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Co-funded by the
Erasmus+ Programme
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Kompetenzzentrum

D11.2 SME ACTION PLAN CHECKLIST
D11.4 TOOLBOX FOR SMES INNOVATION ECOSYSTEM
— AUGUST 2024

Innovation Company Toolkit



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THE CEO

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MESSAGE FROM THE CEO

Blått Kompetansenter is a growing innovation company. We create results through collaboration. It's about the sea, the people, opportunities, knowledge communities and dreams. It is also about nurturing new ideas, investing in new technologies and finding sustainable solutions to existing and future challenges.

Blått Kompetansenter was founded in 2015 and has its head office in Frøya with an embassy in Trondheim. The company is the result of a collaboration where local businesses, municipalities, business associations, Trøndelag County Council and SIVA own and create value together.

The pulsating life at Hitra and Frøya is the starting point for everything we do. Through dialogue with companies, we know that they want visibility, more partners and the right workforce. Others want funding, upskilling, reskilling or skills development. Our growing network of companies, schools and partners are our springboard for supporting innovation and regional development.

Blått Kompetansesenter CEO
Benedicte Brubakken



I think the sea, the wind and the weather does something to people! Our proximity to the sea's valuable resources binds us together and gives us unlimited opportunities.

Three Phase Business Plan

This guideline may serve as a step-by-step manual for business developers assisting innovation companies in evaluating and enhancing their business models and writing business plans. It uses the development of Blått Kompetansesenter's (Blue Center of Competence, hereafter known as BKS) business model and plan as an example- informed by our network and the consortium. The Business Plan guideline is divided into three phases:



1. Preparations and Knowledge Base

This phase emphasizes the importance of understanding the innovation company's operations, which may be complex and unconventional. It involves gathering internal and external information, including reviewing the company's existing documents, talking to management and employees, participating in meetings, and evaluating finances. This foundation is crucial for an effective evaluation.

2. Develop the Business Model & Write a Business Plan

With the information gathered, the next step is to refine the business model. Tools like the Business Model Canvas, which identifies key elements such as customer segments, value propositions, and revenue streams, are recommended. Concurrently, begin drafting a business plan, considering the company's role in the innovation ecosystem, funding opportunities, project mix, risks, sustainability, and team competencies. The draft should also outline how the company will generate revenue in the future.



3. Finalize

The final phase involves formalizing the refined business model into a written business plan. This document should detail how the business idea will be realized and serve as a tool for both the company and its stakeholders. While there is no one-size-fits-all format for a business plan, recommended sections include the business idea, business model, products and services, market analysis, marketing strategies, financial plans, organization, and an action plan. The plan should remain flexible and open to updates as new knowledge is acquired.

The guideline concludes with the innovation company ecosystem, examples of KPIs and a reminder that both the business model and the plan should be dynamic, evolving documents that adapt to ongoing learning and developments.

Phase 1

Preparations and Knowledge Base

To perform a good evaluation, it is critical to understand how this particular innovation company operates. Innovation companies can be complex and operate in unconventional ways. A good starting point is to do both internal and external research about the innovation company. If the innovation company already has a written business plan, this is obviously what you will first familiarize yourself with to evaluate. If the company does not have a written business plan, you will need to go through several steps to develop one. The following steps were used in the work with BKS's development of a business model and a business plan. They will give you a good starting point to understand the company's business model and formulate a written business model and business plan:

01 **Read up on what the company has previously written about itself**

Start by looking at the company's website and social media channels. How does the company describe itself and its operations? What services does the company describe it offers? What kind of expertise does the company describe it possesses? What activities do they write about?

02 **Look at the company's strategy documents**

If the company has existed for a few years, it is likely to have its own strategy document. This will give you important input for the business plan and can say something about the company's business model.

03 **Look at past annual reports**

These provide a lot of useful information about the company's activities, what they have accomplished, and what they wish to showcase.

04 **Look at any action plans or activity plans**

If the company has an action plan or activity plan, you must review this. It provides very important input for the development of the business model.

05 **Talk to the company's management**

Get the CEO to describe the company's business model. What is the CEO's perception of the most important deliveries, services, revenue sources, touchpoints, partners, customers, etc.?

06 **Talk to the company's employees**

Get them to describe their perception of the company's business model.

07 **Participate in internal company meetings: Listen – ask – learn**

What is the company working on? How do they work? Methodology? What is discussed in the meetings? What challenges do they face? What opportunities do they see? You will be able to gather important information and learning from participating in these meetings.

08 **Evaluate the company's finances – "where is our earning potential?"**

Do this together with the company's CFO. Get the CFO to show you the budget and accounts, revenue sources, costs, etc.

09 **Create an overview of the company's customers and partners**

You have now gathered this information from both the CEO and CFO.

10 **Talk to customers and partners**

How do they use us? What do they need help with from us? How can we help them improve? How do they help us improve?

11 **Summarise**

Create a summary of the projects, activities, and services delivered by the company.

After completing these steps, you will have acquired a good understanding of how this particular innovation company operates, and what its business model is or could be. You have gained good insight and now have a basis for starting the work of further developing the business model and -plan. This takes you into phase 2.

