

RULES

PROOF OF BUSINESS (2021-2022)

General context

In a climate where a lot of innovative technology start-ups invest a lot of time and resources in R&D, it is common that certain companies struggle to reconcile technological choices/challenges and the real needs/expectations in the market, because a sound, pre-validated and tested business and operational strategy, i.e. before the composition of the product or service portfolio, is often lacking. In addition, too much time, money and energy is often spent on strategies that prove to be ineffective.

Furthermore, more and more start-up entrepreneurs indicate that they need support from experienced entrepreneurs or entrepreneurs with a similar background to gain experience and maturity (daily management and adjustment of the business strategy, long-term vision and operational choices, technological challenges/risks and the resulting strategic choices, agility and lean management, good management practices, ambitions in terms of internationalization, etc.).

Following these observations, Innoviris wants to offer funding for proof of business (POB) support to Brussels-based technology companies that want to bring their **first innovative product or service** on the market.

Objective and philosophy

The main challenge of this funding program is to demonstrate the business and strategic relevance of the development of a **first innovative product/service**, as well as the correspondence between these operational concerns and the technological choices and challenges still to be made before the development of the product/service itself, with a view to long-term growth and sustainability. Thus, for one (or more) specific needs previously identified in the market, the program aims to test the relevance of a formulated value proposition through the validation/validation of pre-established working hypotheses. In addition, it also tests the credibility of the technological choices to be made for the development of a technologically innovative product or service that answers this need.

Specifically, this support takes the form of a non-refundable grant of 50-70% (depending on the actual size of the company, and with a maximum intervention of 70,000 euros) of the budget, which the applicant company must justify. This budget is to cover the expenses of the POB demonstration, regardless of the activity sector involved (ICT, health, environment, chemistry/biotechnology, etc.).

The work program proposed under this program **should** include the tasks related to the demonstration of a proof of business (POB), possibly complemented by one or more minor technical modifications of the proof of concept (POC) resulting from the test phase conducted under the POB (see CRL/TRL matrix below).

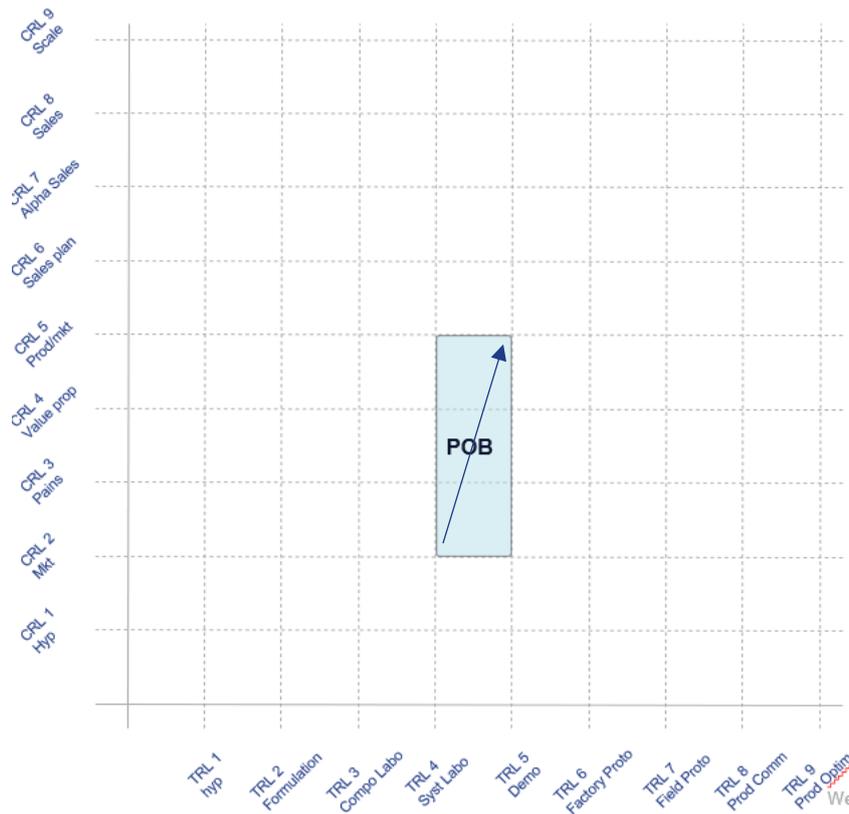
The proposed work program should last at least 6 months, but not more than 12 months.

Positioning the POB tool on the CRL/TRL scale¹

The CRL/TRL scale is a matrix designed as a working tool for the innovative entrepreneur to measure the level of readiness of an innovation project according to two dimensions:

- **The technical readiness level (TRL)**
- **The commercial readiness level (CRL)**

The POB tool proposed by Innoviris occupies the following position on this matrix:



Technically, a company applying for the POB program must have at least the following:

- at level TRL 4 - Experimental/POC in lab:
 - the various basic components of the solution were pre-assembled into a system that operates with 'low reliability' (pre-established POC);
 - the operation of this system was validated at the experimental level and its basic performance was measured in a test environment;
- at level CRL 2 - Market Analysis:
 - you have already acquired a good understanding of the market structure and segmentation;
 - you have estimated the size and growth of this market;
 - you have mapped the ecosystems; the parties involved, the potential partners and the competitors;
 - you have determined the value chain of the market and the company's intended position in that chain;

¹ CRL: Commercial Readiness Level – TRL: Technology Readiness Level, as defined in the MatMax-matrix of WLS: https://www.wsl.be/matmax/home_d.php

- you have selected one or a small number of segments (≤ 3) as potential commercial target groups;
- you have drawn up a list of customers you want to reach in the following phases.

