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**NGI\_Trust – Guidance on Business Mentoring**

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**Abstract:** This documents presents the type of business mentoring support that will be provided to third-party projects funded via the European Union’s Horizon 2020 research and innovation programme under grant agreement No. 825618





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## 1 Introduction

The NGI\_Trust project aims to support the development of a human-centric Internet. by developing a stronger European ecosystem of researchers, innovators and technology developers in the field of privacy and trust enhancing technologies.

NGI\_TRUST will run two rounds of open calls in order to select and providing financial support to the best projects submitted by third parties in a competitive manner.

The project has four overall objectives:

1. Reinforce, structure and develop the community of researchers, innovators and technology developers in the field of privacy and trust enhancing technologies
2. Build on the state of the art in privacy and trust enhancing technologies by focusing support for third-party personal data, attributes and information
3. Improve user trust and acceptance of emerging technologies by focusing on applications and solutions that develop a more open, robust and dependable Internet and strengthen Internet Governance
4. Foster the exploitation and commercialisation of the results of selected third-party projects through a tailored process of coaching and mentoring.

To reach this goal, it is essential to develop and execute a clear and efficient engagement strategy based on a detailed mapping of relevant organisations and businesses involved in European (participants in project funded under Horizon 2020 ITC calls), national programmes, international working groups, Digital Innovation Hubs (DIH), digital business clusters identified via cluster excellence platform that will help:

- to facilitate the interactions and communication among identified stakeholders and the consortium;
- to support other activities such as info days, project cluster learning workshop;
- to target, encourage stakeholders and prepare them to submit their projects;
- to showcase of project results and disseminate them.

The NGI\_Trust project will leverage on the support of an advisory board of experts with proven expertise in privacy and regulations, security, identity management, encryption, network protocols, IoT and distributed ledgers (i.e. blockchain) and on the ideal mix of know-how of the consortium itself in management of research and innovation policies, technical expertise in the domain, business coaching and mentoring of Internet technology firms

## 2 Guidance for business mentoring

The present report is part of the milestones (Milestone M6) of the Work Package 4 of the project NGI\_Trust - "Partnership for innovative technological solutions to ensure privacy and enhance trust for the human-centric Internet".

This document includes the development of the project's guidance for business mentoring. The content of the guidance for business mentoring is also based on the main objectives of the project implementation, but also on the requirements set by the EU funded, H2020 project (i.e. grant agreement) and it is complementary to the project's communication and dissemination plan.



This document will serve as a reference guide for the consortium and beneficiaries of business mentoring services, as it details how to set up the framework for the business mentoring services to be offered as part of the project. The contents and actions described in the present document may be modified and fine-tuned, whenever needed, in order to best fulfil the original goals of the project.

Due to the fact that different entrepreneurship projects will be at different stages of development, mentoring services will vary from project to project. Moreover, mentees will have varying needs depending on the specific characteristics and states of their projects: whereas some may need further technological development, others may need partnering support, etc. Mentors will need to take these aspects into consideration, thus making each project unique.

Mentors will be given appropriate guidelines through the necessary means (Skype, e-mail, etc.) in order for them to understand each step of the mentoring process and best provide mentoring services to mentees.

Main action points of the business mentoring guide detailed in the document are:

- Mentoring benefits for entrepreneurs
- Establishment of guidelines of possible outcomes
- Creation of business model ([Lean Canvas](#))
- Identification of business opportunities
- Identification of risks
- Creation of a roadmap for an exploitation plan. Objectives will be set, and milestones will be established accordingly. Each project will have a plan with the following structure:



**Roadmap**

The roadmap includes a series of milestones (between 2 and 4) to be achieved during the mentoring period.