PHASE 2

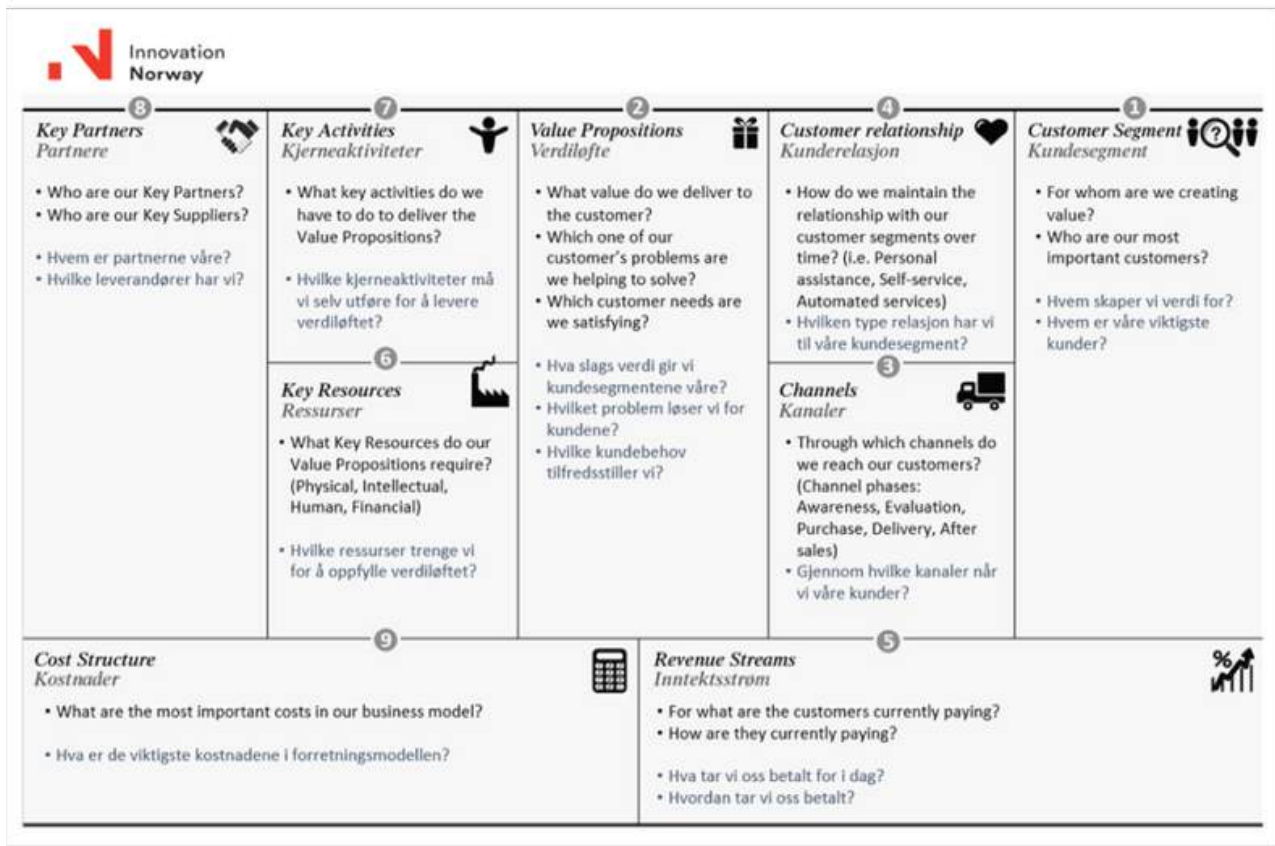
DEVELOP THE BUSINESS MODEL AND START WRITING A BUSINESS PLAN

You have now acquired a lot of good information about how this innovation company operates. You have gained insight into the company's strengths and weaknesses, activities, finances, revenue sources, customers and partners, the competencies of the employees, and the management's thoughts on future development.

To develop the company's Business Model, it is recommended to use a tool developed specifically for this purpose. In the case of working with BKS's business model the Business Model Canvas presented from Innovation Norway (based on Alexander Osterwalder) was used. This is a very good tool for further identifying and concretizing the various parts of the Business Model. The tool is a framework consisting of nine blocks. They help you map customer segments, value propositions, channels, customer relationships, revenue streams, resources, key activities, partners, and costs.

Use the Business Model Canvas and work systematically through all the nine parts, based on the information and knowledge that you have gathered so far about the company:

