COMMERCIALISATION VOUCHER PROGRAMME

Activity Guidelines

THE COMMERCIALISATION VOUCHER PROGRAMME

The **Commercialisation Voucher Programme** (CVP) is designed to support researchers, micros, and SMEs to seek the commercial potential of their research, to start new or accelerate innovative activities and to enhance their competitiveness through collaboration with R&D institutions or others.

The call for applications under the CVP is a competitive call that is launched twice a year, and the entry proposals thereof are each scientifically assessed by three MCST- approved evaluators, selected on the basis of their expertise in the field of the thematic area being applied under. The CVP which is subject to the rules and regulations outlined in this document, is mainly intended to support prospective applicants of the **Technology Development Programme** *(TDP)* by providing them with information related to any form of **Intellectual Property Right** *(IPR)* which could potentially emerge from the development of the proposed innovation, as well as to test the commercial viability thereof, or otherwise once the subject of their research is fully developed through the TDP.

The CVP consists of two stages namely:
1) The **Intellectual Property Check** *(IPC)* and.
2) The **Commercial Viability Test** *(CVT)*

The activities related to both stages will be conducted by MCST-approved Services Providers initially tasked with a deep understanding of the novel technology being researched by the beneficiary, and thereafter presenting a comprehensive dossier to the MCST and the beneficiary of CVP funds at the end of each stage. Each end of stage report will be assessed by an independent expert evaluator who will ensure that the report includes the following key components:

- An Introduction to the report and key conclusions
- Methodology and/or workings
- Main findings and
- Recommendations under the title Executive Summary.

Requirements for the TECHNOLOGY DEVELOPMENT PROGRAMME

Figure 1.

In addition to the 2-stage CVP which will remain a mandatory pre-cursor of the TDP, all the beneficiaries of the FUSION programmes will now have a valuable, additional opportunity to tap into the components of the Commercialisation Voucher Programme as individual vouchers or add-ons.

The FUSION Add-on Scheme is being launched as an open call in 2024 and it will be composed of 5 individual add-on vouchers, namely:

1) **Intellectual Property Check** *(IPC) – 4 weeks - € 4K*
2) **Commercial Viability Test** *(CVT) – 12 weeks - € 10K*
3) **Intellectual Property Right Registration** *(IPRR) –Valid for 3 years from IPRR Add on Voucher Agreement date - €20K.*

4) **Business Plan** *(BP) 15 weeks - € 10K*

5) **Investor-engagement pitch** *(IEP) - 12 weeks - € 4K*

With the introduction of these add-ons, beneficiaries of FUSION funding programmes (with the exception of the **Research Excellence Programme** *(REP)* and the **Technology Extension Support Programme** (*TESP*)) will be able to apply for any of the above add-ons on an ad hoc basis and as they deem most pertinent to the TRL and the status of their research subject. Some of the add-ons will form part of a roadmap which the Council recommends as the best possible course of action, and which would therefore be mandatory for certain routes such as the **Go-To-Market** which requires the most add-ons out of all the current FUSION programmes. Examples of these recommended roadmaps are represented in the diagrams below.

INTELLECTUAL PROPERTY RIGHT REGISTRATION (Available to all FUSION beneficiaries except REP and TESP who have received a positive recommendation by the Patent Attorney in the Intellectual Property Check)

Figure 1

BUSINESS PLAN (Available to all FUSION beneficiaries except REP and TESP whose subject of research has reached TRL 6 or higher)

Figure 2

INVESTOR-ENGAGEMENT PITCH (Available to all FUSION beneficiaries except REP and TESP whose subject of research has reached TRL 6 or higher)

Figure 3

GO-TO-MARKET

a) Go-To-Market Accelerator (Available to technologies of TRL 6 or higher)

Figure 4

b) Go-To-Market Loan Assistance (Available to technologies of TRL 8 or higher) Figure 6

Figure 5

FUSION ADD ON 1 - The Intellectual Property Check (IPC)

The pertinence of the IP Check add on is two-fold:

1) Prospective applicants of the TDP and the Go-To-Market would have an obligation to apply for and complete both stages of the CVP.

