Unlocking the Power of Clean Energy Innovation with Living Labs

Part 3

Agenda

MARKET ANALYSIS – 15'

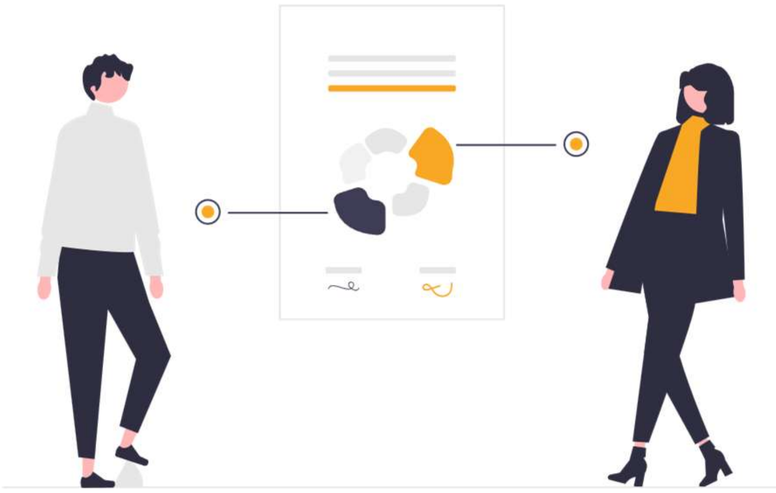
- TRL / SRL / MRL
- Understand end-customer
- Market analysis

BUSINESS PLAN - 30'

- Value proposition
- What is a Business Model
- From Business Model to Business Plan
- Business derisking strategies
  - Team & Skills needed
  - Partners & How to find them

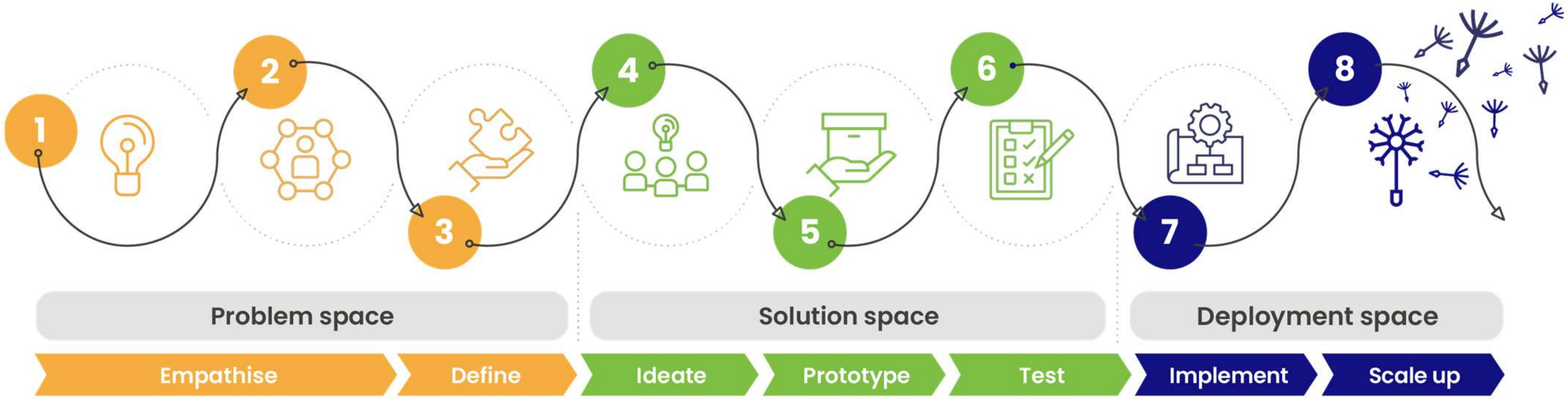
IMPLEMENTATION AND SCALE UP –15'

INTERACTIVE ACTIVITY - 30'



Source: https://undraw.co

Living Lab Integrative Process



Select a practice	Integrate stakeholders	Uncover barriers	Co-design plan	Pilot an intervention	Evaluate performance	Demonstrate the system	Exploit the solution
The context is researched to understand the socioeconomic and cultural setting. User behaviours and social practices are understood.	A People Public Private Partnership (PPPP) Model is used to integrate stakeholders.	Community based social marketing helps to uncover barriers.	A common vision and shared goals enables mash up and then co-design with the users and not for the users.	Real-life experimentation is carried out in the field.	Measurement, verification and performance scorecards enable scale up.	Actual system proven in operational environment.	Test the solution outside the initial scope. Enlarge the solution, pollinate it and replicate it in other settings.

Importance of Business development and Market research

- Targeted innovation
- Improved user experience
- Increased adoption and satisfaction
- Competitive advantage
- Long-term success and sustainability
- Building trust and loyalty

Image from [Energylivinglab.com]

MARKET ANALYSIS

Readiness Levels

3 measurements to assess readiness

Technological Readiness Level

TRL

Societal Readiness Level

SRL

Market Readiness Level

MRL

3 measurements to assess readiness

Technological Readiness Level

Evaluates the maturity of technology, ranging from basic research to commercialization.

Societal Readiness Level

Assesses the level of societal adaptation of an innovation, product, service, etc.

Market Readiness Level

Determines the readiness of the product or service for market launch.

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TRL 1 **Basic principles** observed and reported	**TRL 2** **Technology concept** and/or application formulated	**TRL 3** Analytical and experimental **critical function** and characteristic **proof-of-concept**	**Technological Readiness Levels 1-2-3**
SRL 1 **Identifying the societal problem**	**SRL 2** Formulation of **proposed solution(s)** and potential impact, **identifying relevant stakeholders**	**SRL 3** Initial testing of proposed solution(s) **with relevant stakeholders**	**Societal Readiness Level 1-2-3**
MRL 1 Business idea to address a specific market need with a unique solution. **Determining market relevance**	**MRL 2** **Preliminary market survey.** Key competitors, industry trends.	**MRL 3** **Detailed market survey.** Customer analysis and pain points. Evidence supporting a solid business case	**Market Readiness Level 1-2-3**

Sources:
European Commission, Technology Readiness Levels
Innovation Fund Denmark, Societal Readiness Levels

Technological Readiness Levels 4-5-6

TRL 4

Technology validated

in lab

TRL 5

Component and/or breadboard validation **in relevant environment**

TRL 6

Technology demonstrated

in relevant environment

Societal Readiness Levels 4-5-6

SRL 4

Problem validated through pilot testing

in relevant environment

SRL 5

Proposed solution(s) validated,

by relevant stakeholders

SRL 6

Solution(s) demonstrated in relevant environment **with relevant stakeholders**

Market Readiness Levels 4-5-6

MRL 4

Testing mock-ups of key operational processes for operational efficiencies and potential challenges.

MRL 5

Beta business plan validation. Identify financial model, supply chain, certifications, regulations.

MRL 6

Exploitation routes & value chain confirmed. Certification and regulation requirements underway.

Sources:
European Commission, Technology Readiness Levels
Innovation Fund Denmark, Societal Readiness Levels

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Technological Readiness Levels 7-8-9

TRL 7

System prototype demonstration

in operational environment

TRL 8

System complete

and qualified

TRL 9

Actual system proven

in operational environment

Societal Readiness Levels 7-8-9

SRL 7

Refinement of project and/or solution and, **if needed retesting** in relevant environment with relevant stakeholders

SRL 8

Proposed solution(s) as well as a **plan for societal adaptation** complete and qualified

SRL 9

Actual project solution(s) proven in relevant environment

Market Readiness Levels 7-8-9

MRL 7

Financial forecasts. Alpha-business plan. Customer commitment and demand verified.

MRL 8

Preliminary Go-to-Market Strategy. Target market segments, marketing, refining pricing strategies.

MRL 9

Final Go-to-Market Strategy: phased launch plan ready for implementation.

Sources:
European Commission, Technology Readiness Levels
Innovation Fund Denmark, Societal Readiness Levels

Balancing TRL / SRL / MRL

- **Ideal scenario:**
High TRL (validated technology) + high SRL (ready for social accpetance) + high MRL (ready for market)

- Differentiation between **technology push** (high TRL, low MRL) and **market pull** (high MRL, low TRL) approaches

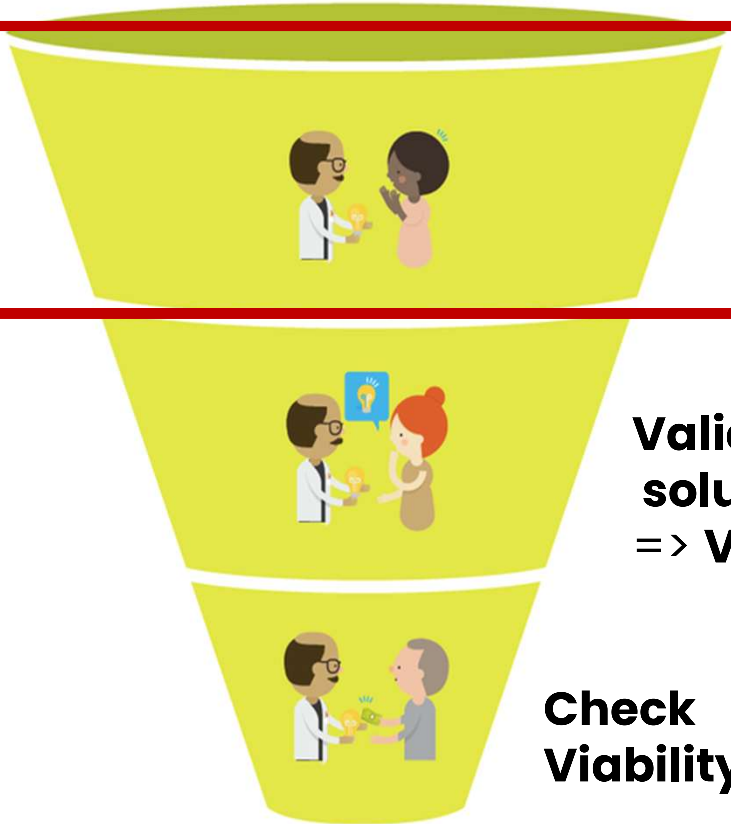
- The '**sweet spot' is achieved when there is a balance** between TRL, SRL and MRL, indicating readiness for commercialization

Source: Innovate UK, 2024

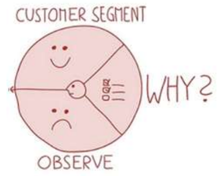
Understand the end-users

MRL 1

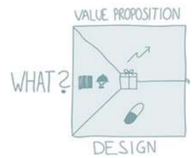
Roadmap of innovation



Understand customer :
=> Customer Profile



Validate solution:
=> Value Map



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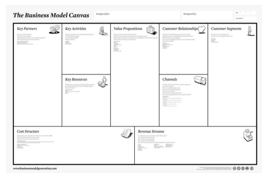


Understanding End-users

Understanding

Needs
Problems

Photo by mauro mora on Unsplash

Understanding End-users

Problems

Photo by Naja Bertolt Jensen on Unsplash

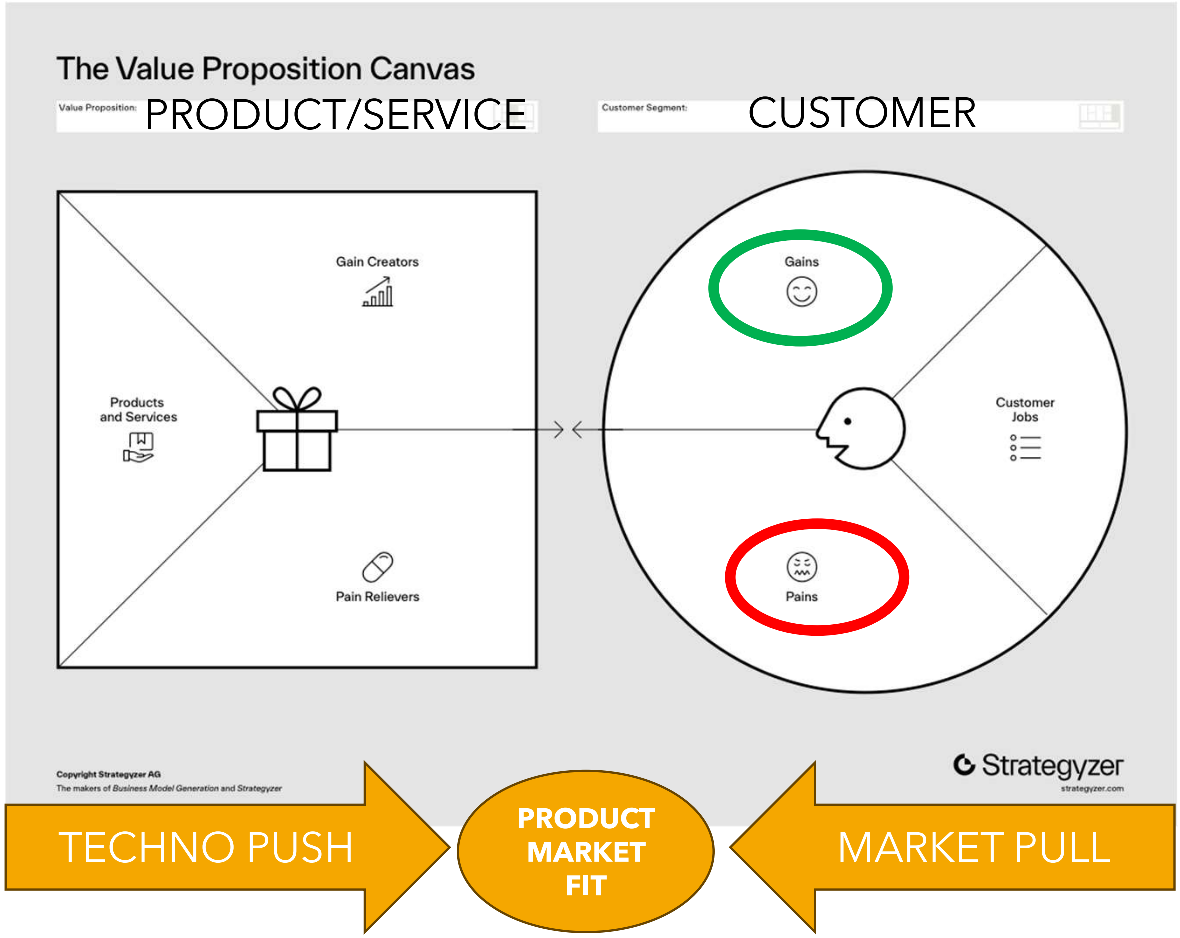
Why analyse end users?

We empathize **to understand our user behavior** and **to define social practices to change.**

To achieve this, we need **their trust.**

We gain trust by engaging with them or **observing them** “in situ” (meaning on-site), in **real-life settings**, in their environment, where they feel comfortable.

How to create value with users?



Persona

" A quotation that captures this user's personality"

Age: 1-100
Work: Job title
Family: Married, kids, etc.
Location: City

Personality

Introvert	Extrovert
Thinking	Feeling
Sensing	Intuition
Judging	Perceiving

Trait 1 | Trait 2 | Trait 3 | Trait 4

Environment

Criteria 1	Criteria 1
Criteria 2	Criteria 2
Criteria 3	Criteria 3
Criteria 4	Criteria 4

Motivations & Goals

- The motivations that guide the user
- Interests and personal preferences
- Values and activities that motivate the persona
- A task that needs to be completed
- A life goal to be reached
- An experience to be felt

Frustrations

- The challenges this user would like to avoid
- An obstacle that prevents this user from achieving their goals
- Problems with the available solutions

Bio

The bio should be a short paragraph to describe the user journey. It should include some of their story leading up to a current use case. It may be helpful to incorporate information listed across the template and add pertinent details that may have been left our.

Why this persona?

- What decisions do we need to make ?
- How will this personal help?
- How does this persona change our process?

Research

- What research or data informs our decisions and persona?

Success criteria

- How will we know our user or personas are serving their purpose?

Adapted from *Xtensio.com*

Market Analysis

MRL 2

Market Readiness Analysis
>Questions to ask yourself

- **Product/Solution Fit**

Is the product or service solving a real need?
And is it the right time to bring the solution to market?

- **Vision/Team Fit**

Are you best equipped to be providing a solution for the product?
What are your strengths? Maybe it's your innovative technology or experienced team?

- **Product/Market Fit**

Is there a willingness from consumers to pay to solve the problem or need?
How are your target customers currently solving the problem?
Will they be willing to switch to your product or service?

- **Market/Business Model Fit**

Is the market opportunity big enough to make this business model sustainable?
Will you be able to achieve a substantial market share?

Source: Innovate UK, 2024

Market Readiness Analysis
>KPIs to assess

- Key performance indicators (KPIs) for calculating MRL:
  - **Market size**
  - **Customer lifetime value**
  - **Leads generated**
  - **Customer usage**

- **Plotting MRL, SRL and TRL** on a chart helps visualizing progress towards commercialization.

Source: Innovate UK, 2024

Tools for market analysis

PESTEL
PORTER
SWOT
TWOS
MARKET SURVEY

Detailed business Plan

Sources:
InnovateUK
https://www.innovateukedge.ukri.org/blog/understanding-market-readiness-level#

Know your competitors
>Benchmark analysis

How do you differentiate yourself from the competitors?