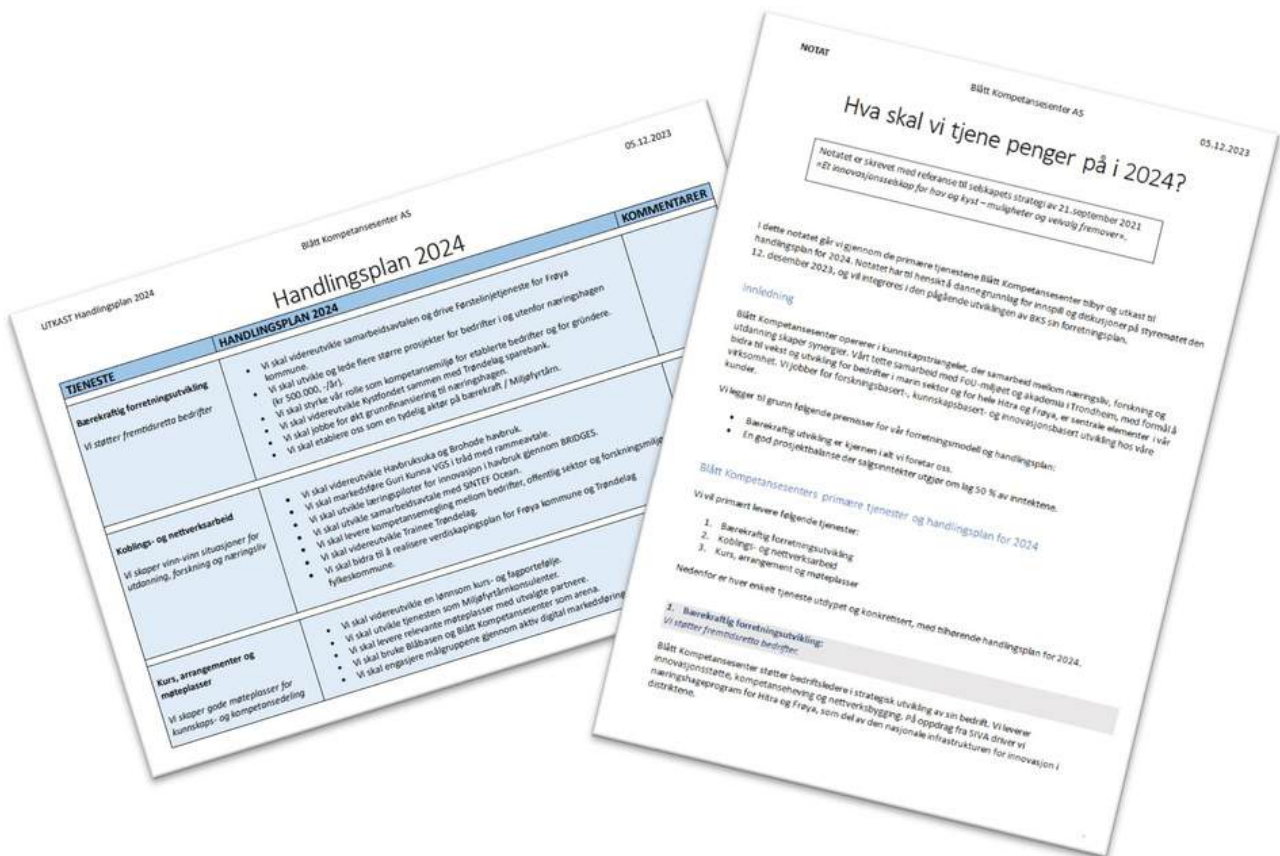
- Continue to map customer segments, both existing and potential new ones.
- Identify the company's value proposition.
- Identify the company's channels – through which channels does the company reach its customers?
- Describe how the company maintains the relationship with its customer segments over time.
- Describe the revenue streams – for what are the customers paying?
- Identify what key resources the company's value proposition requires.
- Describe the company's key activities – what key activities does the company need to perform to deliver the value proposition?
- Identify the company's key partners and key suppliers.
- Identify what the most important costs in the company's business model are.



PHASE 2

CONTINUED

- Simultaneously, you should start writing a simple draft for your Business Plan, based on your acquired knowledge so far and the work you do with the Business Model Canvas. The picture shows the table of content that was used during the writing of BKS's Business Plan.
- Look to others – how do similar companies operate? And how do this particular Innovation Company differ from them?
- Find out what the company's role in the Innovation ecosystem is – fill the gaps – complement what exists, carve your space where needed.
- What public funds does the company have access to? What private funds?
- Evaluate the Project mix together with the company's leadership: How can the company achieve a good project mix, i.e., a balance between public funds and allocations and selling hours to customers?
- Identify and assess risks and solutions.
- Have a clear focus on how the company contributes to Sustainability.
- A strong and competent team is essential. Get an overview of the competencies of the company's employees. Evaluate with the leader and the team what competencies will be necessary to acquire in the future.
- Describe how and what the company will make money from in the future. Create a proposal for the board – "How do we make money in 2024?" and develop a proposal for an action plan. This proposal is used as a basis for the development of the business plan. Get the board's input, insights, thoughts, visions on this – and adjust the proposal accordingly.



NOTE TO THE BOARD, "HOW DO WE OPTIMISE OUR REVENUE STRATEGIES IN 2024?" AND "ACTION PLAN 2024", BKS

Phase 3

Finalize the Business Model and Business Plan

Now you have made a great effort to evaluate and further develop the company's business model, and it is about time to formalize this into a written business plan.

The business plan should be a document where the company concretizes and demonstrates how the business idea will be realized. It should serve as a tool both for the company and for other stakeholders such as partners, banks, investors, authorities, etc. There is no definitive answer for how a business plan should be structured, and it will look different for different companies. However, some elements that we recommend to be included are: the Business Idea, Business Model (how the company will make money), Products and Services, the Market, Marketing, Finances, Organization and Administration, and an Action Plan. The company may use other names/descriptions and have more or fewer sections - and that is allowed!