2) All Maltese Private/Public entities who are already beneficiaries of a FUSION programme may tap into the IP Check add-on as a means to verify whether or not, the invention being researched is innovative and original. The IP Check will also ensure that there aren't any prior registrations or pending applications which may be considered as prior art, and which may hinder successful IP right registration.

Beneficiaries receiving funds either under the Research Excellence Programme (REP) and/or the Technology Extension Support Programme (TESP) will **not be eligible to apply for the IP Check as an add-on.*

Scope: The IP Check is specifically designed to establish whether the inventor/s can register an intellectual property right in respect of the innovative technology being researched. The IP audit drafted by an MCST-approved Service Provider and authorised by the beneficiary of the fund, examines the validity of the technology, and provides recommendations on the possible patentability of the technology. With this meticulously compiled analysis in hand, the researcher will obtain a clear understanding of the type of potential IP assets which could emanate from the proposed innovative.

The IP Check report aims to:

1. Clearly capture the new technology

2. Establish the IP position.

The two basic prerequisites for patentability are that the invention for which patent protection is sought is (1) not known to the public before the filing of the first patent application (novelty) and (2) that having regard to the state of the art, the invention is not obvious to a person skilled in the art (inventive step). During the course of the 4 weeks allocated for the IP check stage, the Service Provider will conduct a thorough investigation to establish similarities and points of convergence between the new proposed technology and any prior art to determine whether the latter could hinder the potential of an IP right registration.

In order to to facilitate the IP Check proċess and as a preparatory measure to the eventual intellectual property right registration, an **Inventor Disclosure Form** *(IDF)* must be completed and duly signed by the inventor/s of the proposed innovative technology.

The process Utilising an array of sources, with a scope of identifying potential class / subclasses of the proposed innovation, the Service Provider would perform keyword searches related to the purpose, use and composition of the invention. The U.S. and European Patent Office provide free online databases. In addition, one can also make use of free online databases such as PubMed including any abstracts available. In this regard one can search using keywords or phrases which describe the invention under consideration by looking for common terms defining the invention, its function/s, effect/s, end-product, structure, and use thereof. Commercial databases could also be used to search existing patents and review their claims, as well as to consult publications, specifications, drawings, and all related references.

The Service provider conducting the IP Check, must assess the ability of protecting the idea by primarily analysing.

a) Whether any information related to the invention has already been disclosed [**Disclosure**]
b) Whether this is a completely new idea [**Novelty Factor**]
c) Whether this idea is building on something which has already been developed and/or protected [**Prior Art**]

At the end of the exercise, the Service Provider will submit a validation and scientific opinion, identifying clearly whether the project proposal should:

- Proceed to the next step of the Voucher Programme including technical recommendations for improvement, if any; or
- Be rejected, including the reasons thereto to be communicated with the applicant.

Timeframe The Intellectual Property Check Stage shall take place over the course of 4 weeks which will run from the date of an acceptance meeting moderated by the MCST programme administrator, between the beneficiary and the Service Provider

Allocated Budget: €4,000

Expected Consultants' Criteria

• Relevant qualifications of named consultants and/or associates should include a Bachelor of Sciences Degree in a Stem subject as well as a relevant qualification in Law. To be eligible to apply for this activity, the consultant must be registered as a European Patent Attorney or a National Patent Attorney. IP Lawyers who are not registered as either a Patent Attorney, a Patent Agent, or a Registered Patent Attorney and who are merely affiliated with a qualified Patent Attorney, cannot apply for this activity.

• Where necessary, the team working on the project should include members which have the relevant academic background and experience in the relevant scientific discipline.

• Minimum 3 years' post qualification experience in IP protection, including the preparation and filing of patent applications; prosecution of the applications worldwide and access to a network of patent experts around the world, searches, and registration as well as access to licensing specialists.

• Identification of the Patent Attorney and any associates and/or subcontractors working on the project and the associated experience and qualifications.

The main consultants, associates or subcontractor working on this activity should be identified and a profile should be provided. These can be then adapted according to the project in question and communicated to the Council prior to the actual undertaking of the activity.

FUSION ADD ON 2 – Commercial Viability Test (CVT)

Timeframe The Commercial Viability Test shall take place over a 12-week period which will run from the date of the acceptance meeting held between the FUSION beneficiary and the Service Provider. In respect of projects with a low TRL i.e., TRL 2-4, the Service Provider is expected to produce a 30–40-page report), whilst for higher TRL projects where the innovation is closer to the market, the report would have to be 40-50 pages long.

