



European Institute of
Innovation & Technology

HEI Initiative

HEI Call 2

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Project Manager

Fondazione Fenice Onlus

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Funded by the
European Union



Presentations - FONDAZIONE FENICE ONLUS

- location: Padova (north east of Italy)
- first conceived in 2001. At the beginning, aimed at reclaiming an abandoned and heavily polluted green area (6ha) involving public boards (Industrial Area of Padua Consortium – Consorzio ZIP) and civil society organizations (CNGEI Scout Association).
- In 2004: the first didactical “Green Energy Park” for renewable energy sources to empower sustainable and responsible behaviors among entrepreneurs of the near industrial estate, local public administrators, educational institutions, associations and private citizens.



Presentations - FONDAZIONE FENICE ONLUS

- every year about 12.000 students (6-25 years old) can learn and experience how renewable energy sources actually work. Lately, other buildings such as an “energy house”, a “crowdfunding arena” have been added to hosts public meetings, training, conferences and seminars.

-Every year it trains professional installers for international companies such as ABB, Samsung, Toshiba, Baxi and MC.

-member of Eit Digital and Climate Kic Knowledge Fenice Foundation is also a communities, chair of the European Crowdfunding Association "Eurocrowd".

Presentations - FONDAZIONE FENICE ONLUS

- works in the fields of student education, new/&green jobs, consultancy for SMEs...
- has a Digital Academy that offers certified courses on digital issues in close collaboration with local University and tech companies (KNX, BIM, robotics...)
- large experience on managing European funded project in different financing programs, such as HE, Life, Erasmus Plus, Interreg, ERDF and ESF.

Presentations

Cecilia Morello

- Since 2014 I am a freelance consultant for calls and fundings, teacher in FSE program for enterprises
- Project Manager for Fondazione Fenice
- Graduation in Natural Sciences UNIPD, Master in Eu fundings tenders And grants
- specialization topics: culture, environment, energy, sustainability, digitalization, education, schools...

Presentations

Maria Vittoria Zanon

- I am a freelance consultant for calls and fundings
- Graduation in Global Change Ecology and Sustainable Development Goals UNIBO, Master in Eu fundings tenders
And grants
- specialization topics: environment, energy, sustainability, education, schools...

Goal of the day!

- to better understand the financial part of a research&development/startup project
- get in touch with the **fundamentals of the financial setup** of a project in order to:
 - enlarge profits;
 - achieve real financial results.

You will discover:

- **financial tools** to describe project revenues
- **financial instruments** to sustain your project



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Project profitability



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About Project Profitability

Project Profitability

is the capability of a project to generate more income than losses.

The impact of a project is usually calculated with:

- **managers' experience**
- **management software and tools**

About Profit and Profitability analysis

It's not enough to know that you are generating profits, you need to know where do the profits come from.

Profits can be grouped by:

- Product
- Customer
- Location
- Channel
- Transaction

What makes a project a good project

In order to discuss on project profitability

First we need to discuss on what makes a project a “**good project**”

Both on a business and on a financial level.

The **Business Model Canvas** is a valuable tool to *prototype a business*.

In fact, the Business Model Canvas is a plan which describes how a business intends to make money identifying the customers targets of a business, the value delivered by the products/services and giving them a financial relevance within a short and concrete business plan.

The Business Model Canvas model

The Business Model Canvas model is **ONE-PAGE document** with **9 boxes** which represent the different fundamental elements of a business.

They are divided into **4 different areas**:

- Offer
- Customer focus
- Infrastructures
- Financial viability

The Business Model Canvas

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources		Channels	
Cost Structures		Revenue Streams		

Section Key

	Offer
	Customer Focus
	Infrastructure
	Financial Viability

Source: Osterwalder & Pigneur (2010)

The Business Model Canvas – Customer focus

In the Customer focus Area of a Business Model Canvas are considered:

- **Customer Segments**
- **Customer Relationships**
- **Channels**

The Business Model Canvas – Offer

In the Offer Area of a Business Model Canvas is considered the **Value Proposition**.

With “**Value Propositions**” we define all products or services which will offer value to the customers based on novelty, performance, risk reduction, cost efficiencies, customization, or other desired outcomes.

Essentially, these are the reasons customers will pay for a product or service which can solve a customer’s problem or satisfy a customer’s need.

They are the basis for Revenue Streams.