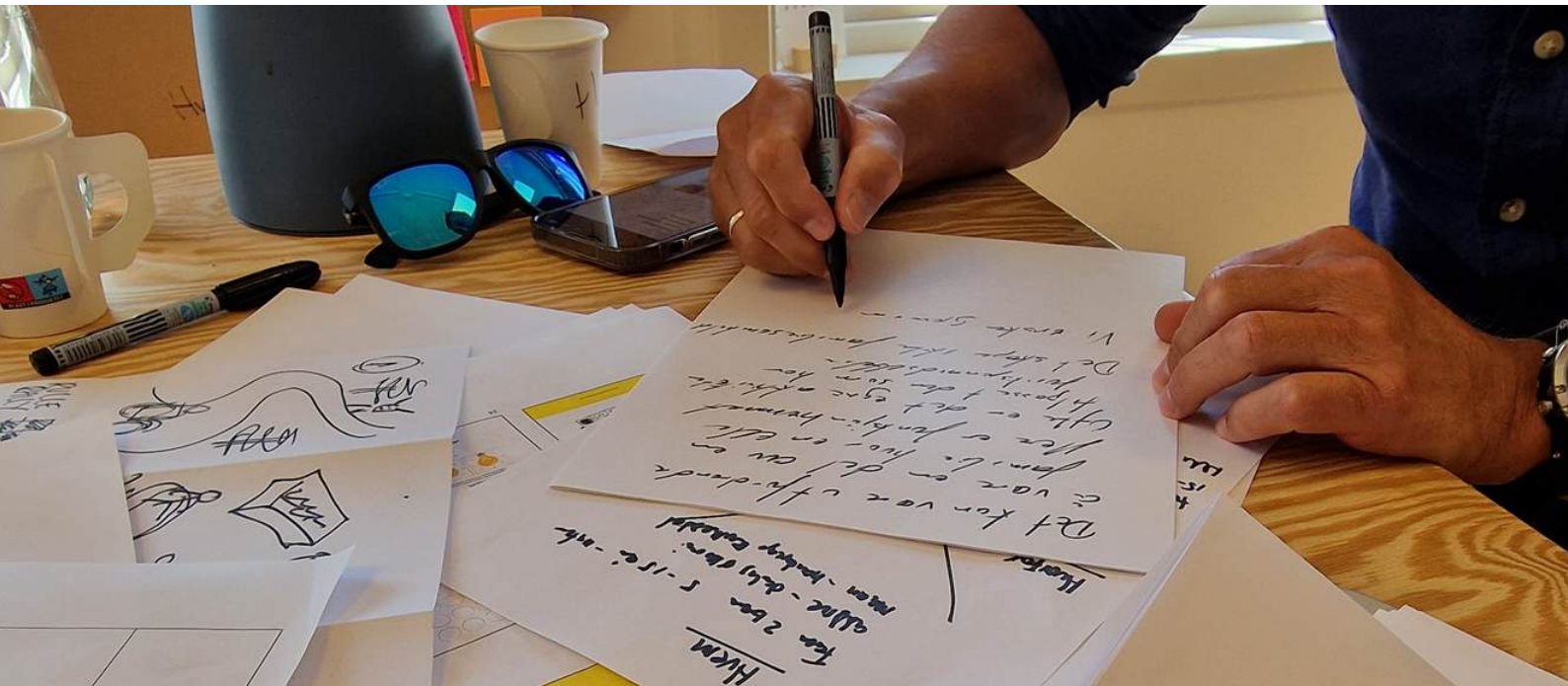
Remember: The business model, and the business plan, should always be open for further development and improvement. The business model/-plan should function as documentation but also be a dynamic plan that is adjusted in line with new knowledge that you acquire. As you go forward and learn more you should continue evaluating, revising, and updating the business model.

In the example below of developing BKS's business plan, the following chapters were outlined. *Please note! At the time of finalizing this guideline, BKS's business plan was not yet fully completed, and there may be some changes in which sections will be included later on.*

Summary

1. Background
2. Vision, Mission, Goals, and Values
3. Business Model
 - 3.1 Sustainable Business Development: *We support forward-looking companies.*
 - 3.2 Networking and Collaboration: *We create win-win situations for education, research, and industry.*
 - 3.3 Courses, Events, and Meeting Places: *We create valuable meeting places for knowledge and competence development.*
4. Market
5. Services and Products
6. Target Groups and Customers
7. Marketing and Visibility
8. Finances and Funding
9. Center Development
10. Organizational Development and Staffing
11. Ownership and Leadership
 - 11.1 The Board
 - 11.2 Leadership
12. Sustainability and Social Responsibility
13. Risk Analysis
14. Action Plan 2024

Table of Contents, BKS's Business Plan, -work in process, BKS.



THE INNOVATION COMPANY ECOSYSTEM

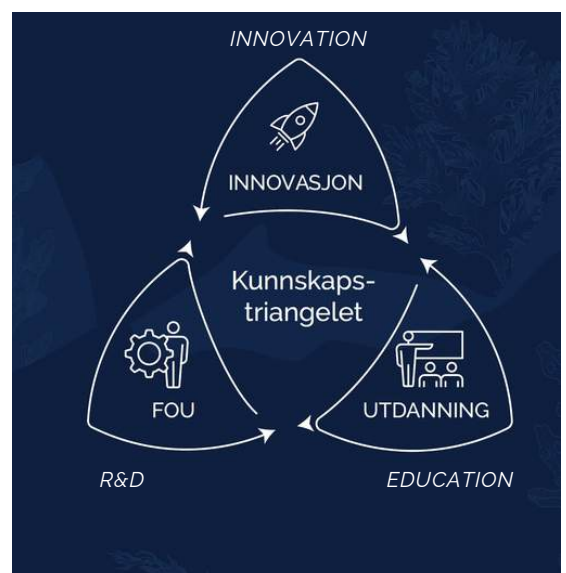
THE POWER OF COLLABORATIVE MODELS IN KNOWLEDGE TRIANGLES

An innovative collaboration model in a knowledge triangle enhances synergy by integrating the expertise of R&D, education, innovation companies, local businesses, municipalities, and business associations, accelerating problem-solving and innovation. It optimizes resource use, aligns academic and industry needs, and drives regional economic development and talent retention. This collaborative approach ensures continuous improvement and more impactful outcomes by incorporating diverse perspectives and feedback.

An innovation company can serve as the central connector in a knowledge triangle by uniting various institutions, driving regional development, and fostering a healthy community.

It should actively seek collaboration opportunities, leverage its network, and align with government goals and investor interests while allowing partners to contribute their expertise and creativity.

