

Baltic Blue Biotech Alliance

Thematic questions template

1. Value and strategy

Defining the **value proposition**, i.e. a statement which identifies clear, measurable and demonstrable benefits consumers get when buying a particular product or service, and the **competitive advantage** which separates your concept from competitors on the market. Potential for scaling the business, in all targeted markets. Needs for **intellectual property rights (IPR)**, to protect your concept through copyrights, patents, and trademarks.

- What is the value proposition of the concept to its clients?
- What is the competitive advantage of the business/concept?
- What are the means to scale the business? Are there different scaling preconditions and tools in different markets?
- How are the client needs expected to develop in the future?
- What aspects of the concept are critical for IPR protection?
- What is the status of the required IPR process?
- What IPRs for the technology/solutions have been applied for?

2. Markets

Understanding of the client's needs and target market, for determining the commercial potential of the concept. The **target market**, the market which the concept will be sold to, can be estimated through e.g. conducting a market assessment, and is a key element for future development of the business. A **market share** is the target of how much of the total market size the business is aiming at conquering. **Brand and marketing** efforts are important for accessing the market, and gaining a market share. A **revenue model** defines how revenue will be generated in the business. **Pricing** is the method with which the concept will be sold.

Client base and needs

- Who are the primary clients of the products?
- What are the needs of the clients?
- Have clients expressed their interest towards the product?
- How can the clients be reached?

- What kind of contracts need to be established with the clients?

Target market and its size or potential

- What is the target market in terms of client types?
- Has a market assessment been completed? What are the main conclusions of the market assessment?
- Where are the main markets?
- What is the expected size of the market currently?
- How is the market size expected to develop in the future?
- How big a market share is targeted?
- By when should this be reached?

Competition on the market

- Who are the main competitors?
- What kind of products currently fulfill the client needs?
- How are the competitors expected to respond to the changes in client needs?

Brand and marketing

- Has a brand been developed for the product?
- How has the brand been tested and modified according to needs?
- What kind of marketing efforts have been conducted so far?
- What kind of marketing efforts have been planned?
- What additional marketing efforts are required?
- What are the key challenges related to marketing?

Monetization

- What is the revenue model? (e.g. units sold / licensing / 'as a service' model etc)
- How is pricing defined? (e.g. fixed pricing / dynamic pricing)

3. Management and organization

A **management system** is the way in which the company organizes itself internally. The management system includes e.g. policies, procedures and processes and improvements of these. The objective of a management system is to improve performance to reach objectives of the company. **Risk mapping** defines the areas which might pose a risk to the business for achieving its objectives, the **risk management plan** defines how risks

are minimized. **Key persons** in the business are those whose capabilities and effort the business is dependent on. A **management structure** defines the internal hierarchy of the company. **Human resources** include the personnel the company needs to hire for continued growth, or the knowledge needs the company needs to fill in order to reach its objectives.

Management system

- What is the management system of the operation like?
- How is it documented?
- Has a risk mapping been completed?
- What is the risk management plan?
- When and how is the risk management plan prepared and updated?

Key persons

- Which are the key persons in the business?
- Have key persons been committed in the business? How?
- Have key competencies been identified and secured?
- How clear is the management structure and how relevant is it for the business and business development?

Human resource needs

- How is the current personnel profile in line with the needs and targets?
- What kind of human resources are needed at different phases of business development?
- Are required human resources available? To what extent?
- What are the costs and availability of the required human resources?

4. Product and process development

Research and development are continuous efforts to improve the product and process. Development needs might include e.g. selection or improvements to the processing equipment, product modifications, raw material availability research needs, development of marketing strategy and material or management system. In addition to identifying the research needs it is also important to identify where the **needed expertise** can be obtained and maintaining a sufficient network to cover these needs.

- What kind of research has been conducted for product and process development?

- What type of further research is required for product and process development to enter the markets?
- What kind of additional development is expected to be needed once the product is in the markets?
- What is the realistic plan for completing the required research and development efforts? (e.g. schedule, expertise, financing, technology)
- How extensive is the research network for serving the research needs of the development and has it been secured?

5. Resources

Resources in a company are linked to physical raw materials, capital and human resource needs. **Short-term capital** needs are those required for the next 12 months of operations, for example to pay for wages, raw materials or components that you need to buy in order to complete an order from a client. Sources of short-term capital can include e.g. retaining profits or short-term loans. **Suppliers and partners** can be key for accessing the market, thus committing them to the business can be necessary to secure. Analysing the whole **value chain**, the whole chain from raw material to production and finally end product and customer, aids in gaining and understanding of critical bottlenecks for the business, or areas where more planning is needed.