Offer – The Value Proposition

On the Business Model Canvas, Value Propositions are the product or service that will offer **value to customers** based on novelty, performance, risk reduction, cost efficiencies, customization, or other desired outcomes.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources	<p>What values do we deliver to the customer?</p> <p>Which one of our customer's problems are we trying to solve? What products and services are we offering to our customer segments?</p> <p>Which customer needs are we satisfying?</p>	Channels	
Cost Structures			Revenue Streams	

Customer focus – Customer Segments

Customer Segments identify the **target market** which realize benefits from Value Propositions that are specifically designed that intended audience. Each segment will have a corresponding **level of profitability** so it is important to understand how this impacts the business model design.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment For whom are we creating value? Who are our most important customers? Customer Segment Types - Mass market - Niche market - Segmented - Diversified - Multi-sided platform
	Key Resources		Channels	
Cost Structures		Revenue Streams		

Customer focus – Customer Relationships

Customer Relationships define the nature of the ongoing **engagement** between the **enterprise and customers**.

They define the frequency of interaction as well as the mechanisms by which customers will derive value from doing business with the enterprise.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
			What type of relationships do our customers expect us to establish and maintain with them? Which ones have we established? How costly are they? - Personal assistance - Dedicated personal assistance - Self-service - Automated services - Communities - Co-creation	
	Key Resources		Channels	
Cost Structures		Revenue Streams		

Customer focus – Channels

Channels are the **distribution modes** by which demand for products and services is generated in target Customer Segments as well as how fulfillment is delivered.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources		Channels	
			Through which channels do our customers want to be reached? How are we reaching them now? Which ones work best and are cost-efficient? Types of channels - Owned channels - Partner channels	

Infrastructure – Key Partners

Key Partners indicate **suppliers**, **service providers**, and **alliances** that support Key Activities and Key Resources to deliver on the Value Proposition to Customer Segments.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
Who are our key partners?				
Who are our key suppliers?	Key Resources		Channels	
Which key resources are we acquiring from them?				
Types of Partnerships - Strategic alliance - Coopetition - Joint ventures - Buyer-supplier relationships				
Cost Structures		Revenue Streams		

Infrastructure – Key Activities

Key Activities are the **business processes** and **operations** required to support the business model. These processes may involve partners, suppliers and alliances to deliver the value to customers.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?			
	Categories - Production - Problem-solving - Platform/ Network Key Resources		Channels	
Cost Structures		Revenue Streams		

Infrastructure – Key Resources

Key Resources are the **physical and digital assets** used to provide capability for the various components in the business model.

They involve intellectual property, financial instruments, and human capital.

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources What key resources do our value propositions require? Types of Resources - Human - Physical - Intellectual - Financial		Channels	
Cost Structures		Revenue Streams		

Financial Viability – Cost Structures

The Cost Structure describes the **fixed and variable expenditures** required to support Key Activities and Key Resources.

It is important to consider whether the business model is cost or value driven.

A **cost-driven** business model is more concerned with efficiencies such as automation and price-based value proposition.

A **value-driven** business model is focused on maximum value creation offered by a premium value proposition.

Financial Viability – Cost Structures

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources		Channels	
Cost Structures		Revenue Streams		
<p>What are the most important costs inherent in our business model?</p> <p>Which key resources and activities are most expensive? Is our business more cost-driven or value-driven?</p>				

Financial Viability – Cost Structures

Revenue Streams capture the **options and mechanisms** by which Customer Segments pay for products and services.

Options may include flat fees, subscription models or auctions.

Payment mechanisms may involve online portals, mobile applications, or retail locations.

Financial Viability – Revenue Streams

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segment
	Key Resources		Channels	
Cost Structures		Revenue Streams		
		<p>For what value our customers are willing to pay? For what do they currently pay? How are they currently paying? How much does each revenue stream contribute to our overall revenues?</p> <p>Types of Revenue Stream</p> <ul style="list-style-type: none"> - Asset sales - Usage fee - Subscription fee - Lending/ leasing/ renting - Licensing - Brokerage fees - Advertising 		

Business Value Methodology

In the **Business Value Methodology**, the elements of the business model are discussed and defined with the innovation team.

Business model prototyping is the key activity to experiment with various designs on the Business Model Canvas.

In this phase enterprise architects begin the process of mapping the **business model to an operating model**.

Business Plan

The Business Plan deploys the selected Business Model Canvas to start the Value Propositions delivery in the market.

The Business Plan should include a **roadmap** to keep Key Partners **synchronized** with the deployment timeline and to ensure dependencies will be met.

this means

1. *Enterprise architects* work with *Key Partners* to facilitate the integration of **services** and **data** to enable the **processes** in the new business model.
2. *Intrapreneurs* start working on **Channels** to drive demand for the offerings in the target **Customer Segments**.

Business Plan & Design Thinking

There are a few methods to handle the business plan phase.

Design Thinking is the one more in use for any innovation business.