**Objectives:**

Mid-term objectives (2-3 years)

**Milestones:**

Milestone	Description	Due date
1		
2		
3		

**Action plan:**

Hypothesis to be validated
Validation strategy (activities, resources...)
Expected result

Mentees will develop a business model for their projects, following a customer-centric approach. A visual description of the business model is shown in the following figure 1 (the numbers 1-6 indicate the order in which the canvas should be filled in):



Figure 1– Lean Canvas (<https://leanstack.com/LeanCanvas.pdf>)

<p><b>Problem</b></p> <p>Top 3 problems</p> <p><b>1</b></p>	<p><b>Solution</b></p> <p>Top 3 features</p> <p><b>3</b></p> <hr/> <p><b>Key Metrics</b></p> <p>Key activities you measure</p> <p><b>6</b></p>	<p><b>Unique Value Proposition</b></p> <p>Single, clear, compelling message that states why you are different and worth buying</p> <p><b>2</b></p>	<p><b>Unfair Advantage</b></p> <p>Can't be easily copied or bought</p> <p><b>7</b></p> <hr/> <p><b>Channels</b></p> <p>Path to customers</p> <p><b>4</b></p>	<p><b>Customer Segments</b></p> <p>Target customers</p> <p><b>1</b></p>
<p><b>Cost Structure</b></p> <p>Customer Acquisition Costs Distribution Costs Hosting People, etc.</p> <p><b>5</b></p>		<p><b>Revenue Streams</b></p> <p>Revenue Model Life Time Value Revenue Gross Margin</p> <p><b>5</b></p>		

Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.

### 3 The process for sketching a Lean Canvas

**Sketch a canvas in one sitting**

While a business plan can take weeks or months to write, your initial canvas should be sketched quickly.

**It's okay to leave sections blank**

Rather than trying to research or debate the “right” answers, put something down quickly or leave it blank and come back to it later. Some elements like “Unfair Advantage” take time to figure out. The canvas is meant to be an organic document that evolves over time and it’s okay to say “I don’t know”.

**Think in the present**

Business plans try too hard to predict the future which is impossible. Instead, write your canvas with a “getting things done” attitude. Based on your current stage and what you know right now, what are the next set of hypotheses you need to test to move your product forward?

**Use a customer-centric approach**

While there are several alternative approaches to sketching an initial canvas in his book, NGI\_Trust will focus on a customer-centric approach.



## 4 The “Problem-Customer” pair

### List top 3 problems

For the customer segment you are working with, we will describe the top 1-3 problems they need solved.

### List existing alternatives

Then we will document how potential early adopters address these problems today. Unless we are solving a brand new problem (unlikely), most problems have existing solutions. Many times these may not be a readily obvious competitor. As an example, the biggest alternative to most online collaboration tools is not another collaboration tool, but email. Doing nothing could also be a viable alternative for a customer if the pain is not acute enough.

### Identify other user roles

Next, we will identify any other user roles that will interact with this customer. Examples:

- In a blogging platform, the customer is the blog author while the user is a reader.
- In a photo sharing service, the customer is the sharer, while users are viewers (family and friends).

### Hone in on possible early adopters

With these problems in mind, we will then take a closer look at the specific customer segment. We will narrow down the distinguishing characteristics of the prototypical customer. The objective is to define an early adopter - not a mainstream customer.

## 5 Mentoring

Entrepreneurs participating in NGI\_Trust activities will receive basic mentoring on some of the following topics, depending on their specific needs:

### Definition of market potential:

Techniques to measure the potential of a new product / service and evaluate its scalability.

### Financial assumptions and valuation of technological assets:

Development of assumptions that support and validate business plans for the exploitation of technology.

### Preparation of the financial plan, forecasts and instruments:

Preparation of financial forecasts and budgets that support the business plan.

### Financing with H2020 and other public instruments:

Public financing programmes.

### Lean Focus for the development of business opportunities:

Understand an iterative approach to risk reduction to address business development. Formulate business hypothesis for validation.

### Marketing for start-ups:

Practical cases for the definition and execution of marketing and commercialisation plans.





#### ■ Technological asset protection strategies:

How to protect a company's assets to generate competitive advantages.

#### ■ Legal Aspects – GDPR (General Data Protection Regulation):

Corporate structure, partners' agreement, licenses, permits and obligations.

#### ■ Start-ups and the entrepreneurial ecosystem:

Role of incubation-acceleration programmes and their relationship with the entrepreneurship ecosystem.

#### ■ What do investors want?

The keys to build attractive investment proposals.