Know your environment

>PESTEL Analysis

PESTEL Graph to add

Sources:
InnovateUK
https://www.innovateukedge.ukri.org/blog/understanding-market-readiness-level#

Find your opportunities and weaknesses
>SWOT analysis

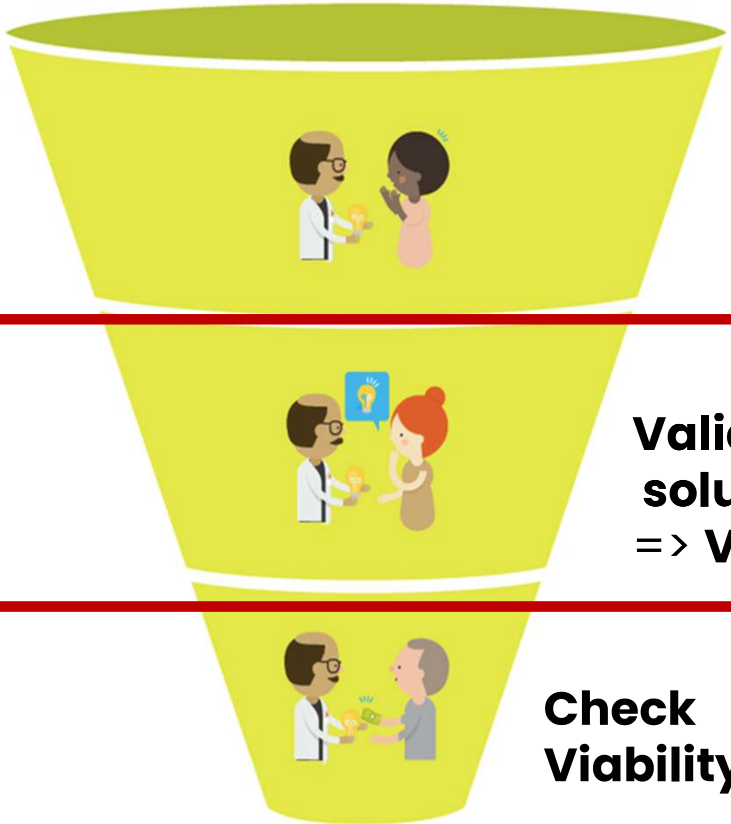
	Positive	Negative
Internal	Strengths	Weaknesssses
External	Opportunities	Threats

BUSINESS PLAN

Value Proposition

MRL 3

Roadmap of innovation



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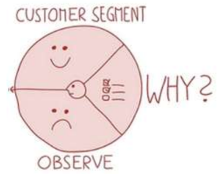

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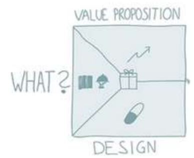

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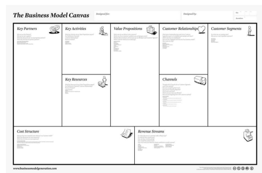
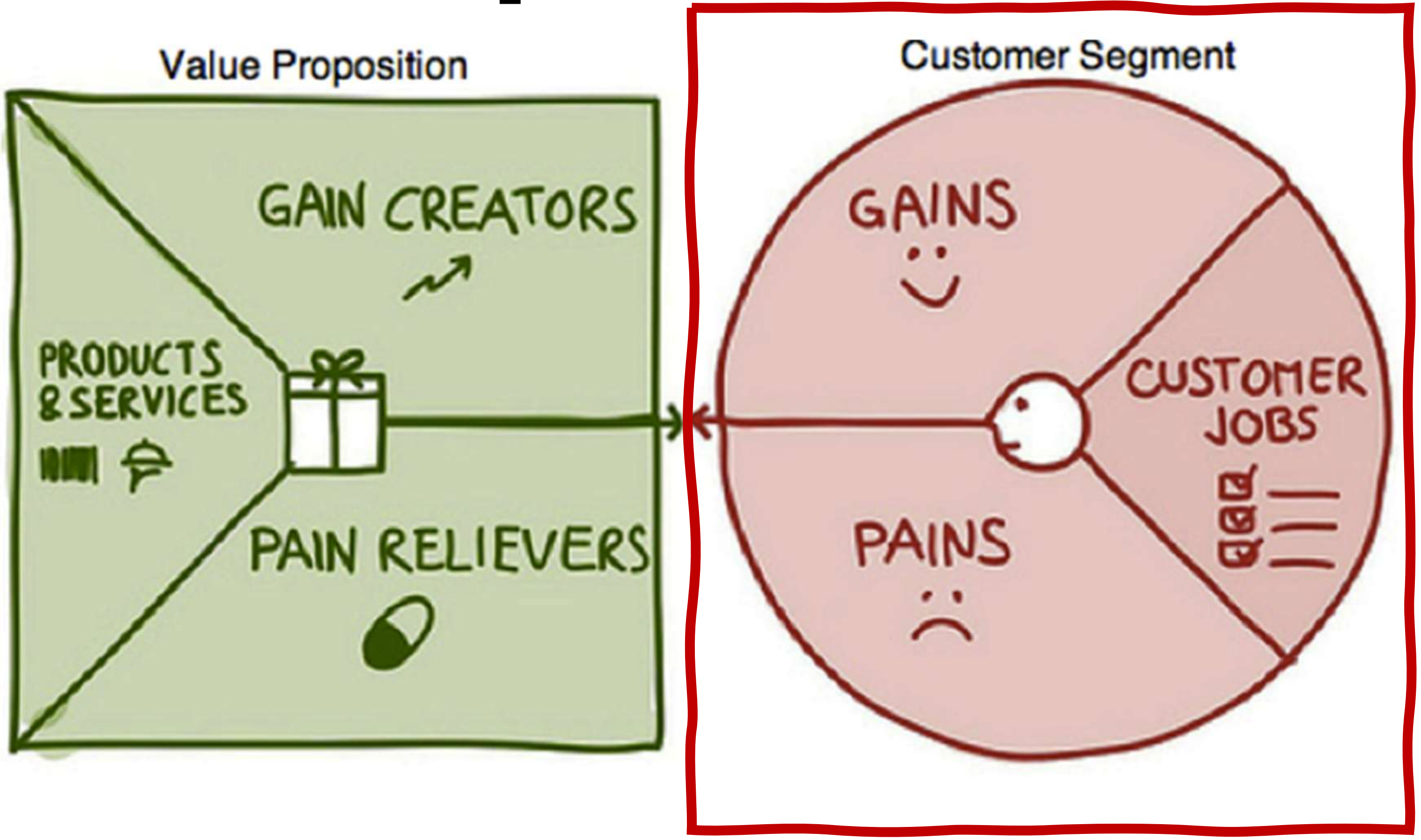


Customer profile



Customer profile

1
Select customer segment.

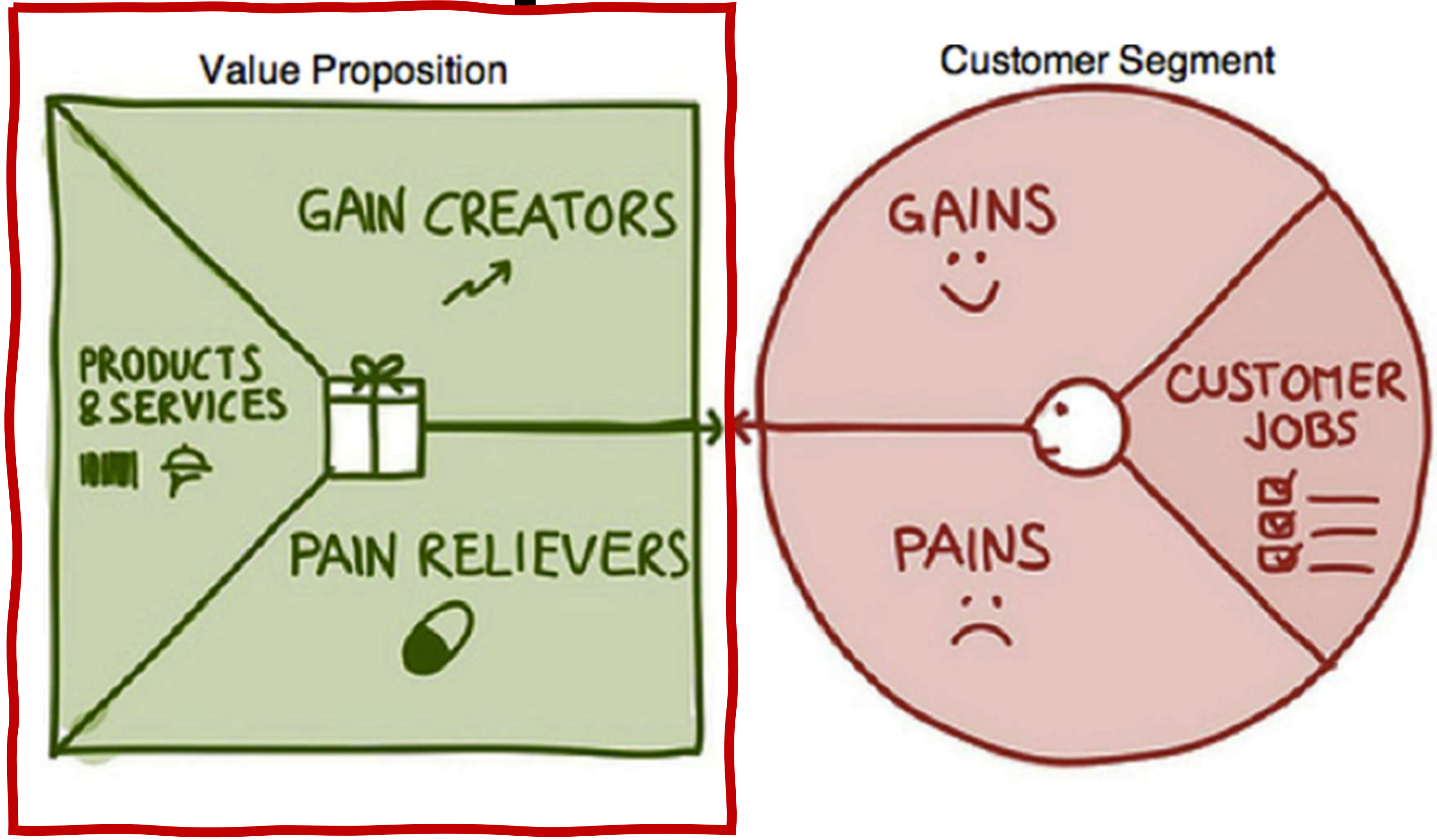
2
Identify customer jobs.

3
Identify customer pains.

4
Identify customer gains.

5
Prioritize jobs, pains, and gains.

Value map



Value Proposition
GAIN CREATORS
PRODUCTS
& SERVICES
PAIN RELIEVERS
Customer Segment
GAINS
CUSTOMER
JOBS
PAINS

Value map

1
List products and services.

2
Outline pain relievers.

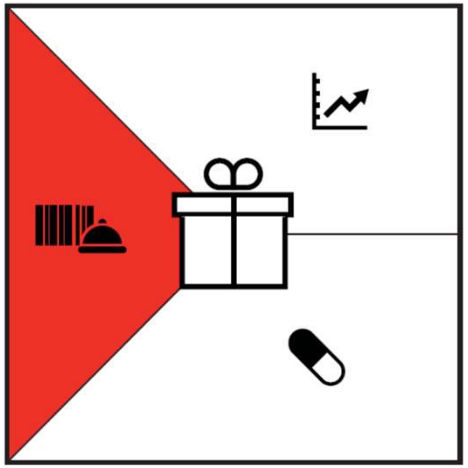
3
Outline gain creators.

4
Rank by order of importance.

Value proposition

VP describes the benefits customers can expect from your products and services.

Products & Services



A list of Products & Services you propose.

Physical/tangible
Goods, such as manufactured products.

Intangible
Products such as copyrights or services such as after-sales assistance.

Digital
Products such as music downloads or services such as online recommendations.

Financial
Products such as investment funds and insurances or services such as the financing of a purchase.

Pain relievers

Some questions to ask yourself:

Could your products and services

- produce **savings**?
- make your customers **feel better**?
- **fix** underperforming solutions?
- put an end to some **difficulties and challenges**?
- **eliminate risks** your customers fear?
- **limit common mistakes** customers make?
- **eliminate barriers** that are keeping your customer from adopting new products or services?

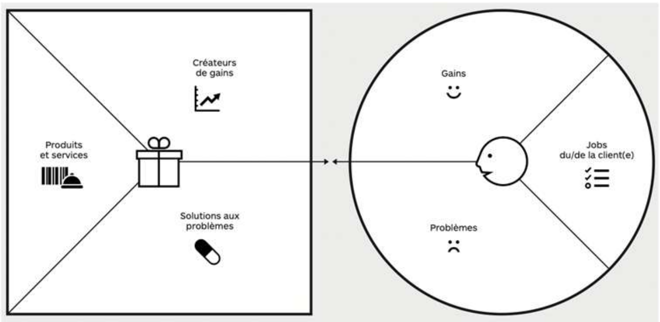
Gain creators

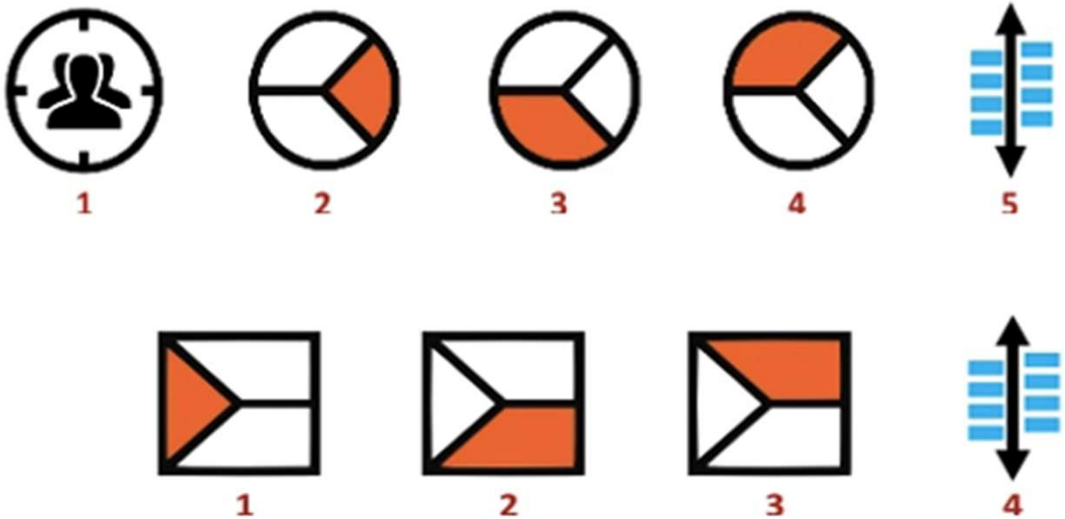
Some questions to ask yourself:

Could your products and services...

- **create savings** for your customers?
- **produce outcomes** your customers expect or that exceed their expectations?
- **outperform current value propositions** and delight your customers?
- make your customers' **work or life easier**?
- create positive **social consequences**?
- do **something specific** that customers are looking for?
- help make **adoption easier**?