Design Thinking is used to:

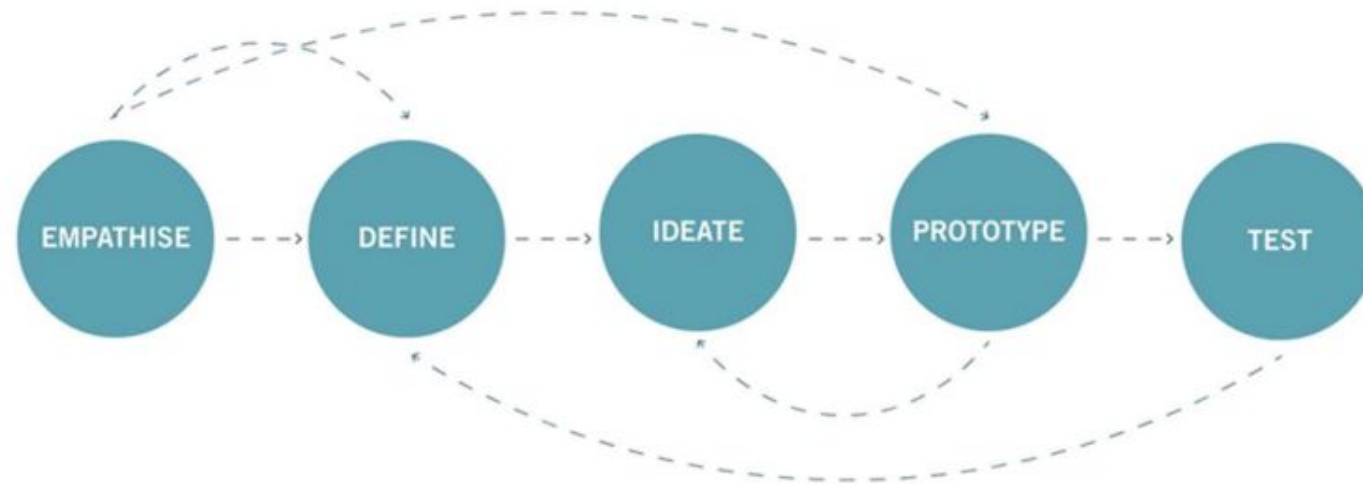
- to structure the process and philosophy
- to guide the business model innovation

Design thinking is composed of **several mindful spaces** intended to drive *generative production of ideas and insights* while driving towards a focused value position all based on the **initial empathy** developed **for the users**.

Design Thinking – the 5 phases

The Business Model Methodology based on Design Thinking is divided in 5 phases:

- *EMPATHISE*
- *DEFINE*
- *IDEATE*
- *PROTOTYPE*
- *TEST*



Design Thinking – Empathise (phase 1)

In order **to create desirable products and services** you need to understand who your users are and what they need.

The Empathise phase aims at being immersed in the users' world.

WHY? to create a clear picture of your end users: their challenges, needs and expectations.

WHAT? meet and observe your target audience.

HOW? conduct surveys, interviews and observation sessions.

Empathise (phase 1) – key steps

1. Ask open questions to reflect any negativity on the user's status quo.
2. Ask open questions to reflect on any specific bad experiences the user may have gone through.
3. Ask your user to act out the current experience. Observe any gaps, difficulties, or breakdowns.
4. From user quotes and defining words, infer thoughts and beliefs.
5. From user actions and behaviours, infer feelings and emotions.
6. Fan out and expand the problem space by honing the questions being asked to the user.
7. Look for deeper signals from the market or community of users.

Empathise (phase 1) – tips & tricks

During the empathize phase you will need to:

observe and **engage with real users** (or people from your target group)

conduct interviews

observe how they **interact with existing products**

and more in general

pay attention to facial expressions and body language

The **value position** needs to be compelling to drive to a **massive adoption** by end users, and therefore create a **significant market value**.

Design Thinking – Define (phase 2)

Define the user problem you want to solve:

1. Gather all the findings of the empathize phase and put them together
2. The intrapreneur and the designers need to define a **problem statement** (called *point of view - POV*) and **value statement** which contribute to the Value Proposition in the business model design.

then

3. Develop the market fit so that Customer Segments and Customer Relationships come into focus.

Define (phase 2) – key steps

SWOT ANALYSIS

How to Do a SWOT Analysis



The Costing Process

The very first step in every profitability analysis is:
Costs allocation

The costing process, is the process to identify and define all costs directly and indirectly related to a product or service.

Once all real costs have been allocated
you will finally be able to identify the **costs per unit**.

Funding possibilities

GRANTS:

co-funding allocated to European projects whose applications are submitted following invitations to CALL-FOR-PROPOSALS published periodically. The subsidy covers a percentage of the eligible costs ranging from 50% to 100%.



Funding possibilities

CROWDFUNDING:

Crowdfunding is a way of raising money to finance projects and businesses. It enables fundraisers to collect money from a large number of people via online platforms.

