

GLOBAL CLEANTECH INNOVATION PROGRAMME FOR SMEs IN SOUTH AFRICA

Guidelines for Completing Section “Complete Online Application”

Document 2

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IMPORTANT:

- The GCIP-SA is first and foremost an accelerator with a rigorous training process requiring a significant time commitment over the next few months, with several necessary deliverables
- The primary value of the Programme is in the training and mentoring, not in the monetary award. It is only secondarily a competition with monetary awards
- Unless your team is committed to devoting the necessary time to this process, you are unlikely to benefit from participation

1. Background

The document is a guideline expanding on key questions of the “Complete Online Application” in order to assist GCIP-SA entrants to complete this section successfully.

Please Note:

The first round of judging for GCIP-SA is based on section “Complete Online Application”, please answer ALL questions to ensure that this section is completed thoroughly.

If you need help with completing your online application, contact one of the following Applicant Mentors between 8am - 5pm, South Africa Standard Time:

- Constance Maluleka at 012 472 2760 or send email to constance.maluleka@tia.org.za
- Given Madhlophe at 012 472 2904 or send email to given.madhlophe@tia.org.za
- Conrad Kassier at 012 394 1066 or send email to C.KASSIER@unido.org
- Nikola Niebuhr at 012 394 1567 or send email to N.NIEBUHR@unido.org

You can answer the Questions below in a document and then copy and paste your Answers onto the Online Application for you to save time.

2. Qualifying Questions and Background

Please check the **eligibility requirements** at <http://southafrica.cleantechopen.org/requirements-eligibility/> before continuing.

Questions on the online application form

Guidelines to answer the questions

<p>a. How much (funds) have you raised (<u>in US dollars</u>) from:</p> <ul style="list-style-type: none"> - Founders - Friends and Family - Grants - Angel Investors - Venture Capital - Corporate Investment 	<ul style="list-style-type: none"> - <i>the amounts should be put in Rand, but not \$</i> - <i>enter only the value with NO R sign, spaces, comma and full-stop</i> - <i>Example of incorrect value: R12,000,000.00 or 12 000 000</i> - <i>Example of correct value: 12000000</i>
<p>b. Intellectual property and copyright Does your team own or have access to the</p>	<ul style="list-style-type: none"> - Answer “Yes” if your team developed the new or improved product/technology in South Africa.

<p>intellectual property (IP) of the product or technology proposed for this application? (Yes/No)</p>	<p>- Access to IP means having a right/freedom to operate and then to commercialise the patented technology.</p> <p>Please Note:</p> <ul style="list-style-type: none"> • The Technology Innovation should have protectable South African Intellectual Property (IP) or know-how; • The team should demonstrate exclusive ownership of the Intellectual Property Rights.
<p>c. Is the IP under license? (Yes or No)</p>	<p>If Yes, from whom? Mention the name of the Licensor</p> <p>If Yes, do you have an exclusive licence?</p> <p>- A licensing agreement is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).</p> <p>- Exclusive license means the IP has been licensed to only one licensee.</p>
<p>d. Have you applied for any patent(s)? (Yes or No)</p> <p>If any patents have been issued to you or anyone else, please list numbers, dates and patent owners. 1000 characters max</p>	<p>- List all patents pending or issued to you in South Africa or from other countries:</p> <ul style="list-style-type: none"> ▪ Provincial SA Patent: a provisional specification patent of a product or process under testing or development affording temporary protection for 12-15 months. ▪ Full SA Patent: a complete patent application for a product or process has been technically finalised (fully developed and tested). ▪ Patent Cooperation Treaty: international patents <p>- Yes: if you have licensed or planning to license the technology and you informed the licensor(s) or other patent holder(s)</p>