P&G model, steps to follow

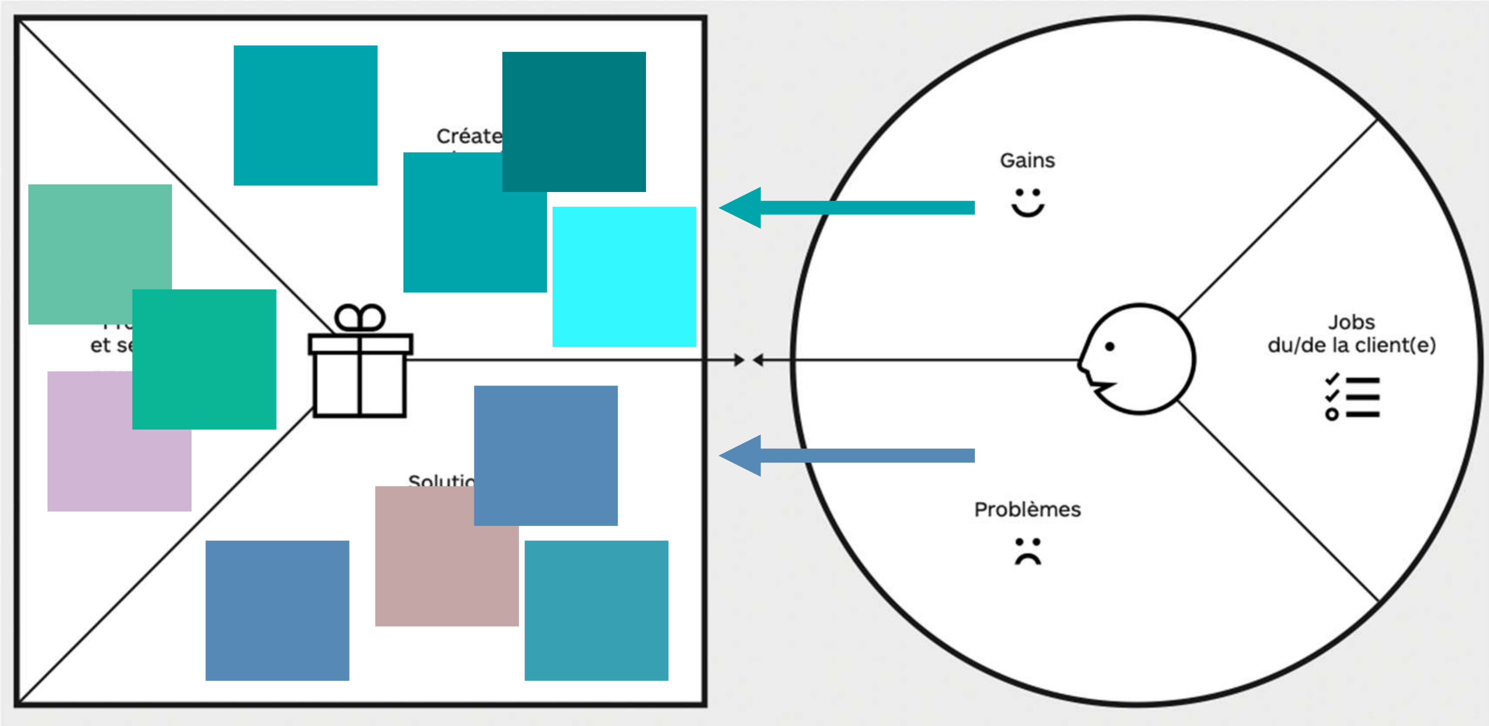




VPC

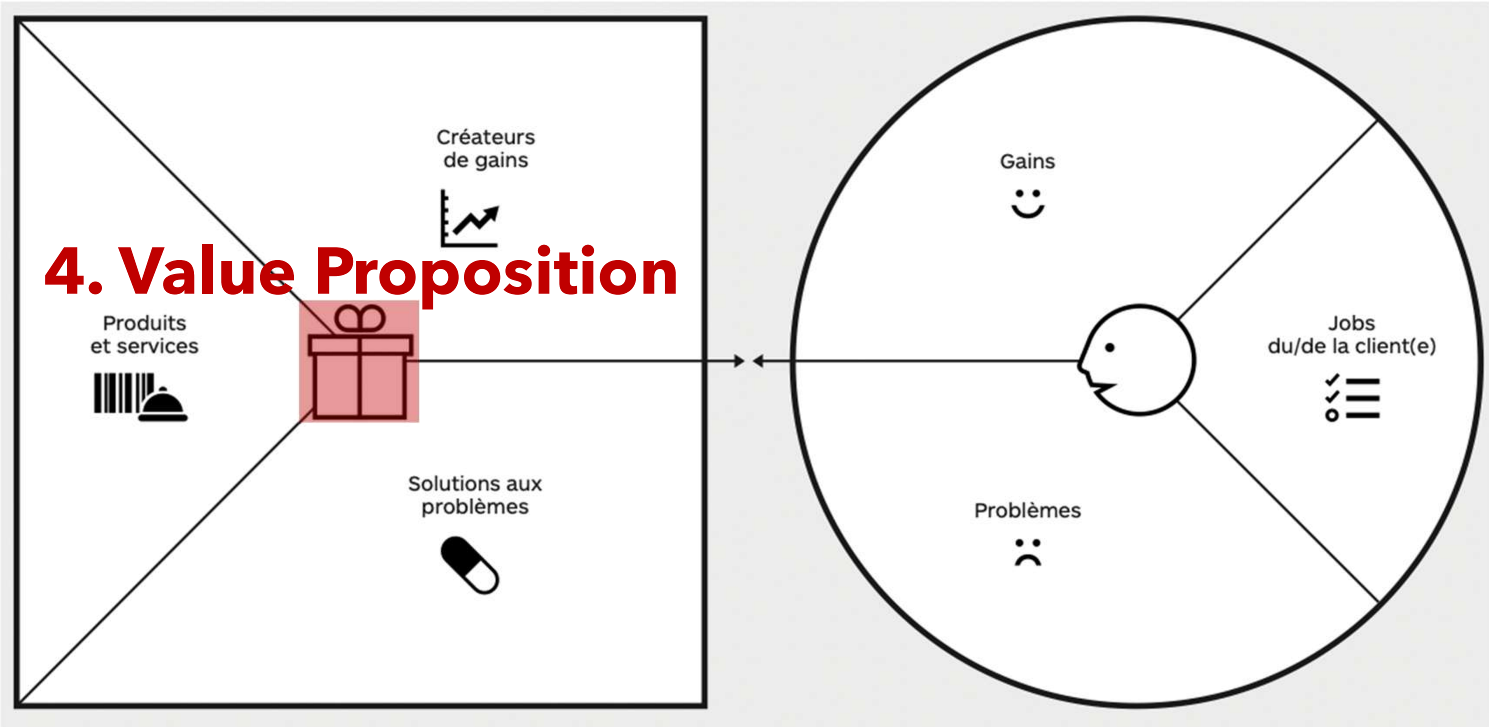
2. Gain creators

1. Ideas



3. Pain relievers

VPC


Créateurs de gains
4. Value Proposition
Produits et services
Solutions aux problèmes
Gains
Jobs du/de la client(e)
Problèmes

VP exemples > Energy example

Your local coffee shop may have a value proposition that's similar to this one:

"We help our local customers to feel good and do good by fueling them up with artisanal coffee in a community-focused space".

One of the most iconic examples of a value proposition is from a shoe brand Hoka. It sums up its top features, fulfills a customer need, and frames it in a way that stands out from their competitors.

“Hoka makes you feel like you're flying.”

Imperfect Foods:

Headline:
"Groceries that help you fight food waste"

Subheadline:
"Sustainably sourced, affordable, and conveniently delivered to your door."

3 elements of the VP

The concept of value proposition could be simplified into three following parts - **valuable, differentiated, and substantiated.**

Each component helps to create a product or service which **not only meets end users' needs but also enhance the perceived value.**

VP possible structure

Our (product/service category) helps (target customers) to (statement of need or opportunity) by (product/service features/benefits).

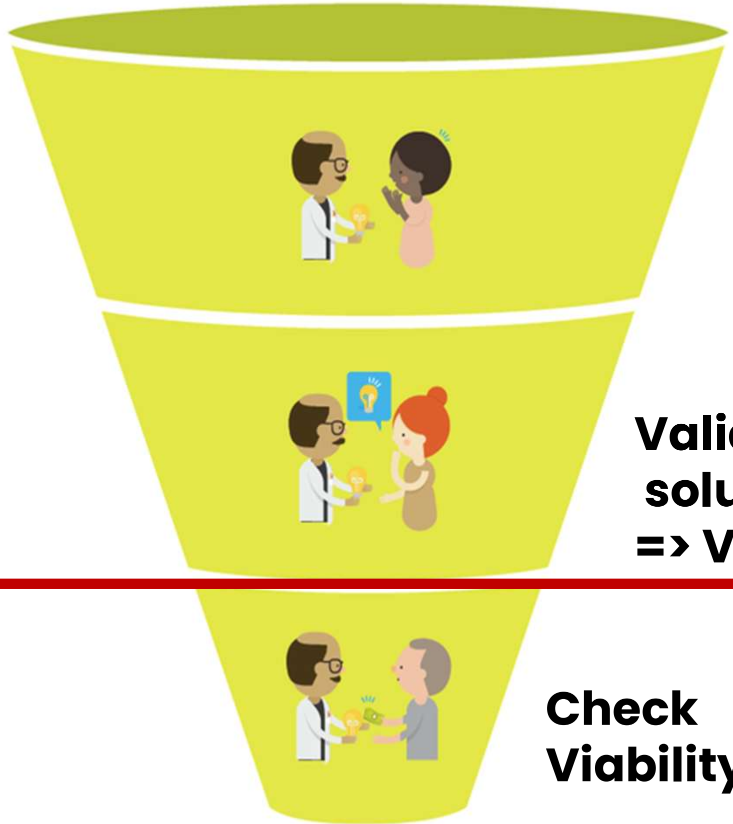
VP exemple >> Energy Example to add

Our mobile application helps doctors to find information about their patients fast by proposing a digital patient's passport.

Business Model

MRL 4

Roadmap of innovation



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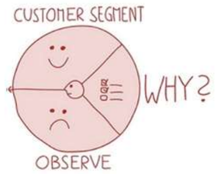
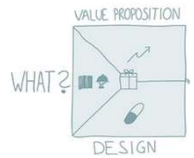


Validate solution:
=> Value Map



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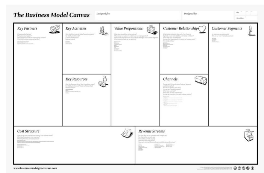
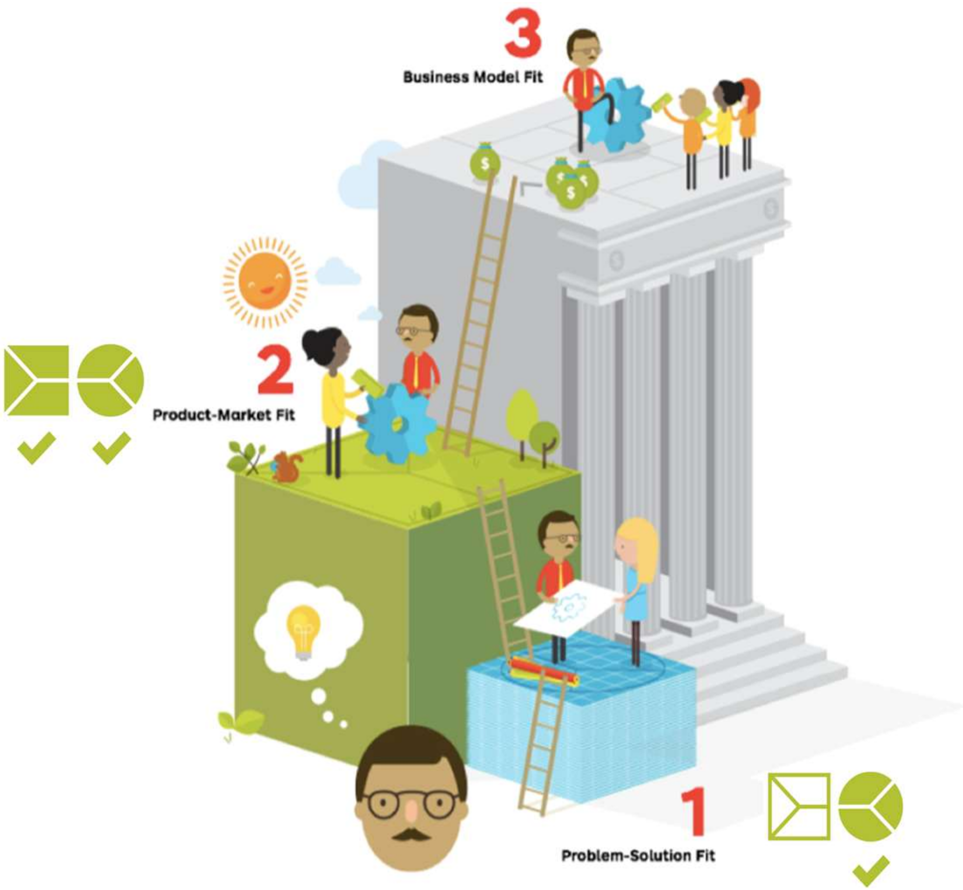


BM fit


3
Business Model Fit
2
Product-Market Fit
1
Problem-Solution Fit

What is a Business Model?

> **A business model describes the rationale of how an organization creates, delivers, and captures value.**

Österwalder, A. & Pigneur Y.,
Business Model Generation, 2010.

BM building blocks

01

Customer Segments (CS)

02

Value Proposition (VP)

03

Channels (CH)

04

Customer Relationships (CR)

05

Revenue Streams (RS)

06

Key Ressources (KR)

07

Key Activities (KA)

08

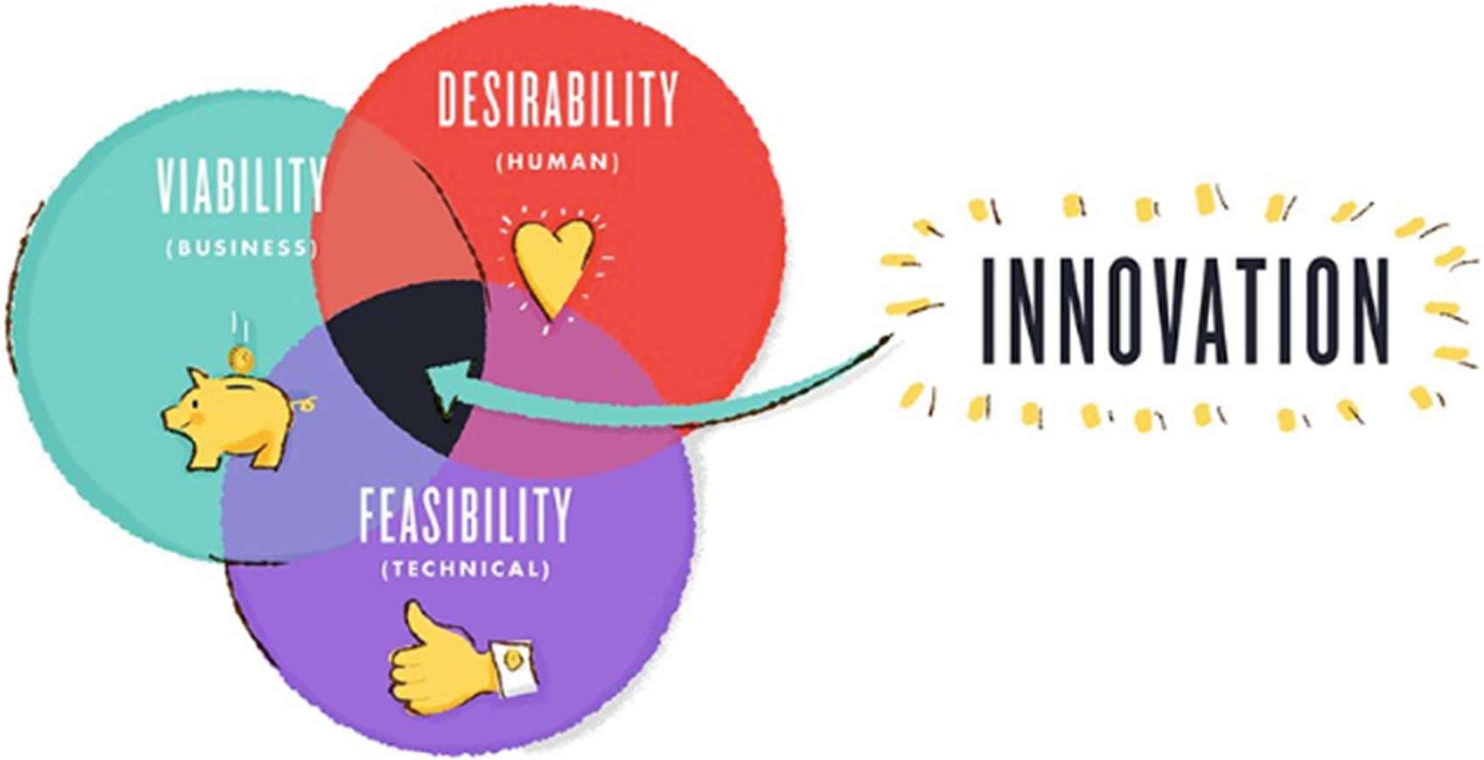
Key Partners (KP)

09

Cost Structure (CS)

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Innovation elements



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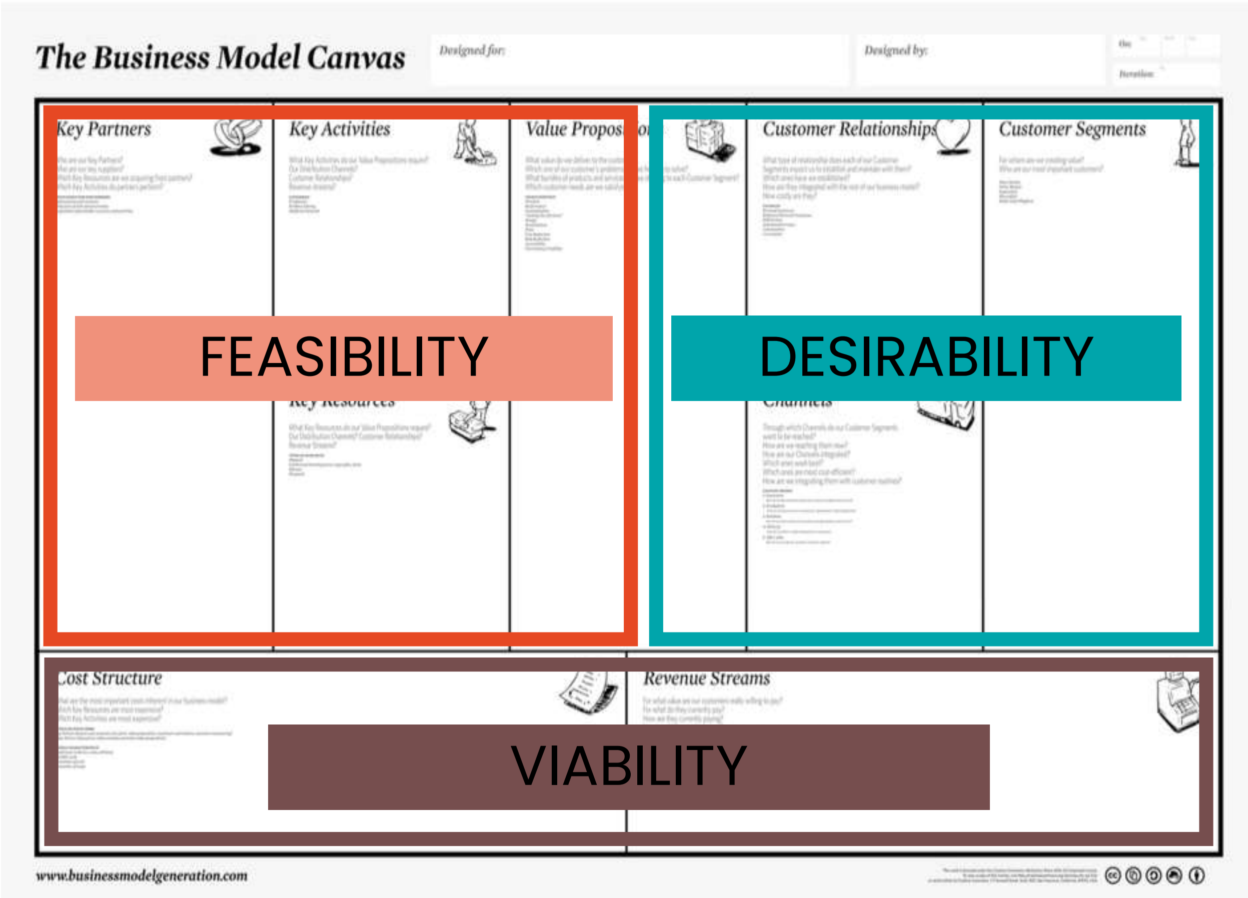
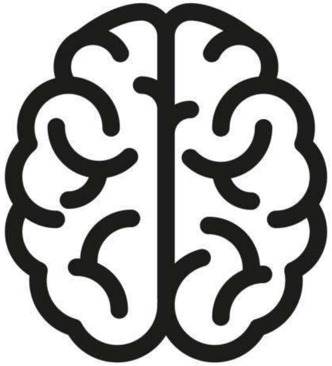
Innovation elements