As indicated by the arrow in the matrix above, Innoviris' POB program aims to enable the company using this tool to reach the TRL5 and CRL5 levels (no higher), i.e.:

- TRL5: in a simulated environment
 - the components have been realistically integrated into a functional (laboratory) system, particularly through the definition and implementation of documented interfaces between the components;
 - the functions and performance of the system have been validated in a real application and in a (simulated) environment representative of the final environment;
 - a functional 'specification' of the product was prepared based on market demand;
 - the expected architecture of the final product could be defined and documented;
- CRL5: validation of the product-market combination
 - based on the validated market needs and value proposition, you selected the intended target segments and defined the MVP (minimum viable product) specifications;
 - you have verified that the MVP meets the key needs of the customers in the target segment;
 - you have verified that the value as perceived by the customer can actually be generated in the form of revenue;
 - you have quantified the revenue and cost estimates and verified that a profitable business model exists.

Accepted tasks and assignments

The following tasks may be the subject of a Proof Of Business funding application: they serve to test the correspondence between the technological choices and challenges to be made prior to the development of the innovative products/services under consideration and the relevance of the value proposition/business model to be applied to meet the expectations of the target market:

- validation trials;
- on-site demonstration and presentation of the company's POC to customers by way of testing;
- introduction of reservations and analysis of user feedback, with a view to better positioning the functions to be developed and their potential operational and financial impact;
- testing and prevalidation of the price;
- testing of the intended technical and business positioning with respect to the strategy followed by the pioneers of the activity sector in question;
- etc.

In general, the technical and business tasks related to the POB that can take the company from a TRL4/CRL2 combination to a TRL5/CRL5 combination are potentially allowed.

The applicant may also subcontract some tasks, if necessary, provided that the technical and business risks associated with the proposed work program are primarily borne by the company implementing the POB project, or that a plan is clearly established and submitted for the internalization (during or at the end of the POB project) of any missing skills that are critical to the implementation of the project.

The following tasks are de facto excluded: macro-level market research and statistical research, determination of the general market need related to the product/service being developed and general determination of the business model to be set up, commissioning, protection of intellectual rights, ongoing management expenses, etc.

Eligible costs

The following costs are eligible:

- **personnel costs:** the costs associated with staff (employee or self-employed) to the extent that they are assigned to the project. Remuneration should be in line with the practices and scales (if applicable) of the activity sector concerned;
- **investment costs:** costs of instruments and equipment used during the project (acquisition cost/depreciation period*use period during the project*use percentage);
- **subcontracting costs:** this mainly concerns subcontracting in the broad sense of the term. The company can, if necessary, call on relevant external expertise (such as services provided by a Fablab);
- **operating costs:** in particular, the costs of materials, supplies and products required for the proper execution of the project.

A more detailed description of eligible costs is available in the [accounting guidelines](#) from Innoviris.

Note - Availability of own funds
It is important to bear in mind that any applicant organization must be financially capable of advancing the implementation costs of the project. Indeed, there may always be a time lag between the disbursement of the first grant instalment and the project start date. In addition, a portion of the grant will not be paid until after the project is completed.

Eligibility Requirements

To be eligible for financial support from the BCR under this program, the applicant must:

- Pursue as an underlying goal for its "PROOF OF BUSINESS" application the development of an initial technologically innovative product/service (not an existing product/service portfolio. Switching from a product-oriented to a service-oriented business model and vice versa is also excluded);
- demonstrate that it is truly rooted in Brussels;
- demonstrate the beneficial impact of the project in the BCR (economic, employment, environmental, social/societal effects, generation of know-how and skills, intellectual property, well-being of employees/citizens, or any other positive external factor that may demonstrate the exemplary role of the project manager in the field of the economic transition supported by the region);
- justify the incentive effect of the support on the implementation of the proposed work program;
- Have fulfilled obligations within the framework of subsidies previously granted by the Brussels-Capital Region;
- have established the business **no later than** the date of submission of this completed application form.

Selection/evaluation of the applications

Applications are collected and submitted for evaluation to a jury of experts that meets on average twice a year.

The jury's composition is in principle as follows:

- **a technical adviser** from Innoviris, responsible for assessing the innovative technological nature of the product/service on which the project is based, and the relevance of the hypotheses drawn up in relation to the job-related challenges and the technological choices which should lead to this/she first effective product/service;
- **a financial adviser** from Innoviris, a CEO of a Brussels-based company and an expert from the financial and technological world (representative of a business angel, venture capital firm, bank or other financial institution), who will jointly assess the relevance of the approach of the POB to be tested and the related tasks in the proposed work programme.

The composite panel evaluating the projects is, of course, bound by a duty of confidentiality, which it fulfils by means of a confidentiality undertaking that can be obtained from Innoviris upon request.

Each application must be defended by means of an oral pitch by the team responsible for implementing the defended work program before the jury, followed by a round of questions. Afterwards, a deliberation takes place behind closed doors and a decision is made whether or not to fund the project.

It is important to note that the following aspects are assessed:

- **Innovation and objectives of the project:** the objectives and relevance of the POB project must be clear and concrete. In addition, the technologically innovative nature of the future products/services being developed must be demonstrated, and (the need for) the testing/validation approach proposed in the POB must be clearly justified;
- **feasibility and implementation:** the work program must be relevant and realistic in terms of tasks, budget, expertise and resources;
- **strategic and economic impact:** the future innovative product/service must demonstrate a real potential for value creation. The project must be consistent with the overall strategy of the organization and with the perspective of long-term sustainability;
- **valorisation and impact:** the activity developed in the project must demonstrate a social, environmental and/or an impact on the Brussels ecosystem.

As the decision to award or not will be made each time after the jury meeting, **it is crucial that the information provided in this form is complete, detailed and substantiated.**

Finally, it should be noted that this support cannot be cumulated with the feasibility study funding program available to Innoviris.