	<ul style="list-style-type: none"> - No: if you have licensed or planning to license the technology and you did not informed the licensor(s) or other patent holder(s) - Not Applicable: if the entire IP belongs to you or your team. - If you have licensed this technology or are planning to license this technology from a third party, are the licensor(s) or other patent holder(s) aware that you are applying to the Cleantech Open?
<p>e. Is at least one member of your team a citizen or legal alien of the country (South Africa) in which you are applying? (Yes or No)</p>	<ul style="list-style-type: none"> - Note 1: one member of the team should be a Citizen of South Africa or have Permanent Residency in South Africa. - Note 2: If not so, the application will not be considered.
<p>f. Do you have a physical address in the country in which you are applying for the Cleantech Open Accelerator, and does your company also have operations (sales, marketing, R&D or administration) in this country? (Yes or No)</p>	<ul style="list-style-type: none"> - Note 1: only teams that have registered company in South Africa will be eligible to receive awards from GCIP. - Note 2: the team leader/ nominated team member should have a personal Bank Account in South Africa for travelling purposes. - Note 3: it is recommended that the team leader/ nominated team member should have a credit card (facility) for travelling purposes.
<p>g. Are any members of your team or anyone in their immediate families, affiliated in any way with the Cleantech Open (or GCIP-SA) as a volunteer, staff member, sponsor or partner? (Yes or No)</p>	<ul style="list-style-type: none"> - Yes: if any one of your team or immediate families is affiliated with GCIP-SA as a volunteer, staff member, sponsor or partner. - No: if NO team member is affiliated to anyone in GCIP-SA.

3. Summary

Note that we are looking for short answers to these initial questions. We will ask you for more detailed answers in the questions that follow.

Questions on the online application form

Guidelines to answer the questions

<p>a. Please provide a no more than three-sentence summary of your company including a brief description of the problem and your solution. (max 500 characters)</p>	<ul style="list-style-type: none"> - Sentence 1: summary of your team or company (name of team/company, location, business offerings and business specialisations). - Sentence 2: a clear concise description of the problem that needs to be addressed. - Sentence 3: brief description of the technology solution.
<p>b. Please provide an even shorter description - a tagline for your product or technology - typically just a few words (max 250 characters)</p>	<p>Example of a tagline: <i>We solve [problem X] for [customer Y] by [doing Z].</i></p>
<p>c. Please provide a link to a simple one-minute video describing your company and innovation (your 'elevator pitch'; this can be low-quality and could be taken on your smart phone).</p>	<p>You can upload the recorded elevator pitch video in a platform such as Youtube. The pitch does NOT need to be perfect.</p>

4. Product/Service

Questions on the online application form

Guidelines to answer the questions

<p>a. What is the problem you solve, and how do you solve it? Describe your technology and your innovation. (max 1000 characters)</p>	<p>Problem Definition: a clear concise description of the problem that needs to be addressed by your product (not your technology).</p> <ul style="list-style-type: none"> - Describe first the problem you solve, then your product (not the technology). Lastly (but separately) describe your technology and how it enables your product to do what it does. - What is the specific (no generalities please) problem or “pain” your product addresses? (Focus on the problem, not the product) - What specific type of customer has the problem/pain? (Again no generalities please) - What is the impact of the problem? (Quantify the impact) <p>Description of the technology solution:</p> <ul style="list-style-type: none"> - What is the solution/product (not the Technology)? - What technology enables the product to do what it does? - How is it a new or improved technology?
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<p>b. How is your solution to the problem better than existing and emerging solutions or alternatives? (max 1000 characters)</p>	<ul style="list-style-type: none"> - Who are your competitors and how is your offering better than theirs? - What specific features are different about your solution compared to the competitors' solutions? - What elements of your technology are unique compared to the technologies of the competitors?
<p>c. At what stage of development is your offering?</p>	<p>Choose the appropriate stage from the list below (Please note that GCIP accepts proposals for technologies that are at “proof-of-concept or Early alpha prototype” stage up to “pre-commercialization”):</p> <ul style="list-style-type: none"> - Concept: this is the beginning of inventing a practical application of the technology. The application is speculative, and there may be no proof or detailed analysis to support the assumptions. - Early alpha prototype: the development process of the technology begins with the “proof of concept” stage to determine if the concept is possible. Once the concept’s positive potential is established, an alpha prototype is produced as the first version of the product. It is primarily used for testing feasibility of the main features and design aspects early in the process. Those elements that feasible are passed on to the beta stage. - Beta testing: a beta prototype is a more or less functional version of the product, however, there are generally still bugs and design issues yet to be worked out at this point in the process. Beta prototype is not yet fully operational or ready for