"An innovative collaboration model in a knowledge triangle leverages the strengths of each participant, drives faster and more impactful innovation, optimizes resources, and creates a more resilient and dynamic ecosystem.."



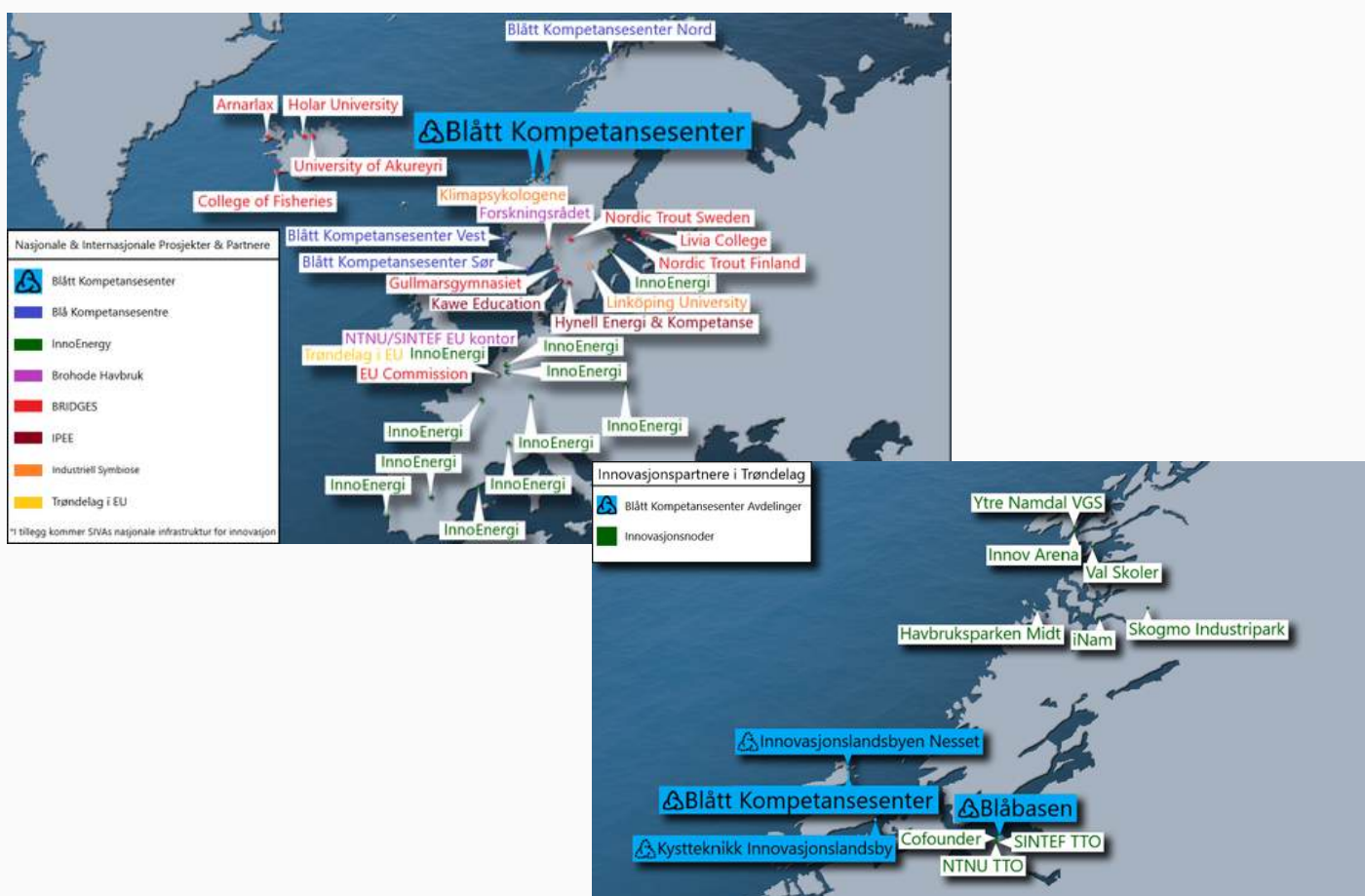
The innovation knowledge triangle.

The innovation company ecosystem

the Network

Displaying the innovation company ecosystem and their networks on a map, both at a macro-level and micro-level level, offers several key benefits. It simplifies the complex innovation landscape, making it easier to understand relationships and geographic distributions. This visualization helps identify gaps, opportunities, and regional strengths, guiding better resource allocation and informed policy decisions.

By allowing for comparisons between micro and macro levels, the maps highlights competitive advantages and areas for improvement. It also fosters collaboration by visualizing networks, which can attract investors and engage stakeholders more effectively. Additionally, the map supports evidence-based policymaking and promotes regional innovation initiatives, serving as a valuable tool for raising awareness, attracting talent, and enhancing the region's innovation profile.



Operational KPI Metrics

Just like with sales KPIs its important to have **hourly value goals** that align with a yearly company budget with which to compare quarterly metrics.

In the realm of effective management and strategic planning, whether through project sales or direct services, the use of precise performance metrics is indispensable. The following Key Performance Indicators (KPIs) are crucial for gaining a thorough understanding of operational efficiency and financial health.

Delivery Capacity is a critical metric that gauges the volume of work or services a company can handle within a specified period. This measurement is vital for understanding the operational limits of the business and optimizing the allocation of resources to meet customer demands. It ensures that the company maintains a balance between resource utilization and the ability to fulfill client requirements without overextension.