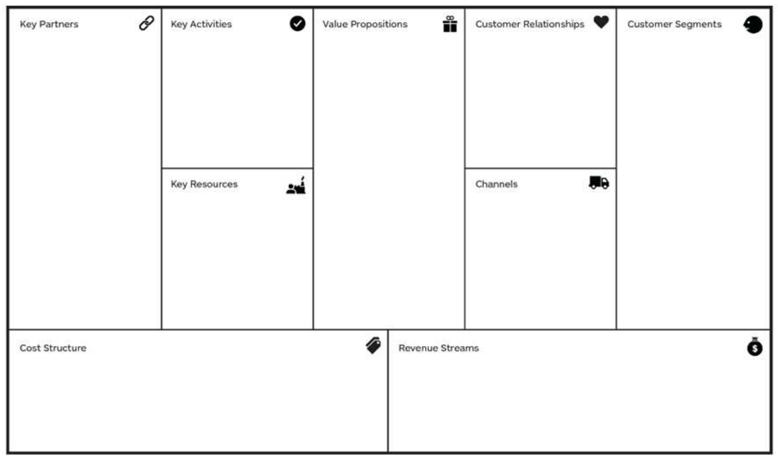
BMC, left & right parts



LEFT PART
logic

RIGHT PART
emotion

LEFT PART
efficiency



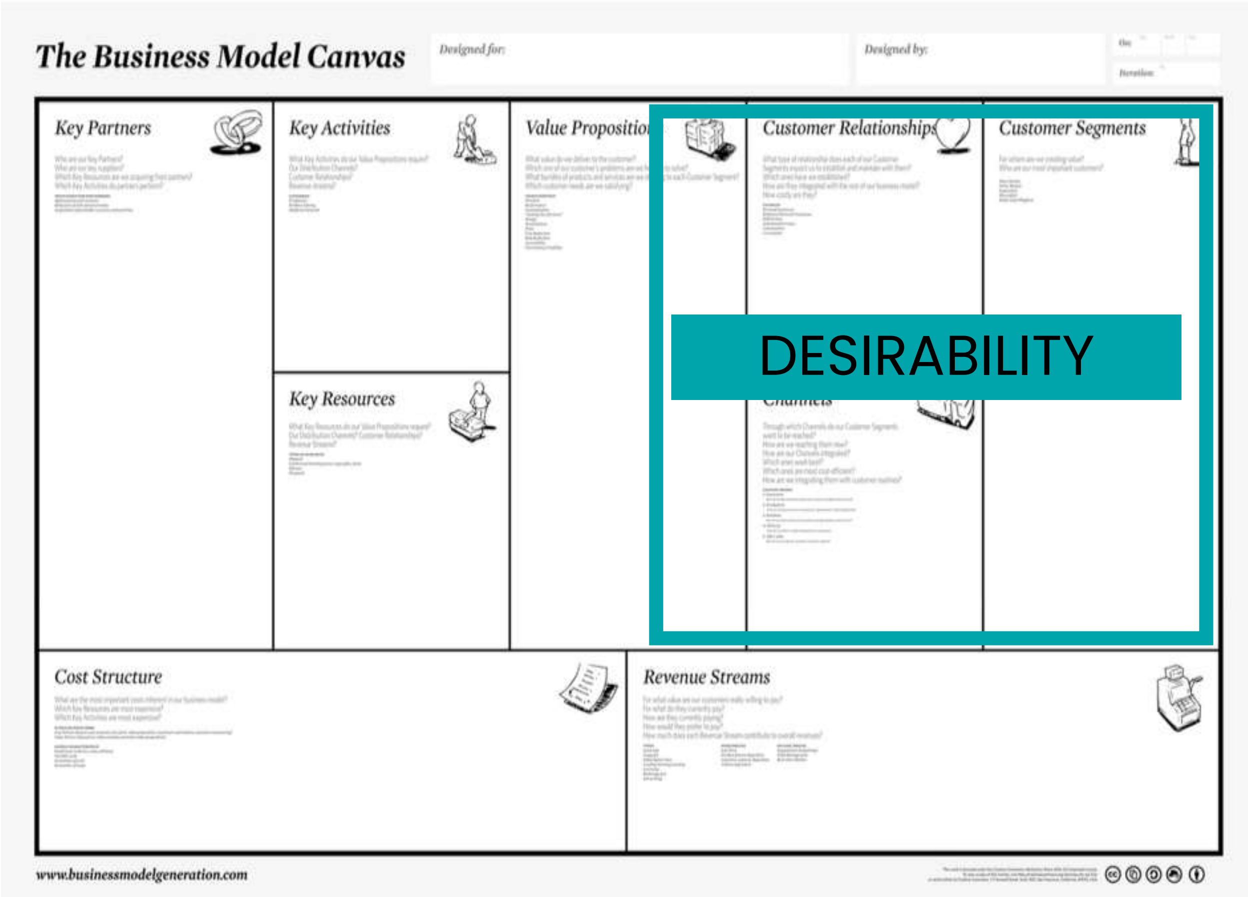
RIGHT PART
value

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

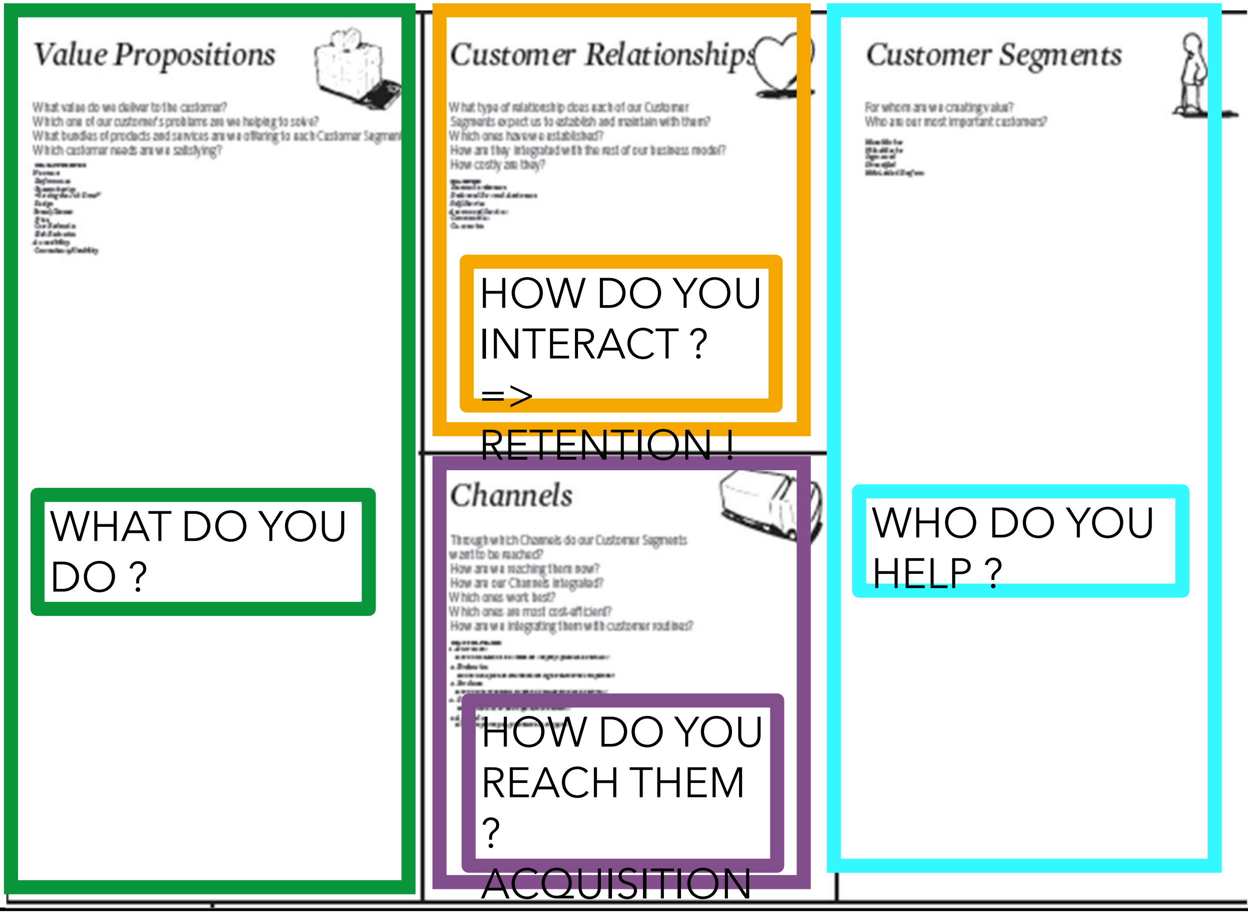
BM Canvas

Source: https://www.strategyzer.com/canvas/business-model-canvas

Desirability space



Some questions to ask



1 >> Customer Segments

The different groups of people or organisations your LL aims to reach and serve.

Customer groups represent separate segments if:

- *Their needs require and justify a distinct offer*
- *They are reached through different Distribution Channels*
- *They require different types of relationships*
- *They have substantially different profitabilities*
- *They are willing to pay for different aspects of the offer*

- For whom are we creating value?
- Who are our most important customers?

* Don’t forget that customers are not always the final users.

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

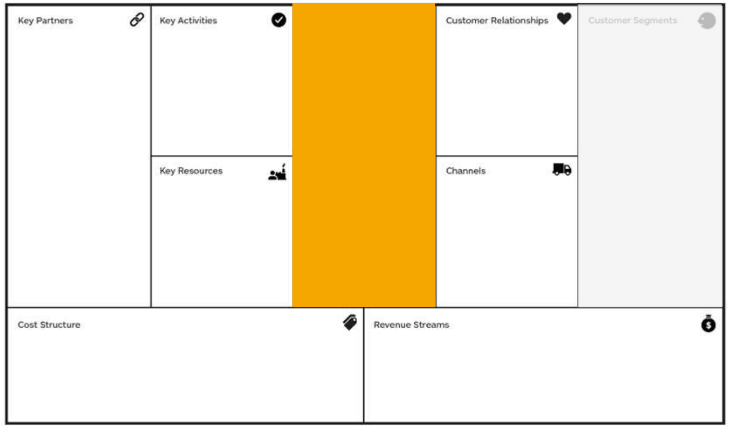
2 >> Value Proposition

The Value Proposition Building Block describes the bundle of products and services that create value for a specific Customer Segment.

The Value Proposition solves customers' problems or satisfies their needs.

The Value Proposition is an aggregation of benefits that a company offers to its customers.

The Value Proposition may represent a new or disruptive offer to its public, or it may be similar to existing products/projects, but with some added elements.

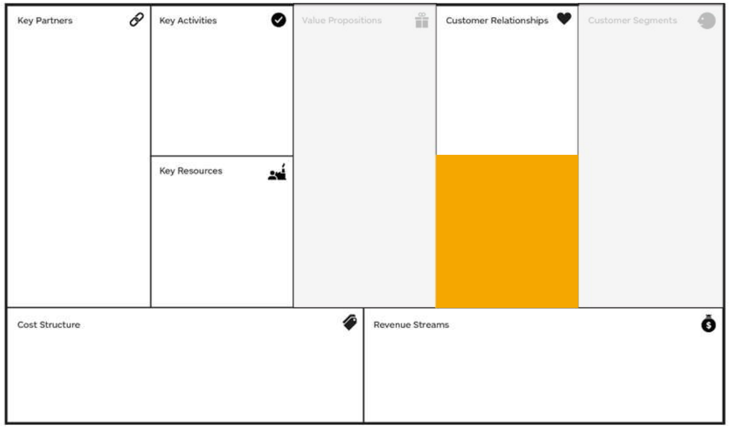


- What value do we deliver to our customers?
- Which one of our customers’ problems are we helping to solve?
- What bundles of products and services are we offering to each Customer Segment?
- Which customer needs are we satisfying?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

3 >> Channels

The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a value.



The Channels may be in communication, distribution, and sales. They represent an interface (touch point) between the organisation and its customers.

Channels serve several functions, including:

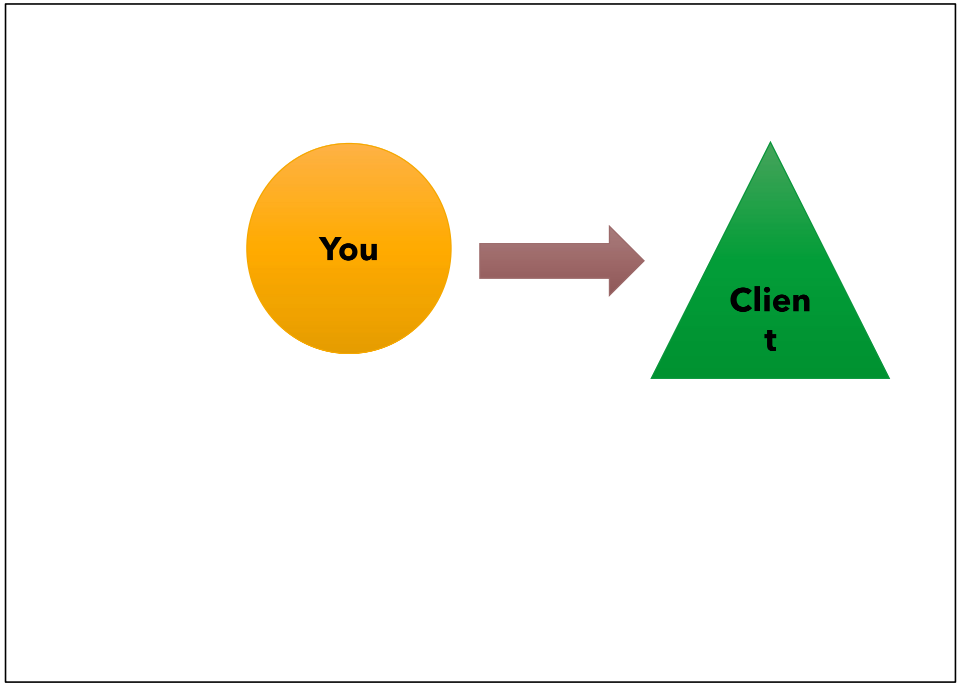
- *Raising awareness among customers about a company's products and services*
- *Helping customers evaluate a company's Value Proposition*
- *Allowing customers to purchase specific products and services*
- *Delivering a Value Proposition to customers*
- *Providing post-purchase customer support*

- Through which Channels do our Customer Segments want to be reached?
- How are we reaching them now?
- How are our Channels integrated?
- Which ones are most cost-efficient?
- How are we integrating them with customer routines?

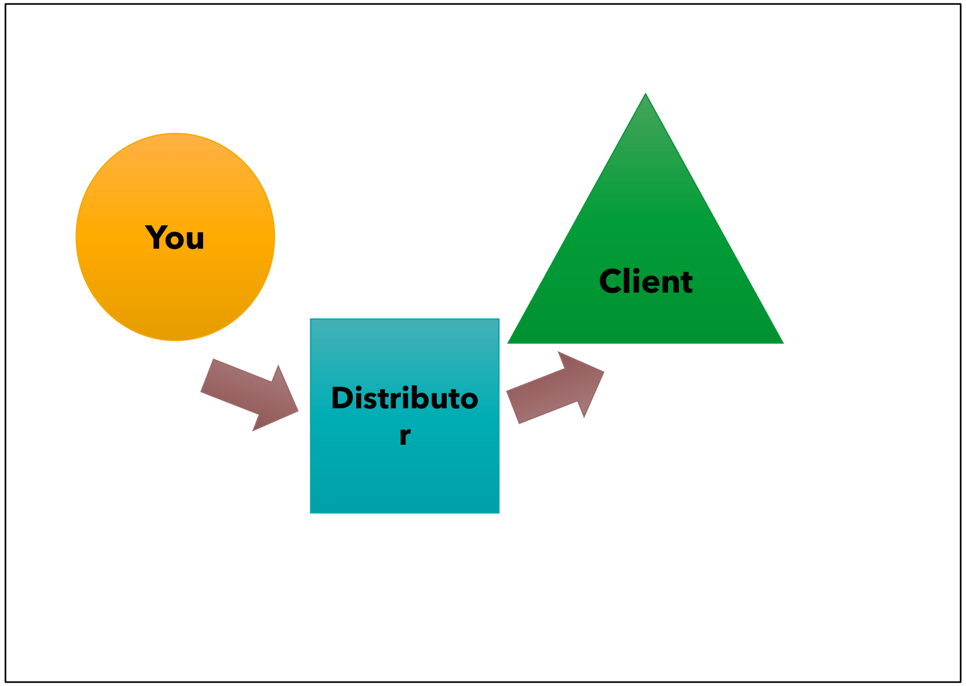
Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Some questions to ask

Direct Sales



Indirect Sales



4 >> Customer Relationships

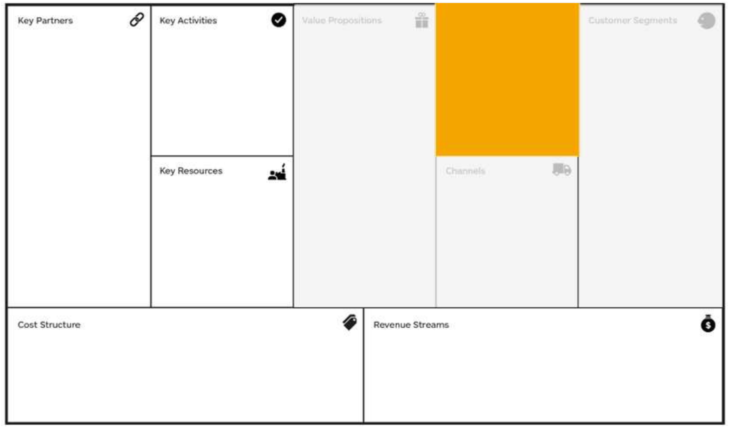
The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments.

Relationships can range from personal to automated.