Segment A - Market Analysis

This segment must identify whether there is a market for the technology itself, or in other technologies, products and services which might be derived from it. By means of this analysis, the Service Provider will study the **dynamics of the market** such as volume and value, assess potential **customer segments**, **competition**, buying **patterns** and **geographical location**. The research should also assess the ease of access to the potential market, focusing on the intensity of competition, customer readiness, regulatory and tax barriers amongst other factors.

1. The Service Provider must prove a thorough understanding of the product/service/technology being proposed by:

- Conducting a **primary market research** to understand what the possible applications of the proposed idea might be and in what **type of market** it would fit. Through such an analysis it is important to capture the **potential impact** which the new idea would have on the market, given other new market ideas and existing products / services / technologies already on the market.
- Undertaking an **assessment of the perceived differentiating factors and USPs of the product / service / technology**.
- This would enable the establishment of the **potential market/markets for the technology**, and for products / services / technologies which can be derived from it, categorised in relevant segments for further analysis.

2. Provide indications of the **potential sizes and growth rates of markets** and market segments identified in Step (1).
3. Identify a geographical market.
4. Identify the **potential for access to the markets** and market segments identified, considering regulatory issues, extent of competition and customer readiness.
5. Capture the **relevant technology trends** to provide details on how different sectors are investing in technological products; Such trends should seek input from:

    - Data from several technology market research reports (depending on the sector) such as Gartner, Forrester, IDC, Hoover's database of businesses, Ovum, Zenith International as well as industry trade associations; Such sources are being provided only as an example one is free to use other technology market research reports as it deems appropriate.
    - Data from online qualified industry surveys, blogs and publications, for sources of news, trends and market information with a declared methodology, such as the US Census Bureau which publishes annual technology surveys; Such sources are being provided

only as an example one is free to use other technology market research reports as it deems appropriate.

6. Delineate the **potential life cycle of the technology and of derivative technologies/products and services** leading to the development of a demand forecast based on sound methodological approaches, including indications of pricing and revenue generation; This should indicate if there is an existing demand or whether it can be created.
7. Document the competitive landscape to identify and **recommend target country markets**, thus establishing the geographical market.
8. Undertake a **risk assessment** with respect to the market situation, and how this may impinge upon demand, pricing, and revenue.
9. Review **the environmental forces** (political, economic, societal, and technological) that could influence the success of the product. Identify and quantify barriers to entry and any relevant legislation or restrictions.
10. Market Research should consider **gender balance** in terms of the end-user of the product or service.

Segment B - Estimation of Costs and revenue generation.

This segment should include the total cost involved to develop the technology into a market-ready product / service/solution. Such costing should also cover any technology transfer to be undertaken by the industry acquiring the technology. The following should be covered through the analysis:

The **identification and estimation of the costs** involved in the production and supply of the identified product, service, or technology.

1. An **assessment of the dependence of such costs on critical factors**, such as the use of essential inputs, and transport to different markets, amongst other things. An identification of direct and indirect, fixed, and variable costs.
2. An **analysis of the extent to which unit costs depend on scale of production**, including an assessment of the technological likelihood that a minimum efficient scale is achieved.
3. Where possible, identify the **direct costs**, which refer to the direct costs involved in the production of the product / service under consideration. Such costs may include material and process selection as well as labour costs.
4. Where possible, identify the **overhead costs**, which refer to the indirect costs that are still related to the cost object, but cannot be directly related to the actual production of the product/service. These may include environmental impact costs and regulatory/certification costs, health and safety costs, water and electricity, general administration costs, quality control, and general maintenance. Overhead costs can be either treated as a lump-sum or else they can be allocated to the products and services.
5. Establish the **minimum breakeven level** that would need to be achieved to fully absorb the identified fixed costs.