Billable Time represents the duration of work that can be invoiced to clients, directly impacting revenue generation. By tracking this KPI, businesses can assess how effectively time is being utilized and ensure that billing practices align with client engagements and project needs. Effective management of Billable Time is essential for maximizing revenue and ensuring profitability.

The Average Price per Hour provides insight into the pricing strategy for services or labor. This metric is instrumental in evaluating client willingness to pay and establishing competitive yet profitable pricing structures. Understanding the Average Price per Hour helps businesses make informed decisions about pricing adjustments to balance service quality with cost efficiency.

Share of Sales Revenue indicates the proportion of total income derived from various revenue streams or product lines. This KPI is essential for analyzing the performance of different business segments, guiding strategic decisions, and optimizing revenue distribution within the company. It helps identify which areas are driving revenue and which may need strategic adjustments.

Profit Margin is a key financial metric that shows the percentage of revenue remaining after all expenses have been deducted. This indicator is crucial for assessing overall financial health and operational efficiency. Monitoring Profit Margin enables businesses to manage costs effectively, adjust pricing strategies, and make informed investment decisions.

In conclusion, these KPIs collectively offer valuable insights into operational capacity, revenue generation, pricing strategies, and financial performance. By leveraging these metrics, businesses can make data-driven decisions, enhance strategic planning, and improve overall performance.

100%

DELIVERY CAPACITY

70%

BILLABLE HOURS

950,-

AVERAGE PRICE/HOUR

+4.11%

OVERALL PROFIT MARGIN

50%

SALES REVENUE

The above figure is an example of hourly value goals.

KPI Metrics

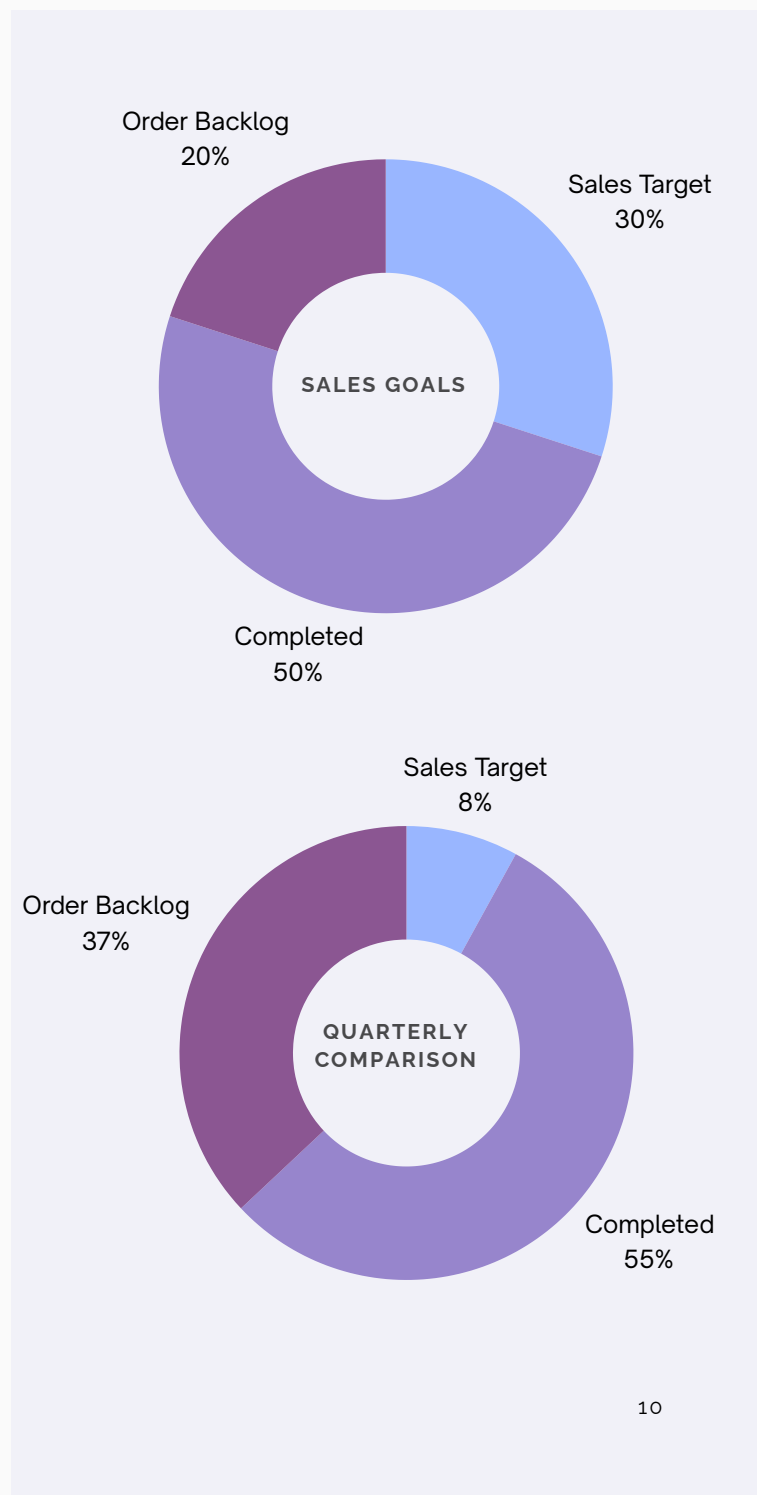
Sales Goals

Tracking sales KPIs such as Sales Target, Completed, and Order Backlog is essential for effective sales management and strategic planning.