Customer relationships may be driven by the following key motivations:

- *Customer acquisition*
- *Customer retention*
- *Upselling*

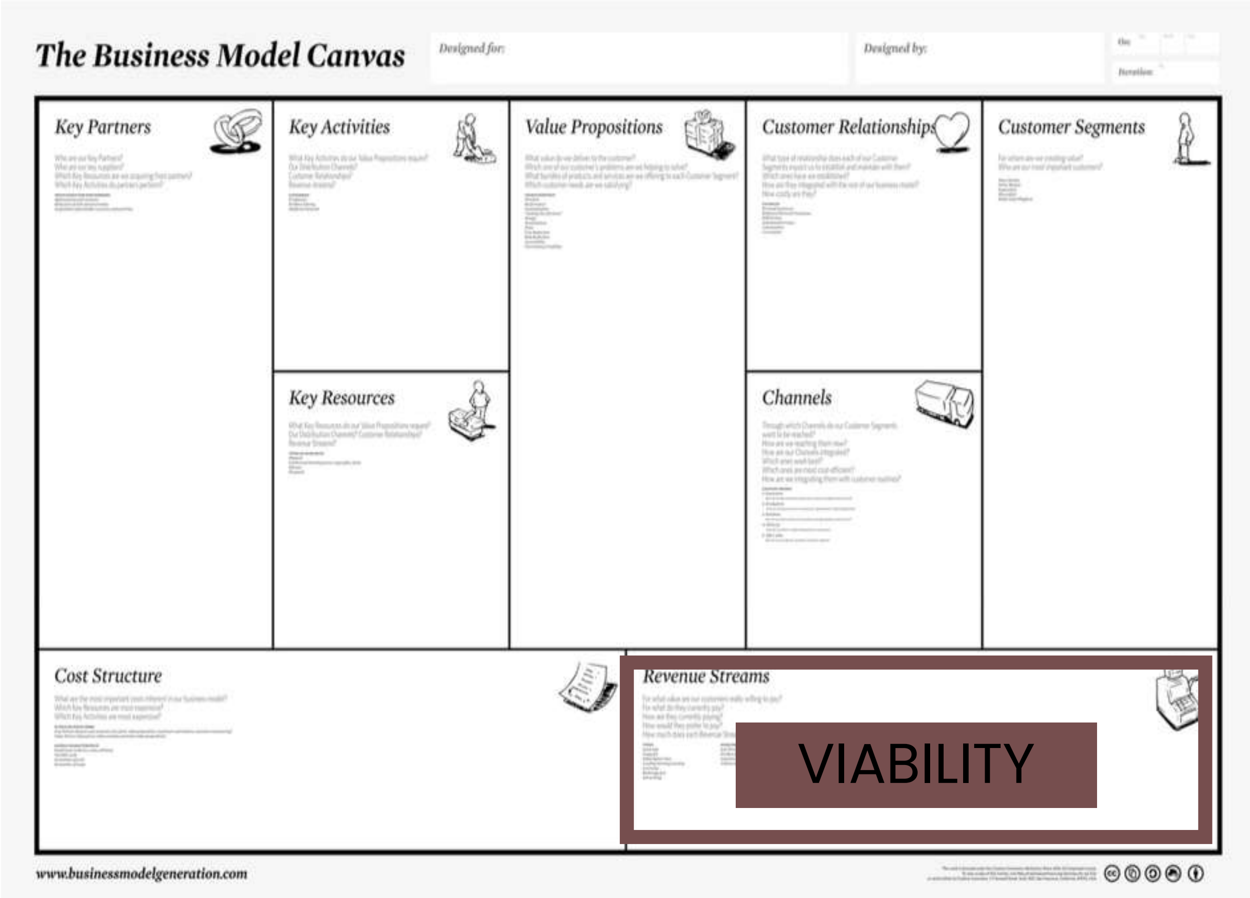
The Customer Relationships called for by a company's business model deeply influence the overall customer experience.



- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- Which ones have we established?
- How are they integrated with the rest of our business model?
- How costly are they?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Viability space (1/2)



5 >> Revenue Streams

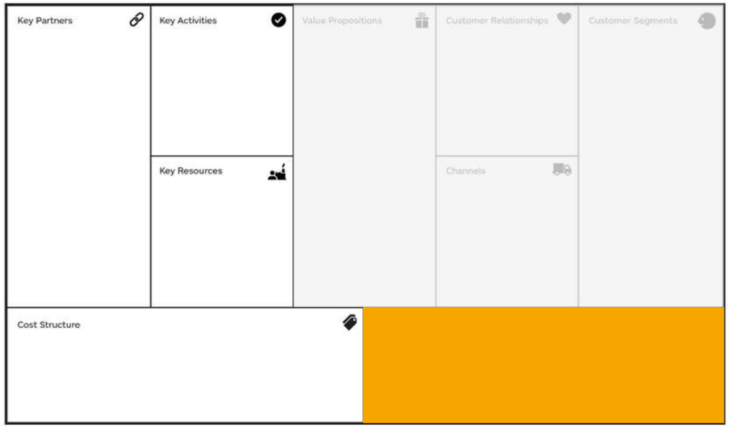
The Revenue Streams Building Block represents the cash a company generates from each Customer Segment.

Each Revenue Stream may have different pricing mechanisms, such as fixed list prices, bargaining, auctioning, market dependent, volume dependent, or yield management.

A business model can involve two different types of Revenue Streams:

1. Transaction revenues resulting from one-time customer payments

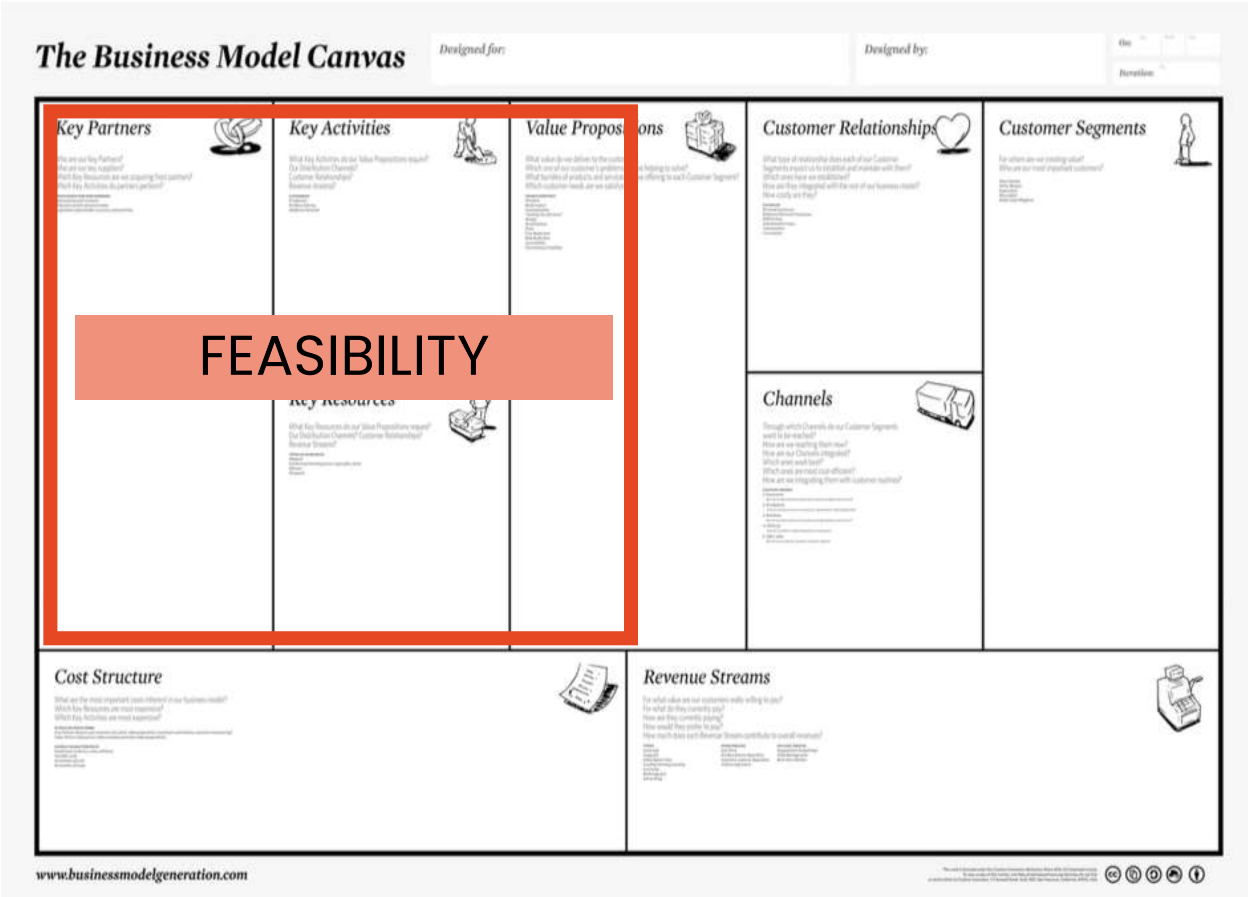
2. Recurring revenues resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support



- For what value are our customers really willing to pay?
- For what do they currently pay?
- How are they currently paying?
- How would they prefer to pay?
- How much does each Revenue Stream contribute to overall revenues?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Feasibility space



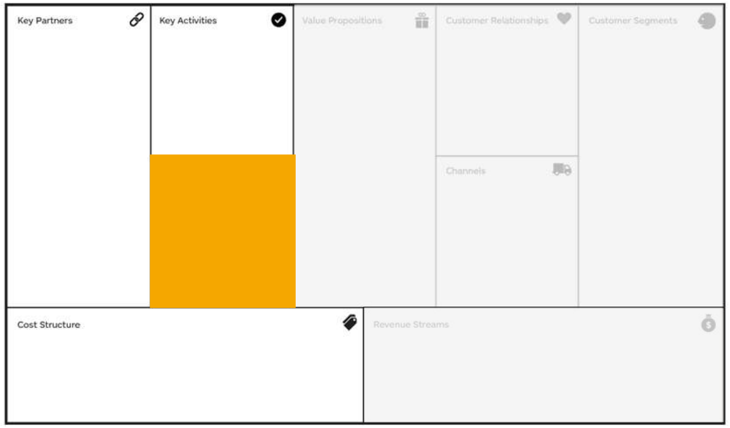
6 >> Key Ressources

The Key Resources Building Block describes the most important assets required to make a business model work.

The resources allow to create and offer a value, reach stakeholders, maintain relationships with customers, and earn revenues.

Different Key Resources are needed depending on the type of business model.

Key resources can be physical, financial, intellectual, or human. They can be owned or leased by the organisation, as well as acquired from its partners.



- What Key Resources do our Value Proposition require?
- Our Distribution Channels?
- Customer relashionship?
- Revenue streams?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

7 >> Key Activities

The Key Activities Building Block describes the most important things a company must do to make its business model work.

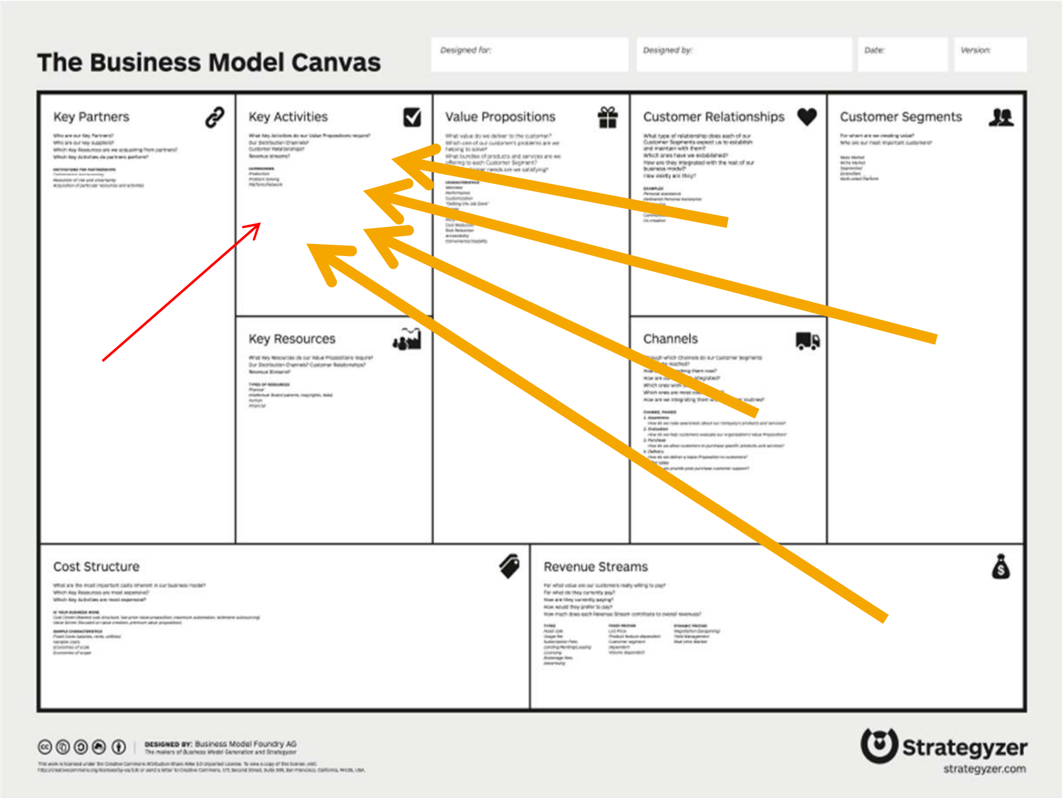
The Key Activities are the most important actions an organisation must take to operate successfully and could differ depending on business model type.

They are required to create and offer a relevant Value Proposition, maintain relationships with different stakeholders, as well as to earn revenue.

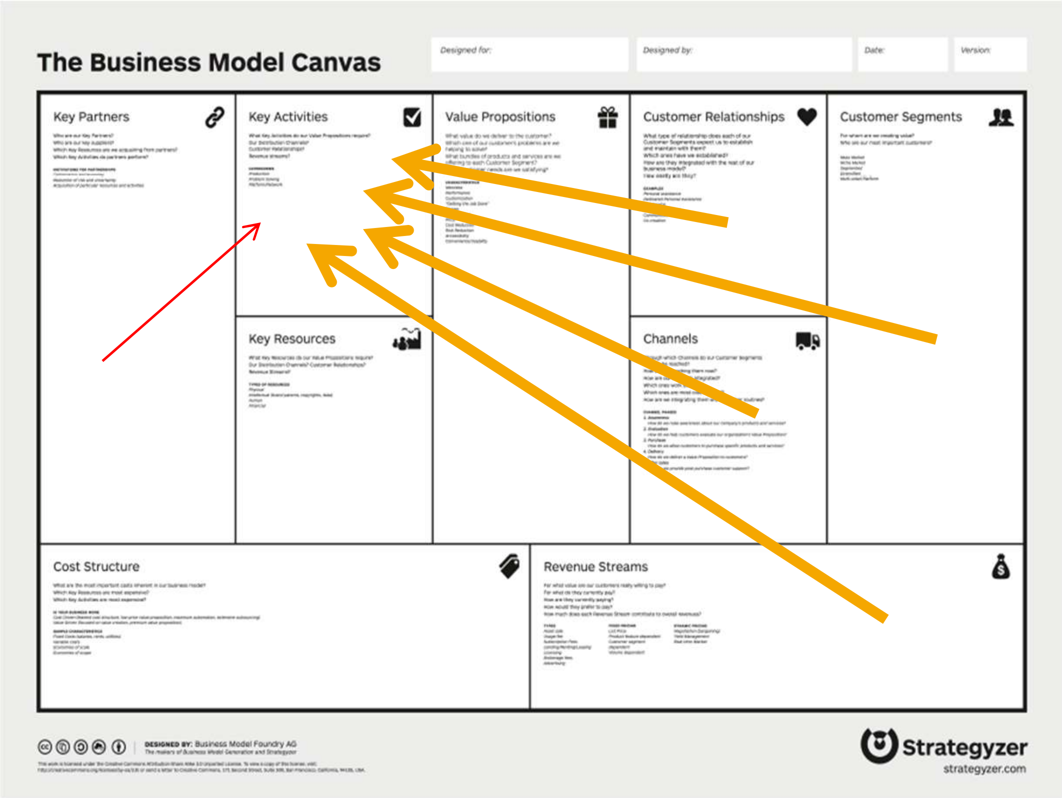
- What Key Activities do our Value Proposition require?
- Our Distribution Channels?
- Customer relashionship?
- Revenue streams?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Key Activities



Key Activities



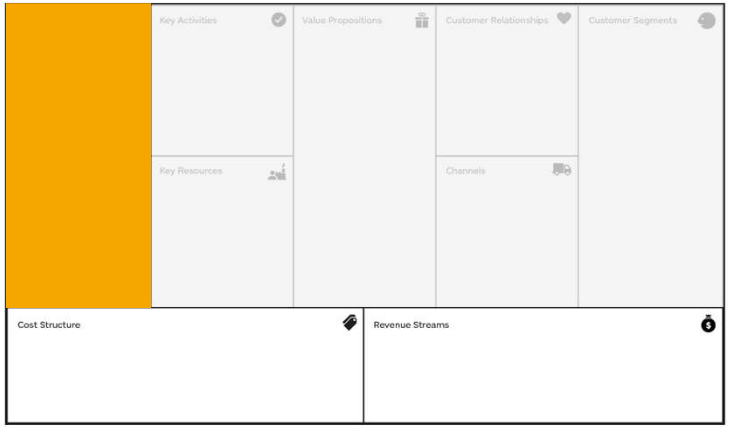
- All the machines, people and services necessary to make / create / produce its offer.
- All the people and services necessary to realize your customer and partner relationship
- All people, machines, transporters / logistics to be able to distribute its product / service through the chosen channels.

8 >> Key Partners

The Key Partnerships Building Block describes the network of suppliers and partners that make the business model work.

Partnerships are becoming a cornerstone of many business models. Creating partnership can help an organisation to optimize the business model, reduce risks, improve projects or acquire additional resources.