Segment C: Financial, economic and welfare assessment:

The aim of this analysis is to examine the potential effect which the proposed technology will have on the local economy. The depth and the nature of the analysis is relative to the TRL of the

technology undergoing the study, thus the analysis of an innovative technology /product or service which is TRL 5 or higher (closer to market) would be expected to be more onerous than that conducted in respect of a solution addressing a market need and which has a TRL ranging between 2 and 4. In this regard the financial, economic and welfare analysis should measure the potential effect of the outcome of the technology in terms of changes in economic growth (output or value added) and associated changes in jobs (employment) and income (wages). Technologies which are at TRL 2 or lower are exempt from detailed analyses in this segment, however the Service Provider must still provide a financial, economic and welfare assessment, albeit more diluted than one which a higher TRL technology would merit. Thus, this would enable the assessment of the economic potential of that technology by comparing the level of economic activity occurring at a given time with the presence of the technology, compared to what would be expected if the technology were not developed.

Segment D: Risk Profile

In this section, the Service Provider will determine the critical risks associated with the eventual technology development as well as those risks associated with the eventual commercialisation and implementation of the resultant technology/product/service/solution. development of a product/service/solution.

At the end of the 12 weeks allocated for the commercial viability analysis, the Service Provider will submit a comprehensive report to the Council which will include all the necessary data and information detailing the incremental effect which the proposed technology/product/service or solution would have on the local economy and risk register (risks are to be ranked high, medium, low impact and/or probability). The ensuing results should enable a technology development lead to evaluate and mitigate the risks identified and take decisions based on such risks. Upon submission of the Commercial Viability test report by the Service Provider to the MCST the Council will forward the report to an independent evaluator who will revert with an expert opinion on whether the technology proposed has successfully completed the CVP, and whether it should be considered for further funding.

Allocated Budget: €10,000

Expected Consultants' Criteria

Relevant qualifications of named consultants and associates should include a multi- disciplinary team comprising of a Bachelor of Commerce ACCA/ Bachelor of Commerce (Accountancy Major), a degree in Marketing or Bachelor of Commerce in Accountancy and Marketing or Bachelor of Commerce in Banking, Finance and Marketing or Bachelor of Commerce in Economics and Management or equivalent,

business administration or similar; preferably coupled with industry knowledge and commercialisation experience.

- The lead consultant should hold substantive local and overseas markets and putting together reports as detailed above.
- Full time consultant outfits are preferred to ensure the necessary availability to collaborate with the technologists and timeliness of report delivery.

The main consultants, associates or subcontractor working on this activity should be identified and a profile should be provided. These can be then adapted according to the project in question and communicated to the Council prior to the actual undertaking of the activity.

FUSION ADD ON 3 - The Intellectual Property Right Registration (IPRR)

Objective: Through the registration process of an Intellectual Property Right, the creator of an invention will have the opportunity to protect the intellectual property right emanating from the invention from potential infringement.
There are several levels of protection that may be obtained from the registration of an intellectual property right.

I. **National level** - any Maltese citizen/resident, and or companies incorporated in Malta or abroad can register an intellectual property with the Malta Industrial Property Registration – Commerce Department.

II. **European Union level** - as Malta is a Member State of the EU, registering an intellectual property in the EU constitutes filing an application form with the European Union Intellectual Property Office (EUIPO). By registering an intellectual property right in the EU, the IPR would benefit from enhanced protection and recognition on the territories of all EU Member States.

III. **International Level** - An intellectual property right obtained in Malta can also be registered at an international level with the World Intellectual Property Organization (WIPO). The main requirement for obtaining world recognition of a Maltese trademark or other IP right is to first have it registered in Malta. There are different forms of intellectual property rights however fundamentally their sole purpose is to protect the inventor's intellectual property rights with a view to prevent others from copying the invention or using such invention for their own advantage to the prejudice of the inventor.

There are 5 (five) types of intellectual property rights:

i. **Trademark -** Any graphic sign intended to distinguish products or services from others. Any letter, word or combination of words, numbers, colours, or shapes can be considered a trademark. The author of a trademark has exclusive rights in using it. Usually, Maltese companies use trademarks for marketing purposes.

ii. **Copyright** - A right granted to the creator of a work, upon inception, so long as such a creation is fixed on a tangible medium and is deemed to be an original work. In Malta, literary and audio-visual work is considered intellectual property and falls under the legislation of the Copyright Act. A work will only be eligible for copyright if it satisfies three criteria, namely qualification, originality, and fixation. Copyright is granted to an eligible work automatically. Therefore, there is no need for registration under Maltese law as the Act provides that protection is granted ipso jure upon creation of the work. Upon establishing that a work is entitled to copyright protection under the Act, such protection shall subsist for 70 years after the end of the year in which the author dies, irrespective of the date when the work is made available to the public. Literary, musical, and artistic works may all be the subject of copyright protection, and in principle, copyright is granted on the creation of the work.

