Part 2

Business Plan

Proposal Reference: (reference number)

**Notes for the Use of this Template**

Material presented in this plain style is suggested content for a Full Proposal. This is intended to be an example of a response to the related Agency requirements, which the Tenderer needs to properly complement by activity-specific information. The suggested material may be adopted as is, or modified at the Tenderer’s discretion. It remains the responsibility of the Tenderer to ensure that all of the Agency’s requirements of the present Call for Proposals are properly addressed.

This style is used to identify information that must be modified and/or completed by the Tenderer for the proposed activity. This supplementary information should be presented in plain typeface (i.e. not red) in the final version of the Full Proposal.

This style is used for explanatory notes and guidance to help you to develop the Full Proposal content (e.g. to indicate a selection between mutually-exclusive options). This information should be removed from the final version of the Full Proposal.

Use of this Full Proposal Template is mandatory. The Tenderer shall not change the structure of this Full Proposal Template (i.e. the table of contents must remain unchanged). In case the business plan as presented in the Outline Proposal is still applicable, its content may be reused in this Full Proposal template.

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# Target Customers

The key customers within each Domain targeted by our product(s) are identified and described in the table below.

**Key Customers and their Needs**

|  |  |  |
| --- | --- | --- |
| **Domain** | **Customers** | **Customer Problems/Needs** |
| e.g. Space Segment…… | …… | …… |
| e.g, Ground Segment…… | …… | …… |
| e.g Application…… | …… | …… |
| e.g System…… | …… | …… |

The term “product” is defined to be any hardware, software, system or sub-system, service or application item.

The proposed development activities shall increase the competitiveness of the target product(s). Such activities 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 under the proposed activities. Add any supplementary text that you feel is necessary to clarify the nature of your intended customers and to explain their main needs

Our customer(s) ……

# Value Propositions

This section is optional if it is proposed to develop a product with a “confirmed business case”.

The proposed development activities shall increase the competitiveness of the target product(s). The table below identifies the specific characteristics of our product(s) that will address the previously-identified customer problems/needs.

for example, performance, cost, new features

**Key Product Characteristics**

|  |  |
| --- | --- |
| **Customer Problem / Need** | **Product Characteristics Addressing this Problem/Need** |
| … | … |
| … | … |
| … | … |

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.

The adoption of our product by the customer(s) will/will not affect the way they are traditionally running their business. The impact on their business will be …….

If there is a strategic element to the proposed development provide a brief explanation. For example, you could explain how the proposed development fits into your overall product development strategy to meet the needs of the customers in the longer term.

The strategic impact of the proposed development for our entity is …..

Add any supplementary text that you feel is necessary to fully explain your value proposition.

Other points to note regarding the value proposition are ……

# Channels

This section is optional if it is proposed to develop a product with a “confirmed business case”.

In the commercial exploitation stage, our product(s) will be sold to the customers via the channels identified below.

**Sales Channels**

|  |  |  |
| --- | --- | --- |
| **Sales Channel** | **Description** | **Status** |
| …… | …… | e.g. new/established/requires further development |
| …… | …… | …… |
| …… | …… | …… |

*If any sales channels are new provide an explanation of how they will be created.*

The new sales channels identified above will be created by ……

*If customers are new for Tenderer (i.e. the Tenderer has not sold products to them in the past) please explain your approach to reaching these customers.*

Our approach to reaching our new customers is ……

# Customer Relationships

This section is optional if it is proposed to develop a product with a “confirmed business case”.

Our relationships with the key customers are summarised in the table below.

**Summary of Key Customer Relationships**

|  |  |  |  |
| --- | --- | --- | --- |
| **Key Customer** | **Status** | **Supporting Information** | **Involvement in the Project** |
| …… | e.g. existing/to be created/to be improved | …… | yes/no |
| …… | …… | …… | yes/no |
| …… | …… | …… | yes/no |

To the extent practicable, provide as supporting information factual evidence of your relationships with the key customers. For example, press releases quantifying sales of your products to the customer.

Indicate the kind(s) of formal agreement(s) that you intend to set up with key customers who will be involved in the project (e.g. contract, non-disclosure agreement, memorandum of understanding).

We intend to formalise the involvement of customer(s) in the project by ……

If the product targets only one specific customer, attach a letter of interest from this customer as Annex 2, confirming the adequacy of the value proposition.

A letter of interest from our key customer is attached as Annex 2 to this part of our proposal, confirming the adequacy of our value proposition.

# Revenue Streams

In the commercial exploitation stage, our product(s) will be sold to our customers as described in the relevant Table of the Financial Forecast Workbook (Annex 1).

For the Definition and Technology Phases an estimation (target) shall be provided in line with the maturity of the proposed activity. Provide estimated ROM price including all features, even developed outside the proposed development activities.

# Key Resources and Dependencies

This section is optional if it is proposed to develop a product with a “confirmed business case”.

To realise our product and deliver the value propositions we confirm that all the resources are in place. The critical resources and dependencies are defined in the following table, as applicable.

**Key Resources and Dependencies**

|  |  |  |  |
| --- | --- | --- | --- |
| **Development Phase** | **Required Resource** | **In Place** | **Potential Issues** |
| …… | …… | yes/no | …… |
| …… | …… | yes/no | …… |
| …… | …… | yes/no | …… |

 Resources could include, for example, assets, entity competences, key suppliers, consultancy services, and manufacturing, test or other facilities.
Potential issues could be, for example, long lead items, software licensing, patent constraints, procurement policies and national/international restrictions (e.g. export restrictions).

