ARTES 4.0 Technologies and Products

Agile + Outline Proposal

Part 2

Business Plan

Proposal title

Proposal Reference: reference number

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The Business Plan is intended to analyse the strategic context and commercial potential of the output of the proposed activity and to demonstrate that the Contractor’s initiative is conceived to lead to a commercial exploitation.

It shall be provided from both Tenderer’s and Industrial participants perspectives.

The Business Plan shall provide the commercial rationale for the proposed development activities with the key commercial aspects, including the potential satcom target market, the target customers, the competitive environment, and own positioning, as well as the market strategy.

The extent of information provided in this section shall be in line with the maturity of the proposed development phase(s) (e.g. for the initial Development Phases such as Definition and Technology, only preliminary information on the business case is required).

Please note that the Business Plan presented in this document shall be related to the **target final product(s)** to be sold on the market. The target product(s) may include other elements or features not covered by the proposed activities.

The supporting spreadsheet (“Financial Forecast Workbook”) **is applicable only to Product Phase** and can be downloaded from <https://artes.esa.int/documents>.

Assuming favourable feedback on your outline proposal by the Agency, the business plan provided in the outline proposal should be carried forward to form part of your associated Full Proposal (with updated information, as appropriate).

# Market Analysis

The position of our product in the market is summarised in the matrix below.

Table 2‑1 Market Positioning

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Product** | |
|  |  | **Existing / Incremental** | **New** |
| **Market** | **Existing / Incremental** | X | X |
| **New** | X | X |

Our product is addressing the sector of …… (e.g. provide a few examples), which has the following characteristics: …. (e.g. geographical reach, trends, sales model).

The Total Available Market (TAM) of the targeted product is the following:

TAM (the total worldwide market available for your product) shall be presented, including quantitative figures. If the product is new (not existing), market of a similar product may be used.

The Serviceable Available Market (SAM) of the targeted product is the following:

SAM (the market you can really address with your product and your channel; it comprises all your potential customer segments) shall be presented including quantitative figures and assumptions.

If you already have a market share of this market, you shall present it including quantitative figures and factual information (for instance, sales existing products in this market, or of previous generation, for the different customer segments).

The Serviceable Obtainable Market (SOM or target market) we aim to capture is.

Present the percentage of SAM that your company could realistically reach in the short term and the underlying assumptions that led to the projected sales volumes over time. Consider competition, trends, demand forecast, sales channels and other elements that could have influence. This value is usually estimated taking into account specific customers (or group of customers) within the targeted customer segment(s).

# Competitive Landscape

Our key competitors and the nature of the competition are identified in the table below.

Table 2‑2 Summary of the Competition

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Competitor** | **Nature of Competition** | **Description of Competitor’s Product** | **Market Share** | **References** |
| …… | …… | …… | …… | …… |
| …… | …… | …… | …… | …… |
| …… | …… | …… | …… | …… |

**[Competitor]** Name the competitors already present in your market (SAM) or serving it partially.

**[Nature of Competition]** Indicate the nature of competition for each competitor, highlighting their value proposition in relation to the market you are trying to serve. Include the strengths/weaknesses of the competitors’ products compared to your targeted product(s), e.g.: an existing or potential supplier of the same type of product with the same characteristics and a lower price, a new entrant to the market with an innovative value proposition, a market incumbent.

**[Description of Competitor’s Product]** Describe the competitor’s product. Quantify the nature of the competition as far as possible (e.g. performance, competitiveness in terms of pricing, performance, etc.).

**[Market Share]** Quantify their market share.

**[References]** Provide references to substantiate your assessment of the competition (e.g. web links, references to market analyses, data sheets, etc.).

Our key competitive differentiations are summarised in the following table.

Identify your competitive advantage and your strategy for competing in the target market (e.g. using a SWOT analysis).

Table 2‑3 SWOT Analysis

|  |  |
| --- | --- |
| STRENGTHS  - List of strengths | WEAKNESSES  - List of weaknesses |
| OPPORTUNITIES - List of opportunities | THREATS - List of threats |

**[Strengths]** Characteristics that give you an advantage over your competitors.

**[Weaknesses]** Characteristics that place you at a disadvantage with respect to the competition.

**[Opportunities]** Elements (usually external) that you could exploit to improve your business prospects.

**[Threats]** Elements (e.g. external influences) that could threaten your business prospects.

Add supplementary material as necessary to fully describe the competitive environment.

On the basis of the SWOT analysis, our strategic options to achieve the commercial goals are ………

# Business Model Canvas

A single page Business Model Canvas is available at <https://artes.esa.int/documents> and may be used as a tool to help generate and structure the overall Business Plan.

## Customer Segments and Value Proposition

The table below identifies the key customers/customer segments identified as Serviceable Obtainable Market (SOM or target market), targeted by the proposed product(s), and the specific characteristics of our product(s) that will address the customer problems/needs.

Table 2‑4 Customer Segments/Needs and Key Product Characteristics/Requirements

|  |  |  |  |
| --- | --- | --- | --- |
| **Customer/Customer Segment** | **Customer Problems/Needs** | **Product Characteristics Addressing this Problem/Need** | **Key product requirements** |
| …… | …… | …… | …… |
| …… | …… | …… | …… |
| …… | …… | …… | …… |

**[Customer/customer segment]** Add text to Identify the target customer/customer segments.

If you are targeting a single customer only attach a letter of interest from that customer in Annex 2

**[Customer problems/needs]** Add text to clarify the nature of your customers and to explain the customer problems/needs.

**[Product characteristics addressing this problems/needs]** Add text to clarify your value proposition, e.g. explain how the proposed development fits into your overall product development strategy to meet the needs of the customers in the longer term. Indicate whether or not the adoption of the product is going to change the way the customers are traditionally running their business, for instance, if the product is bringing a disruptive innovation.

**[Key product requirement]** Key requirements specification for the target product that would normally drive the proposed design and development activities. Such development activities shall increase the competitiveness of the target product(s) and may include all developments necessary to achieve such a goal, e.g. new features, tools, processes, techniques and technologies.

Please note that the Business Plan presented in this document shall be related to the target product(s) to be sold on the market. The target product(s) may include other elements or features not covered by the proposed development activities.

# Return on Investment (ROI)

The expected return on investment and main assumptions are:

Outline ROI including quantitative figures and assumptions. The return on investment draft calculation (ROI = Net income / Cost of investment x 100.) could be turned around to compute boundaries for a positive return on investment (minimum sales volume, minimum sales price, maximum total development cost, etc.).

A detailed calculation is only applicable to Product phase (see. below in section 4.1).

## Financial Indicators [Applicable only to Product Phase]

Refer to the relevant tables and figures in the financial forecast workbook (available at: <https://connectivity.esa.int/documents>) that quantify the expected return on investment.

The financial forecast is detailed in the attached financial forecast workbook. It shows the impact of ESA financial support on the return on investment.

Provide a copy of the relevant tables/figures in this section, replacing the placeholders below.

A copy of the relevant information is provided below:

The Internal Rate of Return (IRR) is ……

The Net Present Value (NPV) is ……

The break-even point is ……

1. Financial Forecast Workbook [Applicable only to Product Phase]

Applicable only to Product Phase

(available at: <https://connectivity.esa.int/documents>)

1. Letter of Interest from Our Customer

if you are targeting a single customer only attach a letter of interest from that customer here