iii. **Industrial design** refers to the ornamental or aesthetic aspects of an object in either a two-dimensional such as patterns, lines, materials, and colours or three-dimensional such as the

shape, contours, or surface of an object. Industrial designs are applied to a wide variety of industrial products and handicrafts. An industrial design can only be offered protection if it is considered to be novel in essence.

iv. **Trade secrets** are intellectual property (IP) rights obtained to protect secrecy on confidential information which may be either sold or licensed. Typically, in order to qualify as a trade secret, the information sought to be protected must be:

a) Commercially valuable
b) Known only to a limited group of persons, and
c) Be subject to reasonable steps taken by the rightful holder of the information to keep it secret, including the use of confidentiality agreements for business partners and employees.

Trade Secrets tend to consist of commercially sensitive information, usually a formula, a method, a practice, or a process, that is not known to the public, but which is of significant value to the owners of that information. However, should this information not fall under other protectable intellectual property, no official legal protection can be granted, and the owner of the information must therefore keep such information confidential to ensure its protection.

v. **Patent** The term patent refers to an exclusive right granted in respect of an innovative and unique invention, and which is a product or a process that provides a novel method of doing something, or which proposes a new technical solution to a problem. An invention will be considered a patent in Malta if it brings novelty and if it can find applicability in the industrial sector. Patents have a 20-year period of validity from the application date. Once a patent expires, the protection ends, and an invention enters the public domain. Thereafter anyone can commercially exploit the invention without infringing the patent.

Timeframes Since the registration process from the filing date of the non-provisional patent application to the actual grant can take, on average, between one to three years, the Council shall leave it up to the discretion of the Service Provider to organise the timeframes of the stages subsequent to updating the IP Check report.

Updating the **IP Check Report -** This stage will consist of a maximum of **4 weeks** which will run from the date of a voucher letter which will be issued to the beneficiary following an acceptance meeting held between the beneficiary, the MCST-approved Service Provider, and the administrator of the FUSION Add on Vouchers. At the end of these allocated 4 weeks, the appointed Service Provider will provide the Council with an updated IP Check report containing an executive summary which would clearly provide recommendations as to whether patent protection ought to be sought or otherwise. If there is no viable patenting route, the Patent Attorney, shall, in the Executive Summary advise which other intellectual property right can be registered instead. If the Council is satisfied with the recommendations provided by the Service Provider in the updated IP Check report, it will instruct the Service Provider to proceed with drafting the claims. Since patent registration processes vary considerably depending on a myriad of factors such as national laws, patent office backlogs, the receiving body as well as the quality of the patent application itself, the Council deems it more pragmatic that the Service Provider designs the timelines which would best suit the exigencies of the application in question.

The Service Provider shall have the obligation to issue the Beneficiary with an invoice at the following check points, namely:

a. Upon updating the IP Check report and presenting recommendations to the Council in the Executive Summary (*After 4 weeks*)
b. After filing the initial (priority) application
c. After reviewing initial search results and any discussion with the beneficiary (*where applicable*)
d. After filing the patent application at PCT or National phase
e. Upon notification of patent publication

**The beneficiary will only be reimbursed by the MCST upon the presentation of an official payment receipt to the Council.*

- **Eligibility** – This FUSION IPRR Add on will be exclusively available to existing FUSION beneficiaries who would have received positive recommendations from the Service Provider resulting from Add on 1, namely the Intellectual Property Check (IPC). Depending on the final outcome of the application and the level of requested funding, the IPR add-on would suffice to cover the expenses involved for the eventual grant of the patent.