Sales Target sets performance benchmarks, guiding the sales team and aligning their efforts with company goals. Monitoring this helps assess progress, identify gaps, and adjust strategies as needed. The Completed metric evaluates how many sales have been finalized, offering insights into the efficiency of the sales process and forecasting future revenue. Order Backlog indicates future revenue and demand, helping manage production and resource allocation. Overall, these KPIs provide essential insights for performance assessment and strategic planning.

Tracking these sales KPIs quarterly allows a company to monitor performance trends, adjust strategies promptly, and ensure alignment with sales targets. By comparing quarterly results to yearly sales goals, the company can assess if it is on track to meet annual objectives, identify areas needing improvement, and make timely adjustments to stay on target. This periodic review ensures that performance remains aligned with long-term goals and helps optimize strategies for achieving overall success.

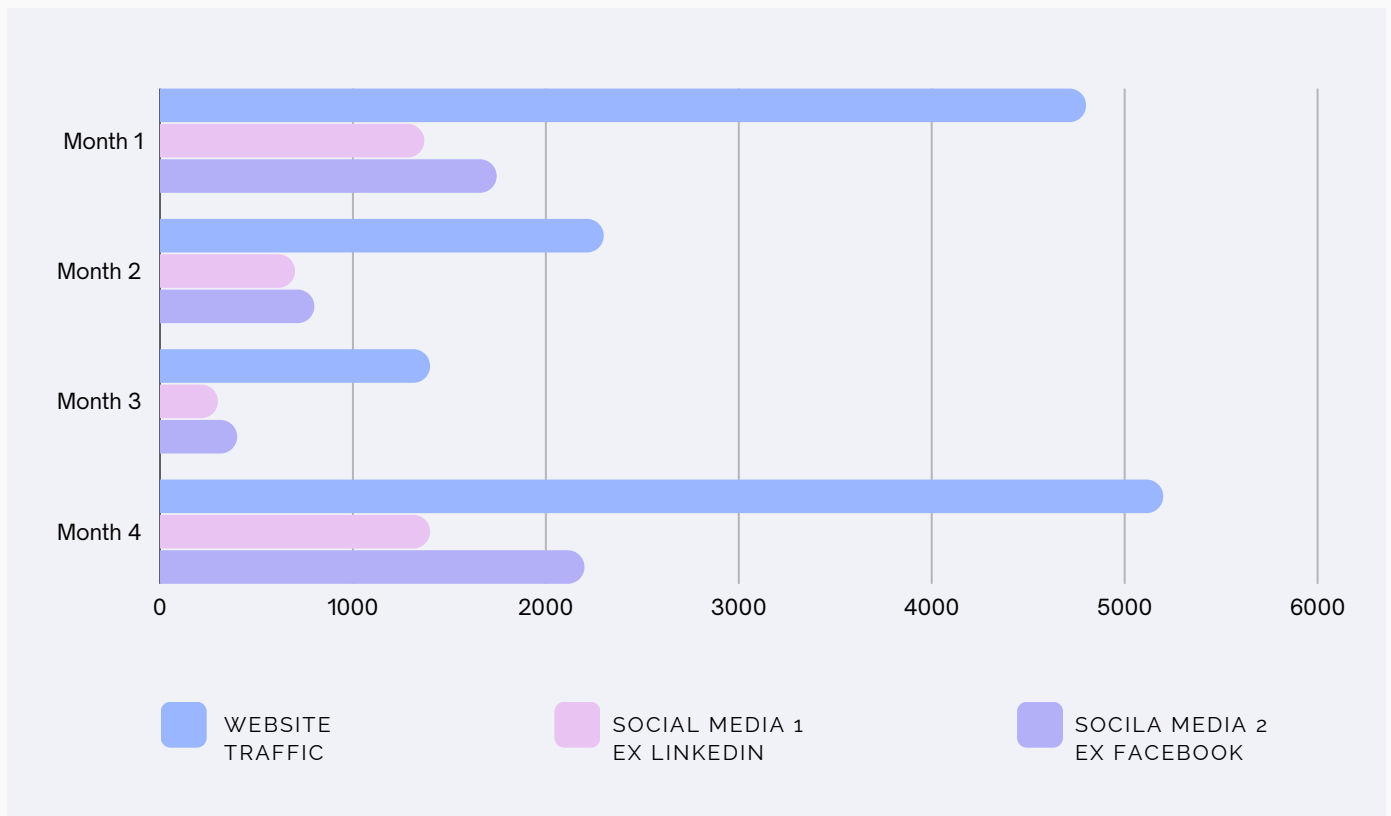
These figures represent examples on how to represent sales KPIs.



KPI Metrics

Digital Engagement

To support brand recognition and sales, try tracking content performance across platforms to test what works and what doesn't.



Video content usually performs best, with an average view rate of 70% for us. Aside from videos, content that generates the most engagement are often tied to local personalities, local current events related or added value events such as prizes, upskilling and reskilling events and partners, collaborators and clients talking about how they have been supported by the innovation company.

The figure above represents an example of digital views from month to month. Higher numbers will often correspond with bigger event campaigns that are run concurrently cross-platform.

