deep-tech based innovations and provide support for building a strong value proposition and a viable business model.
   This programme includes the following activities:



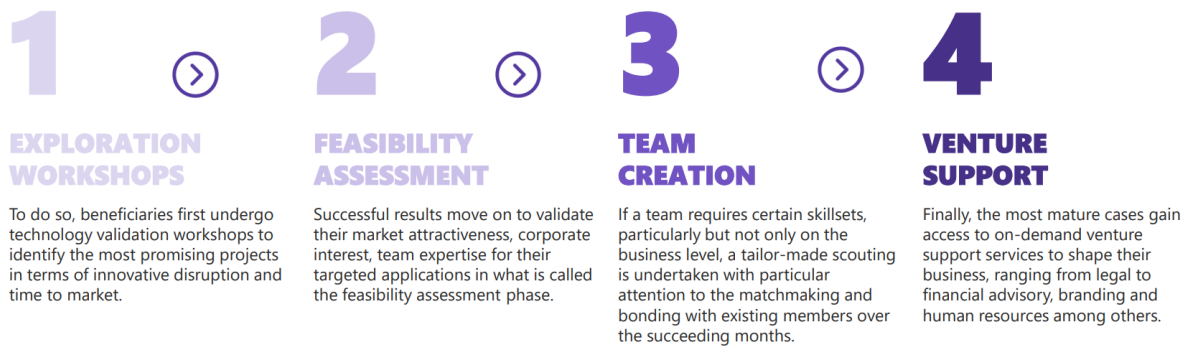

**Entrepreneurial courses for innovative researchers**

- Innovation Discovery Training: Two half-days of online collective sessions. Group pitch coaching for deep-tech scientists on the basics of entrepreneurship and advice on how to pitch your project
- Bootcamp for innovative researchers: Four days of online collective workshops to explore in depth all major components to be mastered by a deep tech founder (value proposition, team, roadmap, pitch).
- Pioneer Programme for innovative researchers: 4.5 months programme of collective sessions. Individual coaching to explore in depth deep tech topics, from IP protection, industrialization, regulatory, team management to finance

**Business Model Development and Validation through Design Thinking**

- Business Idea Validation Bootcamp: Collective workshops, team coaching and interviews over 3 weeks to design your business model based on your initial idea and test it outside the lab.
- Business Validation Programme: 8 weeks of intensive online courses (10 to 20 hours per week), masterclasses, coaching and interviews to focus on your value proposition, your product-market fit and pitching deck

2. The **EIC Tech to Market Venture Building Programme**. This new initiative aims to help build start-ups to exploit promising research results through venture building services, comprising a range of activities from identification of promising business ideas to venture creation and development.



For more information on EIT Tech to Market, you can visit the EIC T2M Webpage.

## EIC Partners' Service Catalogue

EIC beneficiaries have access to services from ecosystem organizations. The EIC Partners' Service Catalogue helps to find partners through a searchable database of all the services being provided by the organizations partnering up with the EIC to support its innovators.

**Access the EIC Partners' Service Catalogue**

Link to the EIC Partners' Service Catalogue: https://partnerservices.eismea.eu/

## Matchmaking activities with leading corporates, investors, procurers)

The Business Acceleration Services facilitate cooperation and co-creation with international business partners: leading corporates, investors, procurers, etc.

This includes:

- Matchmaking activities with large corporates, procurers and investors (e.g. Corporate Days, Procurers Days, Investors Days)
- Participation to global business trade fairs. Learn more about the second edition of the Overseas Trade Fairs Programme.

All above services are open to all EIC funded projects and companies and other members of the EIC Community based on an application and, when relevant, selection process for each event or service. The process involves a publication about the service on the EIC Community, an application by interested EIC company or project and depending on the type of service, a pre-selection by business partners/experts can be applied.

Calendar of coming events available on the EIC website.

### EIC Women Leadership Programme

Increasing the participation of women in deep tech is not only a matter of fairness, but vitally important for using Europe's full potential for excellence in science and innovation. The European Commission has launched the Women Leadership Programme to provide a dedicated programme of mentoring, skills enhancement and networking for women entrepreneurs and researchers in EIC supported projects.
For more information: presentation of the WLP on the EIC website

## Other support services provided by the European Commission and partners

In this section, you will find other relevant services for exploitation provided by the European Commission and its partners.

### Horizon Result Booster

The Horizon Results Booster addresses projects eager to go beyond their Dissemination and Exploitation (D&E) obligations under Horizon 2020 - steering research towards strong societal impact and concretising the value of R&I activity for societal challenges. In order to help the beneficiaries get a step further and better implement their D&E actions, the European Commission offers free consulting services through the Horizon Results Booster.

Main services:

- Dissemination & exploitation strategy: it assists projects to improve their existing dissemination and exploitation strategy
- Business plan development: tailor-made training and support to develop a business plan which shall include market analysis, business strategy, operations plan, competitor identification and analysis, clear action plan to be implemented by the project and estimation of time to market
- Go to market support: This service prepares project consortia and/or specific beneficiaries within the project to take project results to the market

For more information, consult the Horizon Booster website and ask your project officer.