- **Activity costs** - The IPRR Add on covers the expenses involved in the patent application including:

a) The updated IP Check
b) Drafting of the Claims and Draughtsman drawings
c) Priority application at UKIPO/EUIPO (where applicable)
d) Initial search report: review and discussion of strategy/amendments to application that may be required at PCT filing.
e) Any further drafting for PCT application and filing of PCT application at 12 months.
f) Formal drawings
g) Receipt of international search report, the review and discussion of the future prosecution strategy and report publication.
h) Patent Attorney and overall process-management fees.
i) Passing on the international search report and publication notice

The IPRR Add-on **does not** cover the costs involved in translating the claims into two other languages, nor does it cover validation of the grant in each designated state in which patent protection is required or the National/regional phasing.

Timeframe: This Budget must be utilised within three (3) years from the date that the IP Right Registration (IPRR) Add on agreement was signed. This timeframe applies also to beneficiaries of the Commercialisation Voucher Programme.

Budget: maximum of €20,000.

Expected Consultants' Criteria

• Relevant qualifications of named consultants and/or associates should include a Bachelor of Sciences Degree in a Stem subject as well as a relevant qualification in Law. To be eligible

to apply for this activity, the consultant must be registered as a European Patent Attorney or a National Patent Attorney. IP Lawyers who are not registered as either a Patent Attorney, a Patent Agent, or a Registered Patent Attorney and who are merely affiliated with a qualified Patent Attorney, cannot apply for this activity.

• Where necessary, the team working on the project should include members which have the relevant academic background and experience in the relevant scientific discipline.

• Minimum 3 years' post qualification experience in IP protection, including the preparation and filing of patent applications; prosecution of the applications worldwide and access to a network of patent experts around the world, searches, and registration as well as access to licensing specialists.

• Identification of the Patent Attorney and any associates and/or subcontractors working on the project and the associated experience and qualifications.

The main consultants, associates or subcontractor working on this activity should be identified and a profile should be provided. These can be then adapted according to the project in question and communicated to the Council prior to the actual undertaking of the activity.

FUSION ADD ON 4 – Business Plan (BP)

A business plan is a written outline that contains the financial and operational plan of a start-up, and it typically acts as a blueprint of a new business to detail its progress from the time it launches to several years in the future when the start up is an established business. The business plan also serves as a road map for the business/start-up and can be used when pitching to investors or financial institutions for debt or equity financing and describes how the business is expected to be profitable. As circumstances change, a business plan can serve as a living document, but it should always include the core goals of the business.

Objective: The primary purpose of a well-researched business plan is to inform potential investors how the business is to be operated, what the business revenue and expense projections are and also how potential investors would be expected to receive a return on their investment. The business plan aims to clearly establish which goals and objectives must be achieved for the business to succeed. Furthermore, it would also enable entrepreneurs to strategically plan for any unforeseen events as new competitors enter the marketplace. The idea is to create a set of planning objectives that effectively outline how the business will be run, considering all potential risk factors, and providing effective marketing strategies.

Ideally, the following areas must be covered in the business plan:

- Executive summary
- Description of the Company /Management Team
- Market analysis and market potential
- Business concept and business model (Unique selling proposition, revenue generation model, market segments)
- IP Strategy
- Competitors
- Economic Risk Assessment
- Estimation of Cost and Revenue
- Management and Operational Plan
- Financial Analysis (Profit & Loss Analysis including break-even point)
- Major achievements, business strategy, and operational plan for the next 5 years

The **Executive Summary** purports to summarise the entire business plan in a detailed, succinct manner, and since it is the first section which investors and bankers see when they consult the business plan, it is deemed crucial to the plan. The executive summary should not exceed two pages.

Company description This section must include basic information, such as when the company was founded, the type of business entity it is and the state in which it is registered.

The Management Team. This section should provide an overview of the Research Team which developed the idea as well as their business concepts and the type of investor which is necessary.

Marketing Strategies and Market potential. This section should provide an understanding of the industry including its size, marketing trends and growth rates, as well as the target group of customers which most likely purchase the product or service. The Market Research Study which has been undertaken should be used as a primary input, although a quick update would need to be made. The business plan should include an assessment of the most relevant marketing activities for each specific project and outline a marketing plan to introduce the product or service; costs and timing of which should be reflected in the financial plan. This would be explored in more detail during the investors' meeting activities.