We can distinguish between four different types of partnerships:
1. Strategic alliances between non-competitors
2. Coopetition: strategic partnerships between competitors
3. Joint ventures to develop new businesses
4. Buyer-supplier relationships to assure reliable supplies



- Who are our Key Partners?
- Who are our key suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Key Partners

Suppliers

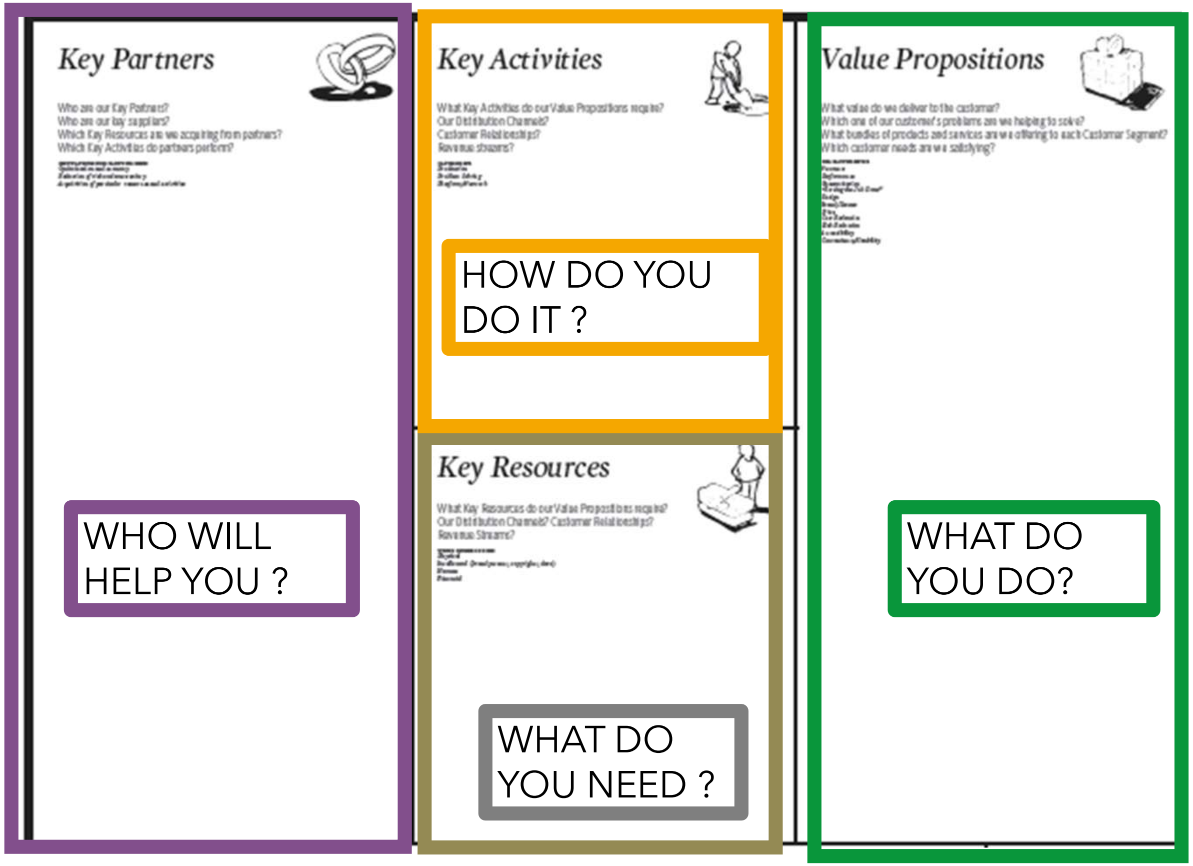
Subcontractors

Professional Associations and Organizations

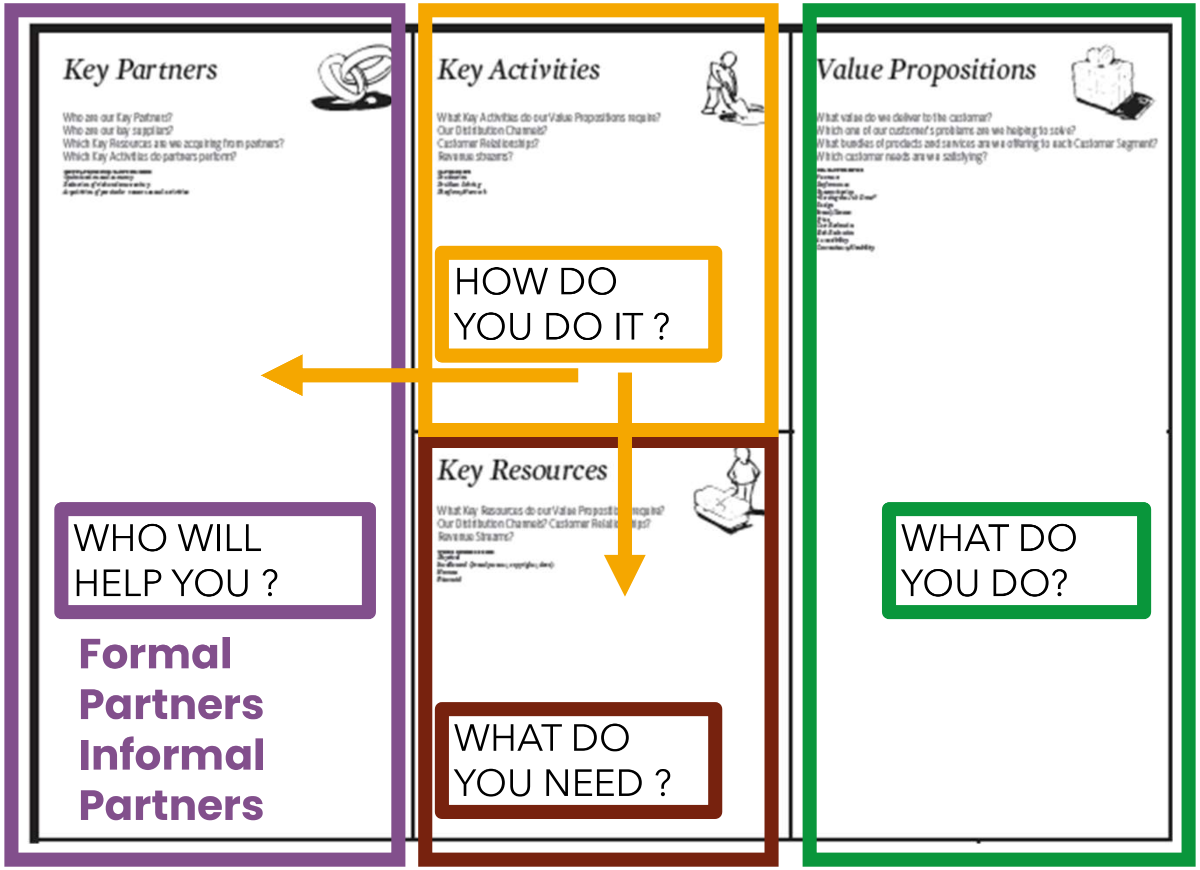
Opinion leaders

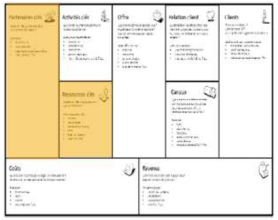
Market Partners

Key Partners & Activities



Key Partners & Activities





RESSOURCES OR PARTNERS

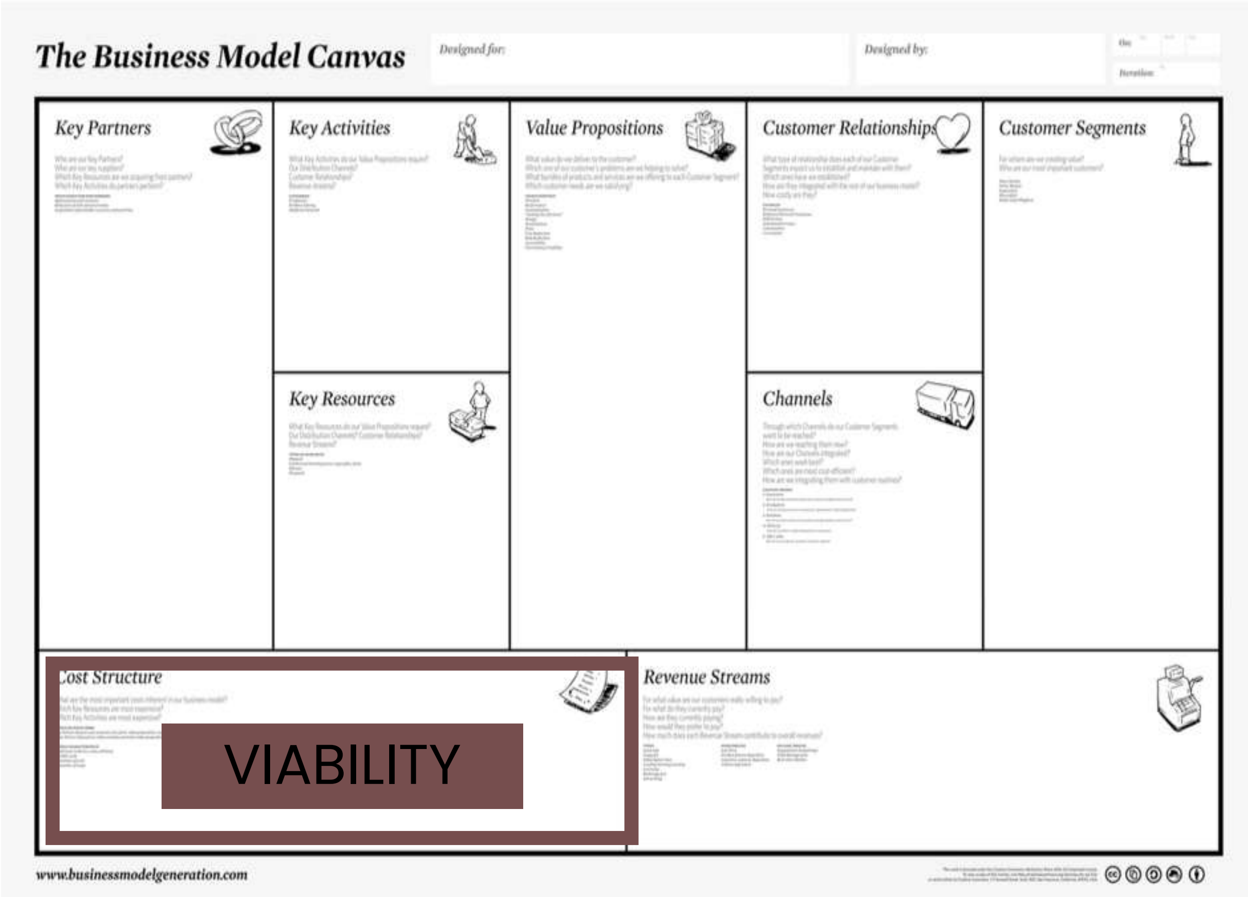
Partner

- Activity : not regular or recurring too expensive employee
- Too much risk with an employee (in case of illness) but not enough work for two employees
- Not enough work and not possible part time

Ressources

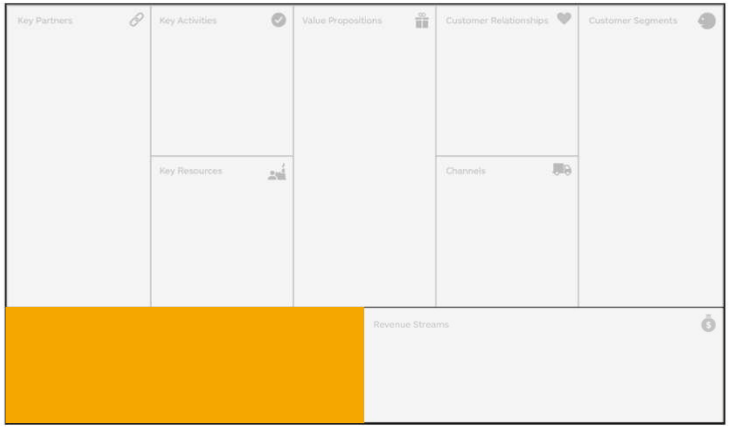
- Key or strategic activity
- Regular activity (at least weekly)
- Possibility of versatility (used on different activities)
- Less expensive internally than externally

Viability space (2/2)



9 >> Cost Structure

The Cost Structure describes all costs incurred to operate a Living Lab.



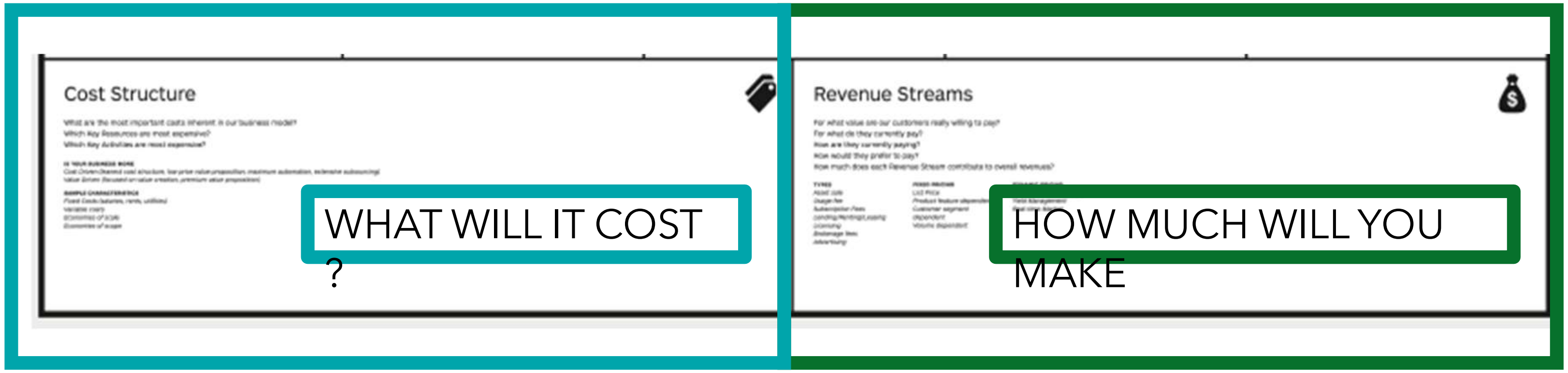
The costs can be calculated after defining Key Resources, Key Activities, and Key Partnerships of the organisation.

Of course, some business models are more cost-driven than others.

- What are the most important costs inherent in our business model?
- Which Key Resources are most expensive?
- Which Key Activities are most expensive?

Source: Österwalder, A. & Pigneur Y., Business Model Generation, 2010

Viability space



Costs & Revenues

Costs

- Current charges (electricity, Internet, premises, small equipment, ...)
- Purchases for manufacturing (product = raw material and manufacturing, service = human costs)
- Investments (computers, machines, ...)

Revenus

- Sale of services or products (Subscription / Recurring? Unique?)
- Services (advertising, second hand sale?, ...)

Costs & Revenues

Beware!

When calculating your bottom line, pay close attention to investments ("false" recurring charges) and financing ("false revenues").

Costs & Revenues

Costs = Expenses & Investments

Revenue = Sales & Cash in Other Forms (Financing)

Result = Income - Expenses

Earnings = Revenue> Expenses

Loss = Revenue <Expenses

Diversity of the BMs

Social Business Model

Business Model Toolbox

Sustainable Business Model

CASE, competencies for a sustainable socio-economic development

Steps to create your Business Model

Mobilize
Prepare for a business model design project

Understand
Analyse elements needed for the business model design

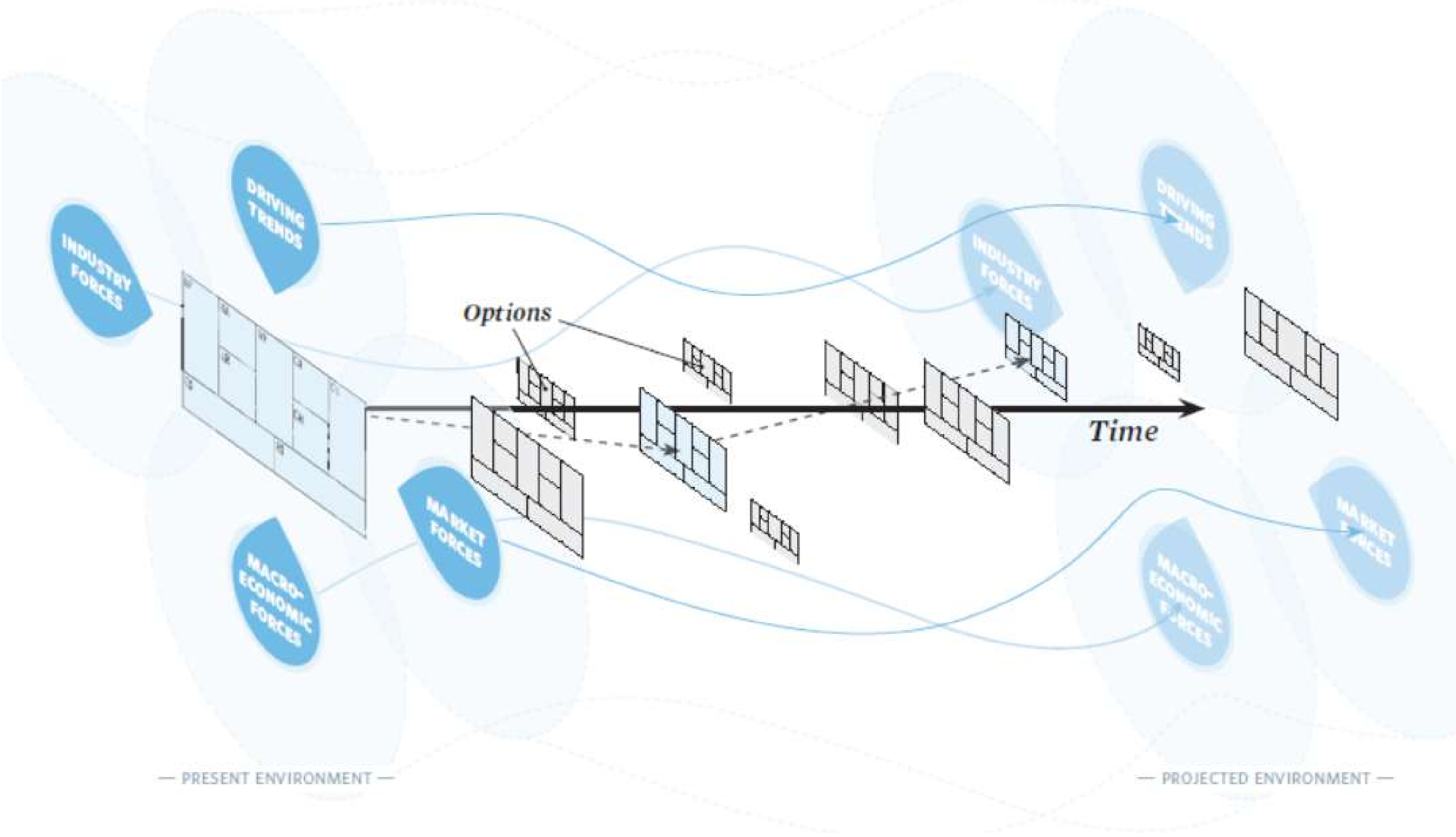
Co-design
Generate and test business model options, select the best ones

