

## Outline of the business plan of the project within the Potential Programme

The business plan (BP) is a key part of the submitted project – it should describe with sufficient convincingness all important points of the project. Therefore, it should be the primary guidepost for both the subsidy applicant and for the entities that will decide on the acceptance or rejection of the project. The outline of the business plan is designed so that it fulfils this stated requirement and in order for the evaluator to find in the BP answers to all questions that are important from the perspective of evaluation of the project. The BP should not contain information which will be required in the application (identification data about the project, etc.), though the applicant should refer to this in the relevant chapters. The BP should not contain more than **30** pages of text.

### **A) Brief summary of project content – max. three pages (the most important facts)**

- 1) The reason for establishing or expanding research and innovation capacities (hereinafter referred to as “RIC”) and the expected benefit for the firm.
- 2) Specialization and utilisation of RIC for the needs of the company (description of R&D activities and the transfer thereof to production).
- 3) Anticipated eligible costs (EC) and their financing (total eligible costs, anticipated amount of the subsidy, own financing and liabilities).
- 4) Implementation of RIC (construction of buildings, modification of existing premises, existing and new equipment and instruments, constructed RIC area, the number of R&D jobs, the price per 1 m<sup>3</sup> of enclosed space, plan of technically ensuring RIC activities in the long-term horizon).
- 5) Human resources for RIC and organisational structure of RIC operation within the firm (number and qualification structure of new employees and employees assigned to the project, organisational incorporation of RIC operation into the company’s structure, cooperation with R&D partners).
- 6) Brief time schedule of project implementation (phases).
- 7) Planned types and number of RIC results/output (research solutions leading to new products and processes, implementation of R&D results in the form of innovations, prototypes, patents and licenses).
- 8) Specification of particular planned EC in an amount over CZK 500,000 excl. VAT in relation to the budget in the application.

### **B) Necessity and relevance of the project** (in the case of an applicant without a prior history, the situation of the entity/entities that exercise a controlling interest in the legal entity of the applicant should be described)

- 1) Area of specialization of the company’s activities from the perspective of the technological advancement of products according to the annex. Companies in whose production the products (results) of the development centre are not utilised shall present, according to the annex, the area of specialization of the company’s/companies’ activities from the perspective of the technological advancement of products in which the products (results) of the development centre are utilised in production and the extent of such utilization.
- 2) Place of implementation of the project in a region with concentrated state aid; the characteristics of the region and the project’s location.
- 3) Expected degree of innovation of R&D results (innovation ranking) during the project (does the project contribute to the advancement of the company’s activities into the category of products with a higher technical level?). This information can also be ascertained by comparing the specialization of the company/companies in which the products (results) of the development centre are utilised).
- 4) Is the project related to the protection or improvement of the environment? Will the project lead to the regeneration of “brownfields”?
- 5) Description of the current position and form of the company:
  - a) The basic business strategy of the Applicant and how the submitted project fits into this strategy, demonstration of knowledge of the market, methods of ascertaining the needs of customers; concept of the technical-economic development of the firm in the coming three years – max. two pages.  
*In the case of projects with a subsidy amount over CZK 20 million, specify the principles of other important company activities (trade, innovation of products and processes, investment development, etc.)*

- b) Method of reacting to current market opportunities and trends in the given field of business (innovation of the company's own products and processes) – specific cases, for example statement of turnover from sales of innovative products for the previous three years or the share of turnover from sales of innovative products in relation to the total turnover for the previous three years.
  - c) Method of acquiring new knowledge (purchase of licenses, orders for research solutions, own research).
  - d) Participation in R&D-support programmes.
  - e) Utilisation of deduction from the income-tax base of costs expended on R&D projects.
- 6) Description of the company's innovation process and its historical development; description of experience with implementing projects (national, international), including specific examples and the level of achieved results (new products and technologies, patents, publications, etc.) and their market utilisation (realised fees for provided licenses, innovative products reflected in revenues, etc.); certificates for new systems of quality management; other activities rationalising and improving the conduct of business; ways of protecting the company's intellectual property showing, among other thing, the innovation maturity of the company.  
*In the case of projects with a subsidy amount of over CZK 20 million, the applicant should also describe activities in the area of further education and training of employees and activities in the areas of marketing and organisational innovation, etc.*