### Dealflow

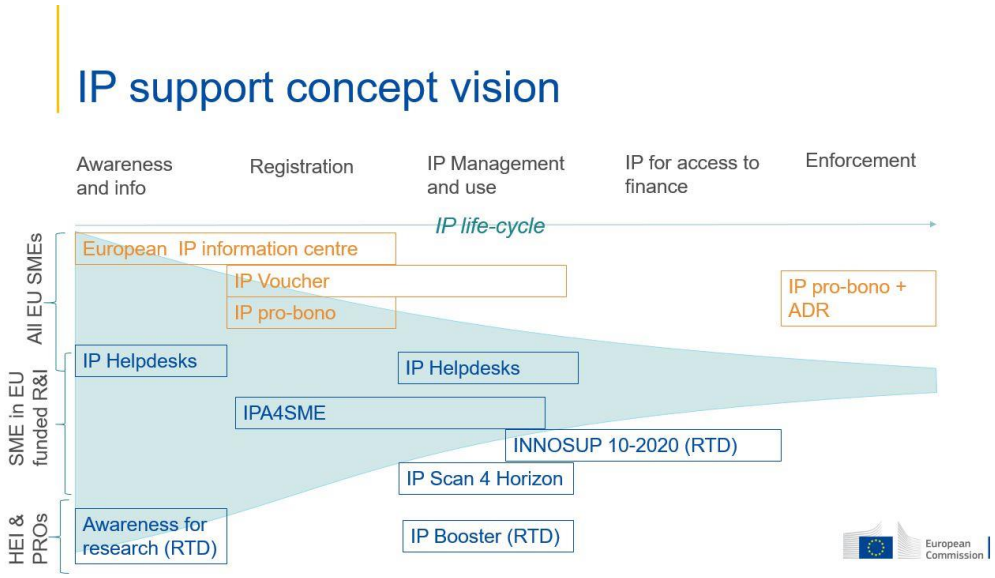
**Dealflow** is a project supported by the Horizon Europe Research and Innovation Programme to support EU funded innovations with resources and services including venture building and networking services as well as support to attract investors. It is linked to the Innovation Radar initiative, which surveys are completed as part of the review meetings to identify key innovations and innovators. The following venture building services are provided to EU-funded SMEs, startups, and spinoffs as well as EU-funded

projects involving universities, research institutions and research teams with innovations and entrepreneurial plans: Client or Partner introductions, Crowd-funding, Financial Model support, IP support, Investor Long List, Pitch deck support, Tech Due Diligence and start-up/spin-off support services.

Apply for support once the innovation radar initiative has been completed and do contact your project officer for more information and support.

## Intellectual Property Rights (IPR)

The European Commission provides IPR support services available for EIC beneficiaries. These services address different needs summarised in the picture below.




Main initiatives:

The European IPR Helpdesk is a first-line intellectual property (IP) service providing free-of-charge support to help beneficiaries of EU-funded research projects manage their IP in the context of transnational business or EU research and innovation programmes.

European Union Intellectual Property Office (EUIPO) provides free personalized Intellectual Property support. The EUIPO SME Fund supports through IP vouchers businesses in developing their IP strategies and protecting their IP rights, at national, regional or EU level.

Horizon IP Scan Service is a free of charge IP advisory service supporting European start-ups and SMEs involved in EU-funded collaborative research projects to efficiently manage and valorise IP in collaborative research and innovation (R&I) activities.

## Entrepreneurship

Access2EIC events - network of 15 partners who share the common purpose to work as a network of EIC (FET and SME) and ARF NCPs supporting national applicants and raising the quality of applications submitted under the enhanced EIC Pilot 2019-2020.

Enterprise Europe Network helps businesses innovate and grow on an international scale. It includes services to help turning innovative ideas into international commercial successes.

## Finding investors

The matchmaking platform Euroquity, powered by BPI France, is a tool helping SMEs to find investment partners for a pre-Seed, Seed and Series A investment. Together with the Access2EIC project and EuroQuity-Bpifrance, regular e-Pitching sessions with prominent European investors are organised for EIC Transition beneficiaries' startups. Ask your project officer for more information on the latest opportunities.
Also a **specific label for Pathfinder beneficiaries** as well as Transition beneficiaries provides more visibility and guarantees to investors that a company belongs to the programme.

The **InvestEU Portal** has been created by the European Commission to increase visibility of projects (worth at least 1 M€) to a large network of international investors and to allow those investors to look for opportunities in areas such as energy efficiency, transport, healthcare, renewable energy, broadband infrastructure or in financing SMEs.

## Regulation and standardisation

**CEN-Cenelec** - provides information and a helpdesk to support projects that can benefit from and contribute to standardisation.

The **European Medicines Agency (EMA)** provides guidance and support to medicine developers. This includes scientific and regulatory information on how to design and run clinical trials, compliance standards, and obligations and incentives for developers of specialised medicines. The EMA Innovation services are described in this document:

The **European Chemicals Agency (ECHA)** provides tools and practical guidance to companies which have responsibilities under the EU chemicals legislation.