Content & Engagement work

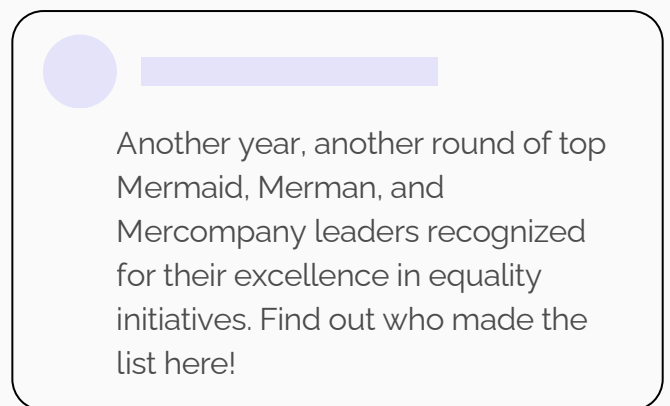
Working with content and engagement on both social media and at events is vital for consistent brand presence, reaching diverse audiences, and strengthening relationships. Social media offers broad, ongoing interaction, while events provide deeper, personal connections. Tracking top-performing posts in conjunction with events you are organising and promoting is beneficial as it helps identify what resonates most with your audience, allowing you to refine your strategy and maximize impact across both platforms.

Expanding your brand's presence in the media through articles is crucial for establishing authority, increasing credibility, and reaching a broader audience. Media coverage amplifies your brand's voice, positioning you as an expert in your field and distinguishing you from competitors. Articles written about you can serve as powerful endorsements, enhancing trust and visibility beyond your existing channels. To secure such coverage, it's important to build relationships with journalists and editors, pitch compelling stories that align with current trends or address pressing issues, and leverage your social media and event content as proof of your relevance and expertise. By proactively engaging with the media, you can create a synergy between your social media efforts, events, and media exposure, ensuring a well-rounded and impactful brand strategy.

Top-performing posts



1



2



Sustainability KPIs

Incorporating sustainability KPIs into an innovation company's business model is essential for several reasons. Firstly, it ensures that the company's work aligns with global sustainability objectives, such as the UN's goals, which can enhance its reputation and attract socially-conscious stakeholders.

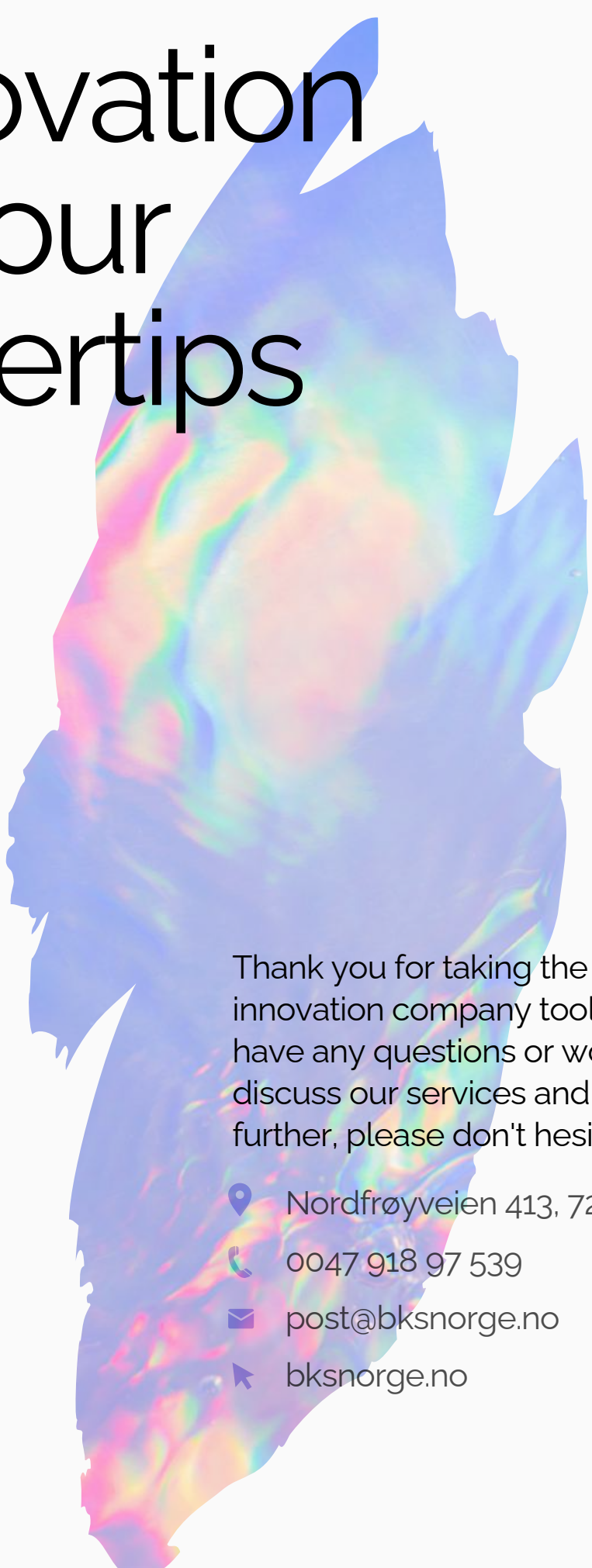


Additionally, adhering to national sustainability metrics, like Norway's Eco-Lighthouse, helps the company comply with local regulations and avoid potential legal issues. Emphasizing sustainability can also set the company apart in the market, appealing to customers and partners who value environmental and social responsibility. Eco-Lighthouse has its own metric templates available.

Furthermore, sustainable practices contribute to long-term viability by promoting resource efficiency and reducing environmental impact, which can lead to cost savings and a more resilient business model. Lastly, many investors are increasingly focusing on sustainable and socially responsible investments, so demonstrating a commitment to sustainability can make the company more attractive to these investors. Overall, integrating sustainability KPIs supports ethical practices, compliance, market positioning, and long-term success and will be a useful tool for innovation companies that consult in sustainability practices.



Innovation at your fingertips



Thank you for taking the time to read this innovation company toolkit guide. If you have any questions or would like to discuss our services and best practices further, please don't hesitate to reach out.

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