**C) Applicant's preparedness for implementation of the project** (in the case of an applicant without a prior history, the situation of the entity/entities that exercise a controlling interest in the legal entity of the applicant should be described)

- 1) Feasibility of the project in relation to the description of investment projects and their financing implemented in the last three years; the character of ensuring the organisation of project implementation (internally, externally).  
*In the case of projects with a subsidy amount over CZK 20 million, the applicant shall also state whether this involves the utilisation of other sources of financing, e.g. requesting aid in the programme supporting the horizontal mobility of employees in the Operational Programme Education and Competitiveness or in the Real Estate Programme of the Operational Programme Enterprise and Innovation.*
- 2) Characteristics of the operation of separate RIC units (laboratories, pilot verification units, development structure and workshops, clean rooms, testing polygons, etc.) and the subsequent specification of all acquired long-term tangible and intangible assets for R&D financed by the project's resources in relation to the project's budget, including a statement of their technical parameters and anticipated maximum price; in the specification, it should be stated whether this involves the utilisation of some equipment for other purposes and to what extent (in such cases only the aliquot part of the acquisition price of the given equipment will be included in the project); in the case of construction projects, the constructed RIC area, costs for the purchase of land, buildings, renovation, project documentation and other related costs, the price per 1 m<sup>3</sup> of enclosed space; in the case of non-investment costs (services of consultants and experts, studies, mandatory publicity and costs in the "de minimis" regime – travel, wages and insurance) their planned amount, including the rationale, should be stated.
- 3) Method of acquiring qualified human resources (the number and source of employees – the company's own employees, external recruitment, qualification and age structure of the employees, their attestation, a description of their further development and involvement in the project).
- 4) Technical feasibility of the project implementation, sequence of solution phases (time schedule of the project-solution process – setting of milestones (phases) and methods of monitoring the achievement thereof, Gantt diagram; process of assembly and introduction of large and sophisticated equipment into operation; process of the purchase of land, construction of new buildings for RIC, modification of existing premises and settlement of property-rights relationships; description of how the long-term RIC operability will be ensured.
- 5) Assurance of partnerships within the project; the partner's experience and influence on the transfer of RIC results to the market and on the long-term utilisation of RIC and the form of ensuring cooperation.
- 6) Description and incorporation of existing research capacities (R&D section) in the company's organisational structure, the method of its management, cooperation with other relevant sections (trade, marketing, quality management), proposal of the organisational inclusion of RIC into the company's structure (the company's organisational structure), description of the

company's own operation (system of operation), maintenance of equipment and instruments, assurance of operability.

- 7) Reason for establishing or expanding RIC and the expected benefit for the company (specialization of RIC, anticipated impact on the company's activities, advancement to a higher technical level); rationale for attainment of the project's target parameters (mandatory and monitoring indicators), which will be inspected in the final phase of the project; financing of the project's solution (proportion of own financing and liabilities).

**D) Benefit of the project for the applicant's further development and competitiveness**

- 1) Planned types and number of RIC results (research solutions leading to new products and processes, R&D results implemented in the form of innovations, prototypes, processes, patents, licenses) and clearly defined changes of technical parameters with respect to the existing R&D results in connection with their implementation and applicability on the market.
- 2) Quantification and logical rationalisation of the project's economic benefits for the company, e.g. financial expression of the number and types of realised R&D results in the form of technical or product innovations in terms of revenues and growth of for R&D support substantiated by an analysis of the market for newly created R&D results.
- 3) Future involvement of RIC in external cooperation on the commercial basis of applied R&D, types of joint projects (international R&D projects – EU framework programmes, national R&D-support programmes, others); other types of cooperation (e.g. within regional or sector clusters, platforms, etc.)
- 4) Impact of the project's implementation on the future development of the company, including potential economic and non-economic benefits (e.g. benefits for the region or the Czech Republic as whole in the form of lower unemployment, availability of R&D facilities for other entities, involvement in the transfer of technologies with regard to the creation of knowledge economy values, new systems of quality management, introduction of new standards into production, involvement in initiatives ensuring better use of the company's resources or support for the protection of intellectual property and intensification of the innovation cycle).

**E) SWOT analysis of the project**