#### ■ Agile Project Management:

Introduction to agile methodologies and training in the Scrum deployment in project management.

#### ■ Negotiation of commercial contracts:

Keys and aspects to consider in the negotiation of contracts.

## 6 Risks

Entrepreneurs face a series of risks when developing their business ventures. NGI\_Trust will take a close look at the most common types of risks that entrepreneurs often encounter, as well as specific ones that affect particular cases. Among the most common ones, we will find<sup>1</sup>:

#### ■ Competitive Risk

Competitive risk is the risk of a business facing competition from its rivals. Every business, besides monopolies, face competition because there are substitutes easily available in the market. New businesses have to face this risk to a higher degree because they face stiff competition from already established businesses. In order to minimise this risk, a proper SWOT analysis should be run to help develop strategies to deal with “counter attacks” from competitors.

#### ■ Technological Risk

Technological risk includes change in technology that are taking place at a rapid pace. What's in today goes obsolete tomorrow. It is difficult for entrepreneurs to be able to gauge the future properly. The solution in this regard is not to plan for today but tomorrow so that you are ready with the new technology by the time it goes huge.

#### ■ Political and Legal Risk

This risk is everywhere, especially, in the case of businesses that run in uncertain environments. This includes the changing political scenario including the changes in laws and regulations. The right solution in this regard is to have flexible policies so that changes can be incorporated just in case the government changes any of its policies.

<sup>1</sup> <https://www.renegadeentrepreneurs.com/10-types-of-risks-every-entrepreneur-must-battle/>



### **Economic Risk**

This risk includes the changes in the cycle that includes periods of high prosperity (boom) and recession. These cannot be predicted correctly and must be considered at the planning stage.

### **Financial Risk**

Financial risk is the risk of a business running out of finances. Entrepreneurs need to have a good financial sense in order to run a business successfully. They need to manage cash flow, predict demand and supply so that financial decisions can be taken properly.

Every decision, big or small, has a significant impact on profit and a company's financial position which is why it is very important to be careful.

### **Employee Risk**

The human capital is one of the most important things for a business to be successful. It is the duty of the entrepreneurs to build an impressive team of managers who can lead the employees in the right direction. No company can attain its goals without the support of its employees that act as the backbone.

There is always the risk of a key employee deciding to switch or not reporting to work on an important day. Some of the risk factors related to the employees can be controlled, such as many employees may be convinced from jumping ship by motivating them in several ways including a pay raise. However, certain problems such as a low output employee cannot be solved easily.

### **Strategic Risk**

Strategic risk is the risk of a strategy failing due to one reason or another. As a business companies plan keeping the future in mind there is always a chance of things going wrong as the future is uncertain and cannot be predicted correctly. The strategy they apply cannot be taken back which is why it needs to be sound.

Entrepreneurs need to have foresight so that they can plan properly. Plus, an entrepreneur may not have knowledge about every aspect of a business; hence he or she should seek help from relevant departments.

### **Health and Safety Risk**

This risk involves how a business functions. It is the duty of the businessperson to provide the right environment to its employees so that they do not have to face any kind of health hazard. There are employee and labour laws that clearly highlight the rules regarding everything from having a canteen to a bathroom, etc. If a company fails to practice this then it may lead to injured workforce that may trigger a lawsuit for the company.

### **Environmental Risk**

Risks that are associated with the environment are called environmental risks. Most of the risks that fall under this category cannot be controlled. These include natural disasters like flood and drought. Plus, a lack of natural resources also falls under this category.

The best option to overcome this risk factor is to do proper research before opening a business.

### **Operational Risk**

The risk associated with administrative procedures is called operational risk. This includes outdated IT systems, poor supply chain and disorganized record keeping. These problems result in big issues for the company as having wrong records would not give a true picture of the company's growth and may lead to poor decisions.



It is important for businesses to run continuous checks and keep an eye on everything to ensure that this risk factor is minimised.

It must be understood that risk is a part of a business. It cannot be completely removed. However, every entrepreneur should take measures to minimise the damage. NGI\_Trust aims at making entrepreneurs aware of their own risks, so they can implement mitigation measures.