Implement
Implement the business model prototype in the field

Manage
Adapt and modify the business model in response to current needs

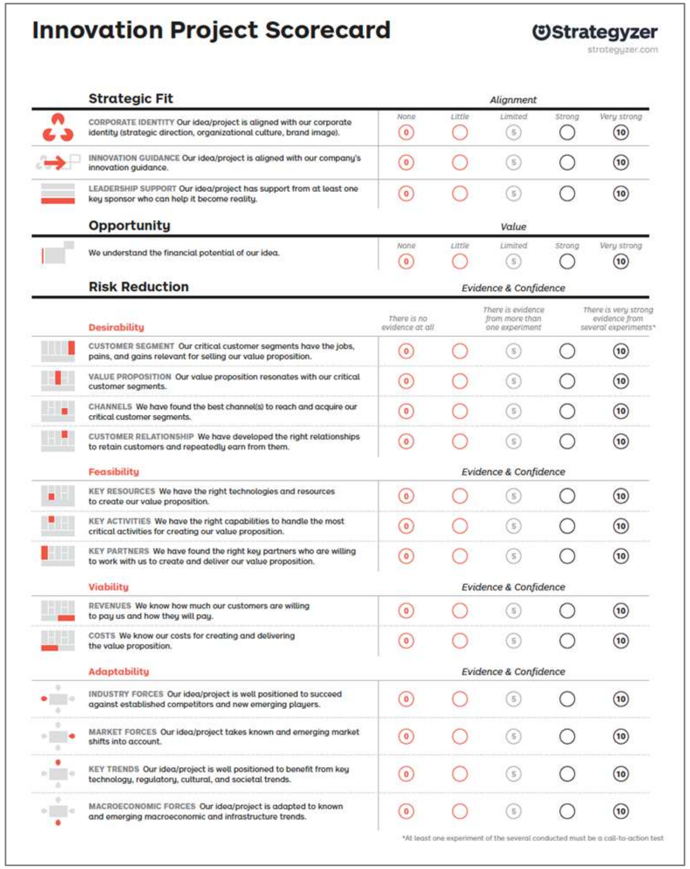
Source: Business Model Generation, 2010

Business model evolution



Source: Business Model Generation, 2010

Innovation Project Scorecard



Innovation Project Scorecard

Strategyzer
strategyzer.com

Strategic Fit

	Alignment				
	None	Little	Limited	Strong	Very strong
CORPORATE IDENTITY Our idea/project is aligned with our corporate identity (strategic direction, organizational culture, brand image).	0		5		10
INNOVATION GUIDANCE Our idea/project is aligned with our company's innovation guidance.	0		5		10
LEADERSHIP SUPPORT Our idea/project has support from at least one key sponsor who can help it become reality.	0		5		10

Opportunity

	Value				
	None	Little	Limited	Strong	Very strong
We understand the financial potential of our idea.	0		5		10

Risk Reduction

Evidence & Confidence

Desirability	There is no evidence at all		There is evidence from more than one experiment		There is very strong evidence from several experiments*
CUSTOMER SEGMENT Our critical customer segments have the jobs, pains, and gains relevant for selling our value proposition.	0		5		10
VALUE PROPOSITION Our value proposition resonates with our critical customer segments.	0		5		10
CHANNELS We have found the best channel(s) to reach and acquire our critical customer segments.	0		5		10
CUSTOMER RELATIONSHIP We have developed the right relationships to retain customers and repeatedly earn from them.	0		5		10

Feasibility	Evidence & Confidence				
KEY RESOURCES We have the right technologies and resources to create our value proposition.	0		5		10
KEY ACTIVITIES We have the right capabilities to handle the most critical activities for creating our value proposition.	0		5		10
KEY PARTNERS We have found the right key partners who are willing to work with us to create and deliver our value proposition.	0		5		10

Viability	Evidence & Confidence				
REVENUES We know how much our customers are willing to pay us and how they will pay.	0		5		10
COSTS We know our costs for creating and delivering the value proposition.	0		5		10

Adaptability	Evidence & Confidence				
INDUSTRY FORCES Our idea/project is well positioned to succeed against established competitors and new emerging players.	0		5		10
MARKET FORCES Our idea/project takes known and emerging market shifts into account.	0		5		10
KEY TRENDS Our idea/project is well positioned to benefit from key technology, regulatory, cultural, and societal trends.	0		5		10
MACROECONOMIC FORCES Our idea/project is adapted to known and emerging macroeconomic and infrastructure trends.	0		5		10

*At least one experiment of the several conducted must be a call-to-action test

https://global-uploads.webflow.com/64830736e7f43d491d70ef30/64c7bd8dbbe971000a2290b3_Innovation-Scorecard-2023.pdf

From Business Model to Business Plan

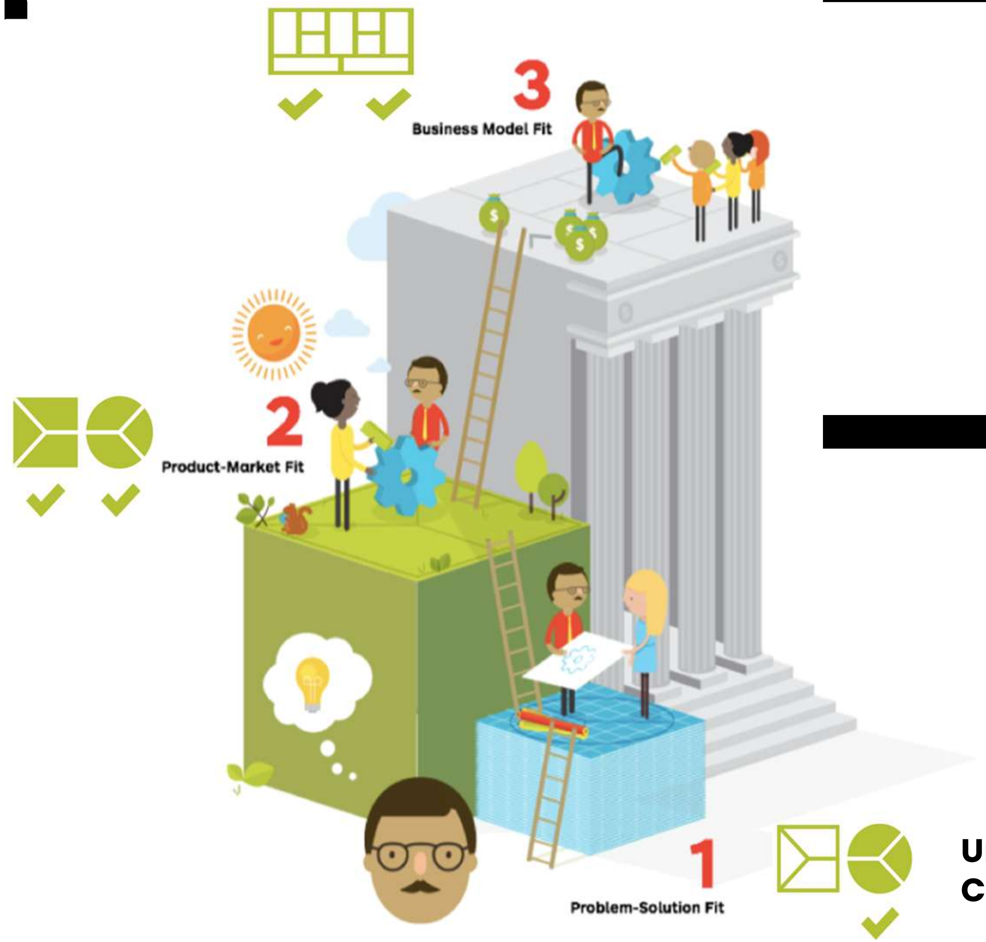
MRL 5

BM fit

Understand Business Model

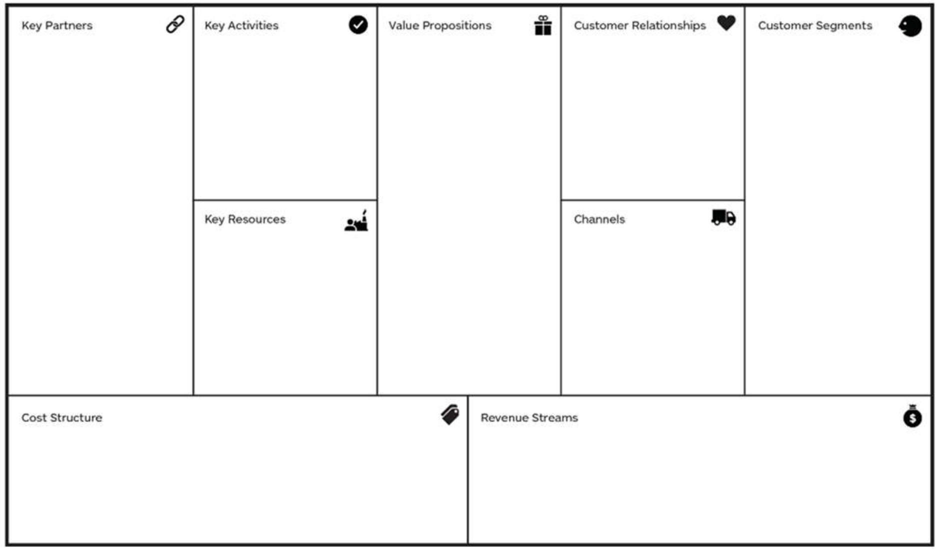
Understand Value Proposition

Understand Customers



BUSINESS PLAN

Business Model > Business Plan



The business model is the company's way of creating value, while **the business plan is a document** setting out the company's strategy and financial implications for the coming years. Thus, **the business model is a part of the business plan.**

Business Plan

Business plans is a document summarising key elements of your business (team, company, targets, market, budget, etc.).

Business plan is a useful tool helping to make decisions for your business, regardless of whether you are still in the planning phase or already established in the market. The business plan first analyses the situation.

When should a business plan be drawn up?

There is a whole series of scenarios which require a business plan to be drawn up

- Setting up a business
- Introducing a new product
- Strengthening the equity base
- Buying or selling a business
- Managing a buyout
- Planning succession or expansion
- Applying for a loan or finance lease
- Acquiring partners
- Initiatives with authorities (e.g. economic development)
- Preparing for collaboration with business advisers
- Structuring internal planning

Source: kmu.admin.ch

Business Plan >> steps

1st step - Describe your company
- the sector you are in
- team behind the company
- your mission, values and goals

2nd step - Analyse the present situation and the future of the company
- the key strengths and weaknesses of your business
- try to point out what makes your company more successful than the competitors
- define the most important opportunities, risks, and challenges of the future for your company

3rd step – Analyse your market opportunities
- describe the market your company is currently in
- list your customers and products/services
- provide the same information for your market 3 years from now

Source: kmu.admin.ch

Business Plan >> steps

4th step – Present your customers

- list your customer segments
- give a brief description of why your customers are happy with your company (added value)
- describe the programmes that you intend to use to obtain new customers and/or how you plan to make your company better known among your target customers
- name the distribution partners you wish to offer your services through and/or who will be helping you to win new customers

5th step – Describe your goals

- describe the infrastructural changes you plan to make to reach your targets
- define main milestones with clear target dates
- make sure that your goals are measurable and that they can be verified on the target date

Business Plan >> steps

6th step – Present your sales & costs

- describe the sales and costs situation over the past few years
- explain how you anticipate this situation will change in the future.

7th step – Financial plan

- work out your funding needs based on your financial plan
- present your needs to the recipient of the business plan as a petition
- show what benefits your financing partner will enjoy by agreeing to your petition and what collateral you have to offer for the funding
- demonstrate how you will keep the finances and liquidity in your company under control in the future

Source: kmu.admin.ch

Business Plan >> tips

1st tip

Customize your business plan for each particular recipient.
What specific goals do you want to reach with whom using your business plan?

2nd tip

First impressions are important.
Accompany your business plan by attractive, convincing appendices.

3rd tip

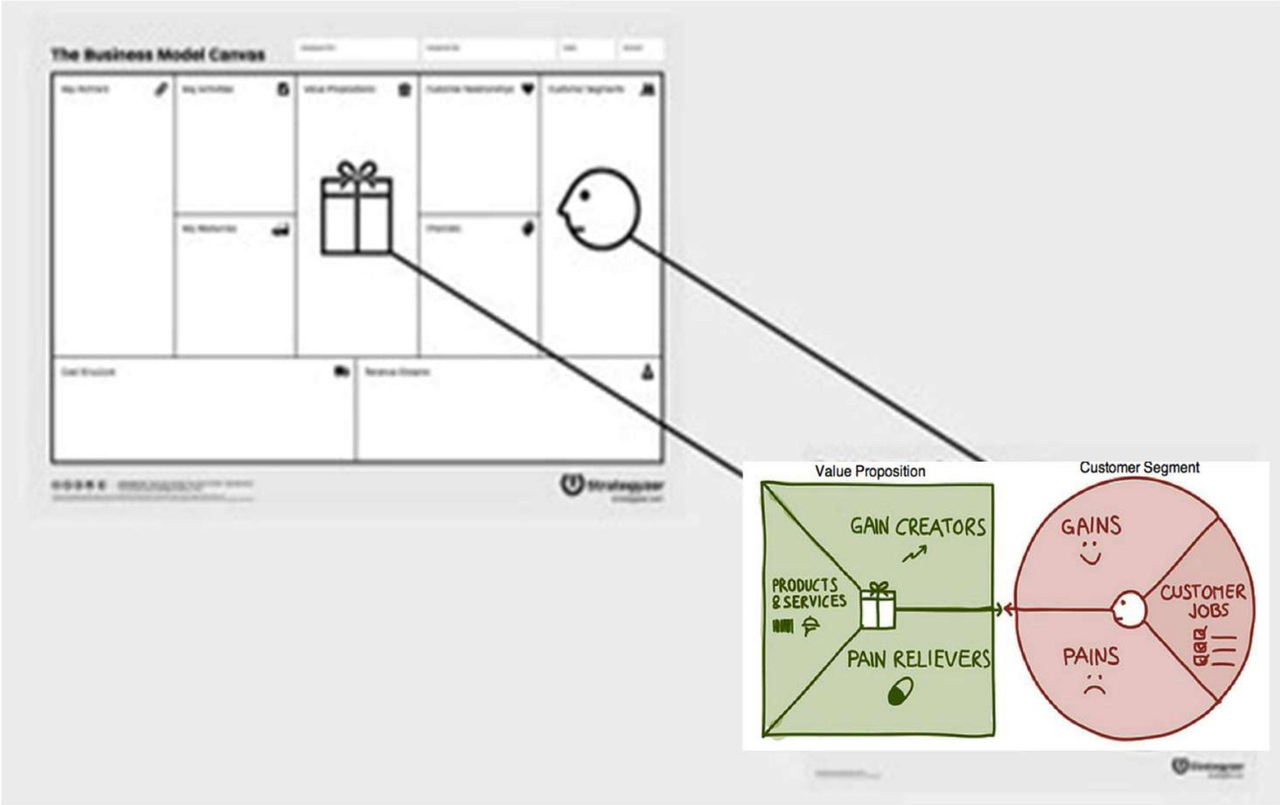
Regard the critical feedback and additional questions from banks or other partners as an opportunity to constantly polish your business plan.

Structure of a Business Plan

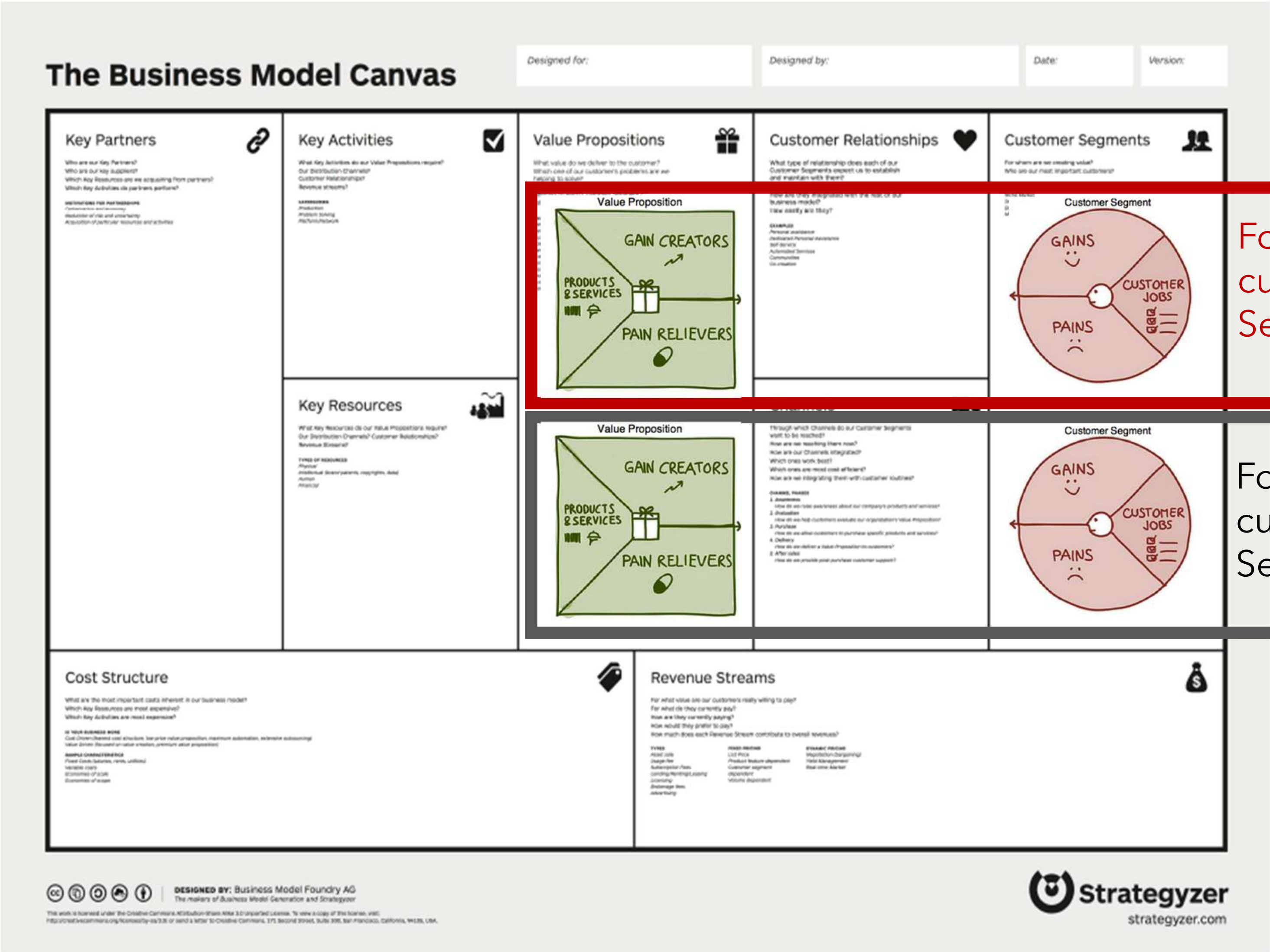
0. Covering page
1. Executive Summary (1 page)
2. Team
3. Motivation & Problem statement
4. Market & Customers
5. Offer/Project
6. Competitors & differentiation
7. Marketing & Sales
8. Risk analysis
9. Activities & key partners
10. Infrastructures
11. Legal structures
12. Finance
13. Diagnosis & next steps
14. Appendices