Market analysis - The core components of the market analysis are: 1) Industry analysis which would assess the general industry environment in which the product/service/technology or solution will compete; 2) A Target market analysis which purports to identify and quantify the customers that the product/service/technology or solution will be targeting for sales. In this section, the Service Provider must clearly define who the target audience is, how and where customers will be found and reached, and pivotally how the Start-up will deliver its product or service to them. Under this section, the Service Provider is expected to provide a deep analysis of the start-up's ideal customer and how the business will provide a solution for them. The Market analysis will also provide insights into potential customers and the competition.

The Business Concept and Business Model. (Unique selling proposition, revenue generation model, market segments)**.** This section should describe the business opportunity, or the problem being addressed by the proposed solution, for which the business needs to be created. The focus will primarily be on the product/technology/service or solution and the market it will serve as well as its structure. It should identify what will be sold, to whom, where and why the business will hold a competitive advantage. A description of the products as well as the industry should be provided including the present outlook as well as future possibilities. In addition, it should hold information on all the relevant markets within the industry, including any new products or developments that will benefit or adversely affect the business should be also included.

IP Strategy This section must set out the company's plan as to how it will manage, develop, protect, and commercialise its intangible assets such as its IP primarily so that the innovation can achieve its maximum value.

The Competitors. In the competitive analysis section, the Service Provider should identify the potential competition which the product/ service/technology or solution will face and the business strategy which will be adopted to face such competition, if any. Through a Competitive Analysis one should determine the strengths and weaknesses of the competitors within the relevant market, strategies that will provide a distinct advantage, the barriers that can be developed in order to prevent competition from entering the market, and any weaknesses that can be exploited within the product development cycle. In this regard the barriers would refer to the product's competitive advantage and strengths which will discourage the introduction of competing products, while weaknesses are the weaknesses in the competitors' products which can be used as an advantage for the product resulting from the technology.

The **Economic Risk Assessment** must highlight the principal risks to which cost estimates are subject and identify the potential effects of such risks**.** Where possible, costs which can be considered as intangible assets need to be identified. These intangible assets include Intellectual Property rights, software, and other related assets which are expected to generate economic return for the undertaking in the future. The Service Provider must establish the level of risk involved if an investor were to invest in the research proposal. Risk profiling is necessary to determine whether an investment is suitable for an investor or otherwise, as it is a method which is applied to identify the risk involved if one had to undertake such an investment.

The risk assessment should:

1. Identify the drivers and pressures that are likely to constitute **sources of risk** to the project.
2. Identify the **probability of risks** occurring and the **impact** should they occur. **Mitigation plans** should also be briefly outlined for each risk.

Estimation of costs and revenue generation section **i**s intended to provide investors with a description of the product's design, chart its development within the context of production, expected timelines (through a Gantt Chart), marketing, and the company itself, and create a development budget that will enable the company to reach its goals. The costs need to be clearly identifiable into investment costs covering tangible and intangible assets, direct operational costs, overheads, and finance costs – these are important components in the provision of clear cashflow projections. Assumptions used to derive the estimated costs and revenue are to be clearly stated and backed by documentation.

The Management and Operational Plan is designed to describe how the business functions on a continuing basis and provide information as to who will be taking decisions on the company's behalf. The management plan will highlight the HR strategy, as well as the logistics of the organization such as the various responsibilities of the management team the tasks assigned to each division within the company. The operational plan will provide detailed information on capital and expense requirements related to the operations of the business. It will also provide information regarding the supply chain such as the required suppliers and other necessary partners.

The Financial Profile should include:

- An estimate of **the potential financial, economic and welfare impacts** of the proposed technology on output, incomes, employment, and productivity, highlighting where relevant the nature and sectoral distribution of jobs created. This section needs to be delved into more detail in respect of technologies at TRL 5 or higher.
- An estimate of the **overall contribution to the local economy** and interpret the results by showing the potential contribution of the technology/product/service or solution in terms of economic growth, jobs generated and income.
- Potential **welfare effects** emerging from external benefits and costs, focusing especially on environmental, resource use, social and human capital creation effects.
- Estimates **of relevant potential external benefits and costs**.
- **Scenario effects** - In situations where the market value of a technology cannot be discussed in a credible way through a single scenario, the study can be based on multiple scenarios, with a discussion of their relative likelihood of realisation.