If there is a risk that any key resource will not be in place at the time of need, explain what actions will be taken to secure the availability of that resource when needed.

There is a risk that …… resource(s) will not be in place at the time of need. The following actions are planned to secure the availability of that/those resource(s) when needed: ……

Further information on resources can be found in Part 4B of our proposal.

# Key Activities

This section is optional if it is proposed to develop a product with a “confirmed business case”.

To realise our product and deliver the value propositions we need to perform the key activities identified in the table below for each of the proposed Development Phases.

**Overview of Key Activities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Development Phase** | **Key Activity** | **Brief Description** | **Criticality 1** |
| …… | …… | yes/no | …… |
| …… | …… | yes/no | …… |
| …… | …… | yes/no | …… |

1 Criticality of the key activity to the success of the associated Development Phase and to the success of the overall project.

 Key activities could be, for example, evaluating a new technology, developing a new system or subsystem, interface adaptations, manufacturing process development, materials development, software/firmware development, and industrialisation/qualification and test activities.

 When compiling this list of key activities, please keep in mind that activities performed in the Technology Phase should target technical risk mitigation and not product qualification or industrialisation (these types of activity belong in the Product Phase).

Further detail on planned activities can be found in Part 3B and in Part 5B of our proposal.

# Key Partners

The value chain involves the actors defined in the table below.

**Key Partners**

|  |  |  |  |
| --- | --- | --- | --- |
| **Partner Type** | **Partner Details** | **Involvement in the Project** | **Type of Agreement** |
| …… | …… | …… | …… |
| …… | …… | …… | …… |
| …… | …… | …… | …… |

Partner type could be, for example, satellite prime, operator, service provider, supplier, user or customer.
Partner details should include the entity name, its country and a link to its web site.
Their involvement in the project could be, for example, Subcontractor, supplier, integrator or none.
The type of agreement could be, for example, NDA, partnership agreement or contract.

# Cost Structure

The key elements of cost for realising the value proposition are presented in the relevant Table(s) of the Financial Forecast Workbook (Annex 1).

# Competitive Landscape

This section is optional if it is proposed to develop a product with a “confirmed business case”.

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

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

**Summary of the Competition**

|  |  |  |
| --- | --- | --- |
| **Competitor** | **Nature of the Competition** | **References** |
| …… | …… | …… |
| …… | …… | …… |
| …… | …… | …… |

Indicate the nature of the competition for each of the identified competitors. For example, an existing or potential supplier of the same type of product, an established supplier of similar products, a new entrant to the market, an entity known or suspected to have plans to develop the same type of product, a market incumbent. Quantify the nature of the competition as far as possible (e.g. provide estimates of their market share, competitiveness in terms of pricing, etc.).

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.

**SWOT Analysis**

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| strength 1strength 2…… | weakness 1weakness 2…… |
| **Opportunities** | **Threats** |
| opportunity 1opportunity 2…… | threat 1threat 2…… |

Strengths are characteristics that give you an advantage over your competitors. Weaknesses are characteristics that place you at a disadvantage with respect to the competition. Opportunities are (usually external) elements that you could exploit to improve your business prospects. Threats are elements (e.g. external influences) that could threaten your business prospects.

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

Based on the SWOT analysis, please identify your strategic options to achieve the commercial goals

# Market Analysis

This section is optional if it is proposed to develop a product with a “confirmed business case”.

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

Market positioning

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| MARKETS | New | X | X | X |
| Adjacent | X | X | X |
| Existing | X | X | X |
|  | Existing | Incremental | New |
| PRODUCT |

Our projection in terms of the market we aim to capture in the short term is shown in the relevant Table of the Financial Forecast Workbook (Annex 1) for each of the identified commercial opportunities.

*Present the underlying assumptions that led to the projected sales volumes over time (e.g. historical data, market forecasts, market trend analyses).*

The assumptions behind these sales projections are as follows: …….

# Financial Indicators

The financial forecast is shown in Table reporting the Profit & Loss and Cash Flow Statement of the Financial Forecast Workbook (Annex 1).

Figure 1 (“Cumulative Discounted Cash Flow”) of the financial forecast workbook shows the projected cash flow for two cases, one with and one without ESA financial support.

The Internal Rate of Return (IRR), the Net Present Value (NPV) and the break-even point for the project are shown in the Financial Forecast Workbook for both funding scenarios. This shows the effect and importance of the ESA financial support.

Include the following statement if it is proposed to develop a product with a “confirmed business case”.

The financial indicators demonstrate that a positive return on investment is obtained based on the identified commercial order alone (i.e. it is not dependent upon any other product sales).

1. Financial Forecast Workbook

*Please refer to the Financial Forecast Workbook EXCEL files, which are available at* [*https://artes.esa.int/documents*](https://artes.esa.int/documents) *for both space and ground/application domains.*

*For System proposals use the Financial Forecast Workbook for the Space Segment.*

1. Letter of Interest from Our Customer

*if you are targeting a single customer only attach a letter of interest from that customer here
(see Requirement 4.3)*