Source: GEN_guidebusinessplan

BM & VP



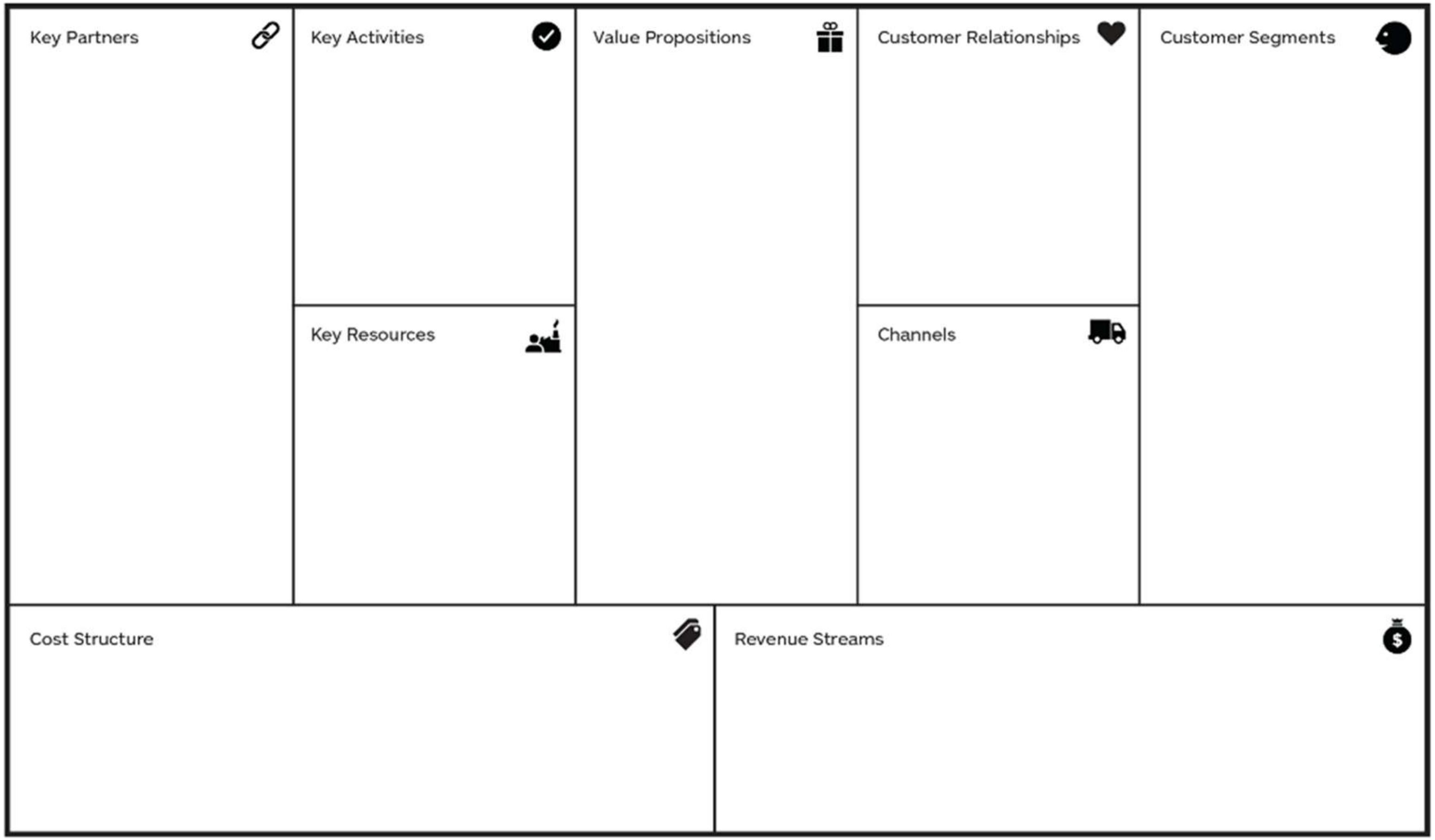
The Business Model Canvas
Value Proposition
Customer Segment
GAIN CREATORS
PRODUCTS & SERVICES
PAIN RELIEVERS
GAINS
CUSTOMER JOBS
PAINS



For each customer Segment

For each customer Segment

Fill in the BMC in teams



3. IMPLEMENTATION & SCALE UP

MRL 6-7-8-9

Why does implementation matter ?

- It transforms theoretical concepts and prototypes into practical applications that can be used **in real-world settings.**
- It **provides a testbed** for **refining innovation** based on actual use and feedback, leading to continuous improvement.
- Successful implementation is necessary for the **adoption and diffusion of innovation and Living Labs**, which can lead to widespread **benefits and societal progress.**

Image from Energylivinglab.com

Implementation & Scale up

Demonstrate the system and exploit the solution

Example of the NEST infrastructure in Switzerland

Real-life demonstration of the system

- Integration of the solution in a system
- Analysis of the performance in use
- Technical and social analysis of the integration

SRL 6 - 7- 8 - 9

TRL 6 - 7 - 8 - 9

Different practices and strategies

Manzini (2015) identify different practices:

- **Scaling out:** refers to expanding the size or scope of an initiative, often growing the capacity or increasing the resources to enhance the impact within the current operational context.

- **Scaling up:** involves replication or dissemination of an initiative across different geographic locations or contexts, adapting the core principles to diverse settings or populations.

Upscaling stages

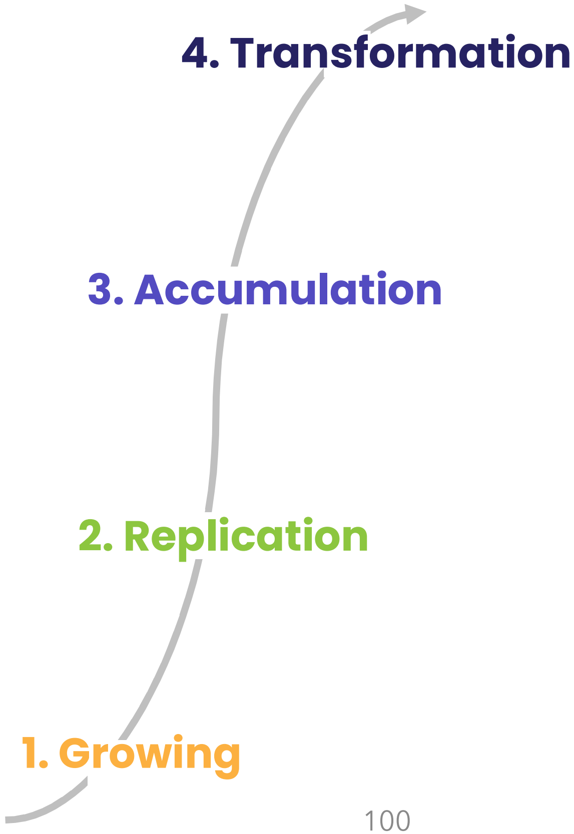
They are four upscaling stages defined by Dijk et al. (2018):

1.Growing or actor scaling, which means that more actors get involved in the experiment.
Ex. Growing within a LL > more projects, more partnerships, bigger community

2. Replication or spatial scaling, which means that the experiment is expanded to other locations.
Ex. Spatial scaling: Implementation of similar solutions in different cities such as sharing methodology of Climate and Energy plan development with neighbor's cities

3. Accumulation or content scaling, which is linking an experiment to another experiment.
Ex. Content scaling: starting from small scale pilots (eg. One building renovation) then testing technologies and applying them in a bigger scale (eg. Several neighborhood's renovation)

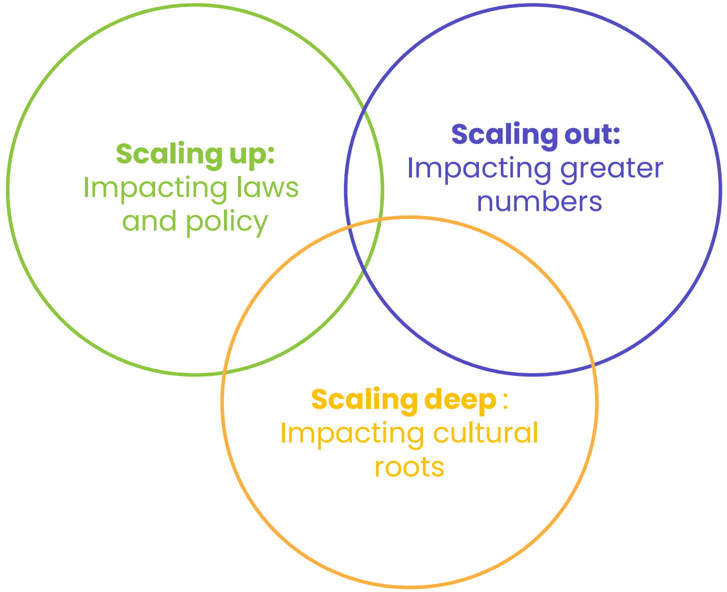
4.Transformation, which entails wider institutional change by the experiment and the adoption of innovations into institutional structures.
Ex. Transformation: Starting from a small start-up, working as a LL transforming into a bigger sustainable company



Meso level : Scaling up innovations

Riddell and Moore outline three typologies of approaches for scaling for social innovations:

- **Scaling up**: the route to changing policy or impacting laws, to change the broader institutional 'rules of the game'.
- **Scaling out:** the route most often thought of as 'scaling' in the social sector, when an organization can successfully replicate a particular social innovation in different communities, to reach greater numbers of people.
- **Scaling deep** : this refers to changing the deeper values, cultural beliefs, meanings and practices of people, and the qualities of their relationships, to bring about change.



Video about Scaling Up, Out, Deep by Allyson Hewitt

Adapted from Riddell and Moore (2015)

Meso level : Scaling up innovations

Scalling approches	Description	Main strategies
Scaling out	*Impacting greater number*: Based on the recognition that many good ideas or initiatives never spread or achieve widespread impact	**Deliberate replication**: Replicating or spreading programs geographically and to greater numbers **Spreading principles**: Disseminate principles, with adaptation to new contexts via co-generation of knowledge
Scaling up	*Impacting law and policy*: Based on the recognition that the roots of social problems transcend particular places and innovative approaches must be codified in lay, policy and institutions	**Policy or legal change efforts**: New policy development partnering, advocacy to advance legal change and redirect institutional resources
Scaling deep	*Impacting cultural roots*: Based on the recognition that culture plays a powerful role in shifting problem-domains, and change must be deeply rooted in people, relationships, communities and cultures	**Spreading big cultural ideas** and using stories to shift norms and beliefs **Investing in transformative learning** and communities of practice
Cross-cuting strategies for scaling	Cross-cutting strategies were those approaches all participants reported using to scale their initiatives and were not specifically associated with scalling out, up or deep.	**Making scale a conscious choise** **Analyzing root cause and clarifying purpose** **Building networks and partnerships** **Seeking new resources** **Commitment to evaluation**

Adapted from Riddell and Moore (2015)

Barriers to upscaling

Cellina et al. (2018) outline five barriers to scaling up innovations in Living Labs:

- **Low stakeholder receptiveness:** Lack of consensus on innovations among broader populations or political entities.
- **Low institutional receptiveness**: Resistance from policy-makers or institutions to new methods like co-creation, often due to a preference for traditional processes.
- **Institutional fragmentation**: Organizational division leading to poor cooperation, differing interests, and governance structure incompatibilities that hinder scaling up.
- **Sticky urban assemblage**: Entrenched financial, legal, infrastructural, or technical conditions that resist change, such as long-term contracts or established infrastructures.
- **Neglecting effects outside project locality**: The challenge of extending locally successful innovations to a broader scale due to context-specific success.

Conditions to enable upscaling

Barrier	Condition
Low stakeholder receptiveness	Open participation as early as possible. Involve all stakeholders
Low institutional receptiveness	Involve policy-makers, show commitment and distribute responsibility. Institutional transformation, change regulations and perspectives
Institutional fragmentation	Transparency, cross-sectoral collaboration, national funding.
Sticky urban assemblage	Clear communication strategy, focus on long-term contract and legal rules
Limited representativeness	Diverse group of stakeholders involved

Adapted from van der Wal, J. (2021)

4. INTERACTIVE ACTIVITY

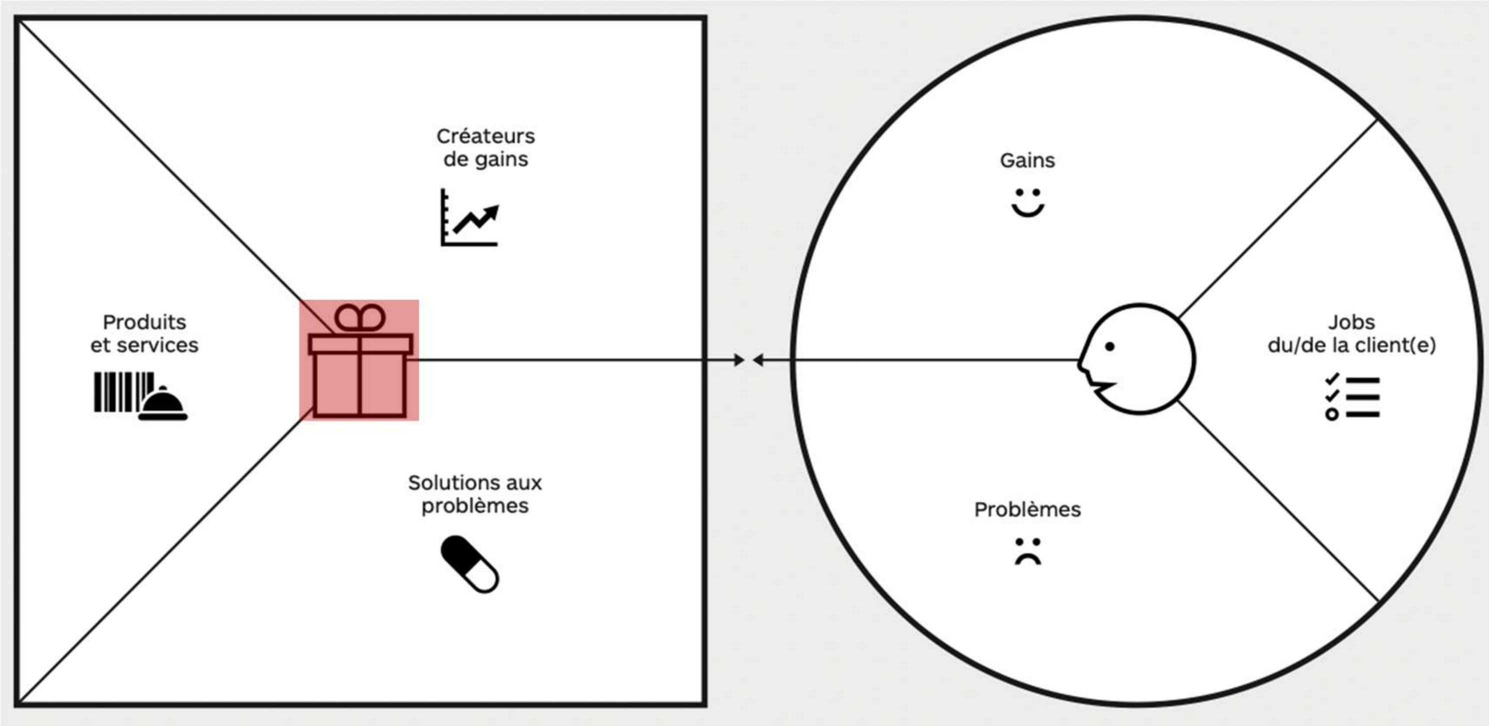
Q & A

Photo de Jon Tyson sur Unsplash

Interactive activity

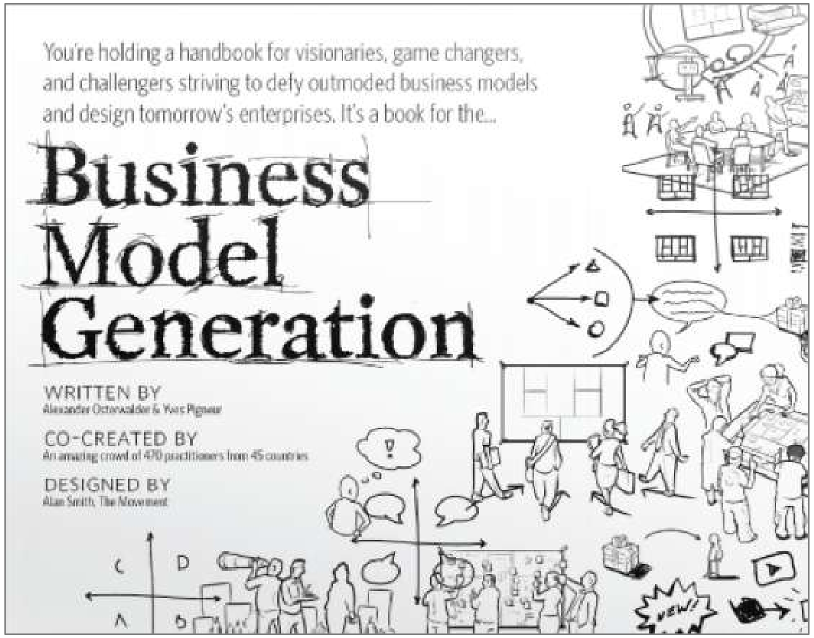
Connect to the Miroboard
https://shorturl.at/yFL29

Define your unique VP!



Sources


How to create products and
services customers want.
Get started with...
Value
Proposition
Design
strategyzer.com/vpd
Written by
Alex Osterwalder
Yves Pigneur
Greg Bernarda
Alan Smith
Designed by
Trish Papadakos
WILEY
Strategyzer
Series
Sequel to
Business Model Generation
International Bestseller
30+ Languages


You're holding a handbook for visionaries, game changers,
and challengers striving to defy outmoded business models
and design tomorrow's enterprises. It's a book for the...
Business
Model
Generation
WRITTEN BY
Alexander Osterwalder & Yves Pigneur
CO-CREATED BY
An amazing crowd of 470 practitioners from 45 countries
DESIGNED BY
Alan Smith, The Movement

Intellectual Property

Contact us for methodological support for your project!

Energy Living Lab Association
Email : info@energylivinglab.com
Website: https://energylivinglab.com/