The Financial Requirements must clearly show the amount of investment capital which may include both capital expenditure and initial working capital start-up costs required for the business to start. The information should include what type of financing the company is looking at, whether equity, semi-equity, bank financing, bonds, or any other type of financing. The information should also include promoters' contribution, or any form of funding strategy which would be most beneficial to the Company/Research Team.

This section should clearly state how the financing shall be utilised. Important that investment costs are identifiable from operational costs. In the case when the promoter is requesting a loan, this section should clearly indicate:

- Purpose of loan
- Term of loan
- Interest rates used in the calculations.
- Proposed repayment structure

- Collateral to be offered if any.

- The projected levels of revenues and profits

Cash Flows forecast.

- Projected Profit and Loss

Major achievements - This section should detail any developments which have happened, or are required, for the business to be a success. Major achievements include patents or other forms of intellectual property rights, prototypes, location of a facility, any crucial contracts that need to be in place for product development, or results from any test marketing that has been conducted.

NB: It is of utmost importance that the invention is not disclosed since at this point in time it might not yet be protected.

Budget: €10,000 – This Budget must be utilised within five (5) years from the date that the Commercial Viability Test (CVT) Add on agreement was signed.

Timeframe: 15 weeks

Expected Consultants' Criteria

· Relevant qualifications of named consultants and associates should include a multi-disciplinary team comprising of a Bachelor of Commerce, business administration or similar; preferably coupled with industry knowledge and commercialisation experience.

· The lead consultant should hold substantive local and overseas markets and putting together reports as detailed above.

· Full time consultant outfits are preferred to ensure the necessary availability to collaborate with the technologists and timeliness of report delivery.

The main consultants, associates or subcontractor working on this activity should be identified and a profile should be provided. These can be then adapted according to the project in question and communicated to the Council prior to the actual undertaking of the activity.

FUSION ADD ON 5 – Investors' Engagement Pitch (IEP)

Objective: The aim of this activity is to help FUSION Beneficiaries with a technology that is at TRL 5 or higher and who have already formulated a robust business plan, to find the right opportunities through which the technology/product/service or solution can be showcased. The IEP Add on is also aimed at preparing the beneficiary with the right tools when meeting potential investors.

The Service Provider, together with the beneficiary should identify potential investors and the most appropriate means through which to target such investment. The latter can include but is not limited to; participating in an event where the technology/product can be showcased, building a communication platform, finding, and securing different investment such as angel investors, venture capitalists as well as fundraising advisers. The organisation and coordination of meetings with interested investors, locally and/or abroad, are highly encouraged. Through this activity, the service provider will help the beneficiary in tailoring the right business presentation to achieve maximum investor engagement. Examples include evidence of product competitive advantage, financial aspects and exit options. These should be strong enough to potentially attract the interest of an investor.

*NB: If the invention is not yet protected through IP, it is of utmost importance that the invention is safeguarded and **not** disclosed.*

Prior to the acceptance meeting, there will be an assessment based on the business plan and the beneficiary shall be required to send a breakdown of the services requested to be funded through the Investor's Engagement Pitch Add on. It shall then be at the evaluators discretion to decide which products and/or services will be eligible for funding. All the services must be carried out by the service provider. If sub-contracting is required, this must also take place through the service provider. An acceptance meeting shall thereafter be held at the MCST between the beneficiary and the MCST-approved service provider. After the acceptance meeting, both parties are allowed a 7-day period within which they agree to collaborate or otherwise.

Timeframes: The duration n of this stage shall be a **maximum of 12 weeks** and will commence to run from the date when both parties mutually agree to collaborate. On the **12-week period deadline**, a **report** must be presented to MCST. Reimbursement to the beneficiary will only be granted on presentation of both the said report and an **official receipt** proving that payment has been affected.

Expected Service Providers' Criteria:

- The lead consultant must possess a minimum of 3 years' experience in organising such activities in both local and overseas markets.
- The Council requires a proof of previous related activities and experience in this specific activity and the success therein.

The main consultants, associates or subcontractor working on this activity should be identified and a profile should be provided. These can then be adapted according to the project in question and communicated to the Council prior to the actual undertaking of the activity.

Budget: €4,000

This Budget must be utilised within twelve (12) months from the end of the TDP.

Add on Validity: This Budget must be utilised within five (5) years from the date that the Commercial Viability Test (CVT) Add on agreement was signed.