Materials

- What are the critical factors related to the availability of raw material required for the process?
- How is the price and availability of the raw material expected to develop in the future?
- To what extent is raw material for the targeted full size production levels available and accessible?
- What are the risks and competitive advantages related to the raw materials?
- How could the existing raw materials be replaced by new materials in the future in this or competitors' business?

Working capital (short term capital needs)

- What are the working capital needs for establishing the business?
- Have the costs of the operations been clearly assessed?
- What is the source of working capital required?

- What kind financing instruments will be used? (working capital, short-term financing needs)
- Who are the financing partners, and what is their commitment level?

Suppliers and partners

- What kind of suppliers and partners are required for the product?
- What kind of suppliers and partners are required for accessing markets? (e.g. service providers)
- What are the critical factors related to supplier and partner availability?
- How have the suppliers and partners been evaluated and committed in cooperation?

Value chain & procurement

- What is the product value chain description, including e.g. utilized side-processes, users of side streams, other services, marketing support?
- How are critical factors considered in the value chain description? (e.g. those related to resources listed above)
- How have the procurement procedures and principles been developed and implemented?

6. Production and logistics

Some questions under this topic might not be as critical if the end product is a service. Possible critical elements can include e.g. **scalability** of the production process, or how ramp-up of the production process can be done in case of a shut-down. **Logistics** can be needed in several steps of the value chain. In some products the quality of the logistics can be key for ensuring also a high quality final product. Ensuring good logistical partners also aids in keeping total costs in check.

Production

- What kind of inputs are required for the production process? (e.g. technology, raw material, chemicals)
- What are the critical factors related to production process?
- How readily available is the technology required?
- What kind of further technological development is required?
- How scalable is the production process?

- How do possible problems in the production process affect the supply of the product? (e.g. time required for relaunching the production after a stop)

Logistics

- What kind of logistics are required for the production process along the value chain?
- What kind of logistics are required for sales?
- What are the critical factors related to logistics?
- Who will be responsible for the logistics?

7. Funding and ownership (long-term capital needs)

Long-term capital needs are those extending for a period over 12 months, and normally covered by shareholders, public funding agencies or loan providers. Long-term capital can be used to fund for example R&D activities, sales and marketing or internationalization efforts. **Financial projections** is a forecast of future revenues and expenses. Preparing the projections helps understand strengths and weaknesses both inside and outside the company connected to cash flow.

- What funding does the business currently have and for what time span does it suffice?
- How much funding is required for the business development and when? What will it be used for?
- Have financial projections been prepared?
- Where will the funding be sourced from?
- Who are the potential investors?
- What would be the preferred terms for financing? (e.g. grant, equity, loan)
- How is the ownership structure of the business expected to develop?
- Is specific expertise expected for some of the stakeholders and has this required expertise been secured?

8. Quality and regulatory requirements

Requirements can be linked to **legislation, permits and certificates**. They can be authority demands or demands set by the customer. Especially quality aspects can be important to the end customer. **Environmental, health and safety (EHS)** issues cover a variety of issues to be analysed and potentially prevented e.g. use of dangerous chemicals and work safety issues. EHS issues might become more critical when production

is scaled up, even though they are not issues in smaller laboratory scale. A **disposal plan** is a plan for when equipment should be retired or disposed of.

- What are the critical legislative aspects of the concept? How are these met and expected to develop?
- What kind of permits are needed for the production and business?
- What kind of permits have been issued so far?
- What kind of certificates are required or suggested for the production?
- What does it require to obtain those?
- What are the critical factors related to quality?
- What kind of quality requirements are expected from the clients and how are these met?
- What are the EHS issues relevant to the business?
- What are the critical health and safety aspects to be considered in the production?
- Are specific chemical or dangerous goods required for the process?
- Has a disposal plan been prepared for full-scale production?
- What EHS issues should be considered in marketing and branding?
- Have the EHS issues been documented and addressed properly?

9. Sustainability

Having clarified the sustainability of the concept aids risk management, both from an operational and brand perspective. **Sustainability** should be viewed from an environmental, social and economic perspective. Positive sustainability impacts can be good marketing points for the concept.

- What kind of environmental impacts does the process have? How are these managed?
- What kind of social impacts does the production have? How are these managed?
- Is an official environmental impact assessment required for the production?
- What kind of future trends possibly affect the business model?
 - Resource availability
 - Client needs
 - Demand