	<p>production.</p> <ul style="list-style-type: none"> - Commercial pilot: a pilot plant is a small industrial system (typically smaller than full-scale production plant) which is operated to generate information about the behaviour of the system for use in design of larger facilities. This is a pre-commercial demonstration to prove that the technology works in its final form and under expected conditions. This is a “pre-commercialization” stage. - Commercial ready – not yet deployed: the technology in its final form is ready for commercial deployment; however, the technology is not yet deployed. <i>Commercialization is the process of introducing the technology into the market. This stage includes preparing for financing, and implementing full-scale manufacturing and marketing activities, entering into partnerships and developing channels for distribution.</i> - Actively deployed and generating revenue – not yet profitable: the technology is launched commercially, marketed to and adopted by a group of customers; however, the sales have not yielded profit. - Actively deployed and generating revenue – profitable: the sales are yielding profit. - What specific help will you require to complete the prototype? the pilot? The commercially ready product?
<p>d. When do you expect to be commercially ready? (max 100 characters)</p>	<p>Provide a breakdown of activities/milestones need to be undertaken to bring the technology to commercial readiness and timelines to achieve the activities.</p>
<p>e. What obstacles do you foresee in achieving</p>	<p>In each of the above activities/milestones, list what is required (funds, resources,</p>

<p>commercial readiness, and how much external capital, if any, will you need to raise to achieve commercial readiness? (max 1000 characters)</p>	<p>etc.) and any obstacles you foresee in achieving that activity.</p>
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5. Market

Questions on the online application form

Guidelines to answer the questions

<p>a. Describe the initial target market(s) for your product and how you plan to reach them (include information about market size and future growth). (max 1000 characters)</p>	<p>Based on the problem you are solving:</p> <ol style="list-style-type: none"> 1. Describe the initial target customer segments market(s) for your product and how you plan to reach them 2. How do you characterize specifically (no generalities please) the initial target customer segment and all possible secondary customer sub-segments THAT HAVE THE PROBLEM YOU ARE ADDRESSING AND THAT YOU DESCRIBED ABOVE? 3. Why do you think that initial target segment will be the first to buy your product and why do you think you can penetrate that segment rapidly? 4. Why do you think secondary markets will be penetrable after the initial markets? 5. What are the names of specific prospective customers within that target customer segment? 6. What is the estimated size of that specific initial target customer segment and of
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	<p>the most likely secondary customer segments?</p> <p>7. How will you scale your sales from the initial customer to many subsequent customers?</p> <ol style="list-style-type: none"> What channels of distribution will you use? What other means will you use to reach more customers and grow your sales volume?
<p>b. Describe the potential impact of your product in both economic and environmental terms market/customer, and potential environmental terms</p>	<ol style="list-style-type: none"> What quantitative value will your solution provide to customers in the target segment(s)? What environmental value does your product bring to your customers and society with respect to the sectors below? <ol style="list-style-type: none"> Quality of air, water, public health and wildlife Usage of water, energy and land Global warming emissions Reduction of waste
<p>c. Have you presented (or sold) your product/service to one or more prospects or customers? (Yes or No)</p> <p>If so, what reactions have you noted? What have been the main comments questions, compliments and/or objections from customers or potential customers? (max</p>	<ol style="list-style-type: none"> Describe customer reaction to your product so far. Have you presented (or sold) your product/service to one or more prospects or customers? If so, what reactions have you noted? What have been the main comments questions, compliments and/or objections from customers or potential customers? Does it specifically address their specific problem or pain? If so, do you have a

<p>1000 characters)</p>	<p>committed pilot customer? If not, why not?</p> <p>4. Do they want features other than those you propose?</p> <p>5. Have any customers said they will buy your product?</p>
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6. Team

Questions on the online application form

Guidelines to answer the questions

<p>a. Who is on your leadership team (core team and advisors)? Briefly describe each member's role and their RELEVANT experience/expertise and education to perform that role.</p>	
<p>b. Does your team have past experience founding a startup? (Yes/No)</p>	<p>What skills are you missing? How do you plan to fill those skill gaps?</p>
<p>c. Please describe any critical skill gaps of your team needed to achieve your milestones and how you plan to address these gaps (500 max)</p>	<p>What percentage of their time will each team member commit to your startup over the next 6 months</p> <p>Consider the critical skill gaps through the evolution of your technology (technical skills) and the evolution of your team towards being a successful and sustainable</p>

	<p>enterprise (business skills).</p> <p>Plan to address the skills gaps may include: add/employ new members, partner with other team/company, outsource certain activities, etc. How will you do it, at once or as the technology and the business evolve?</p>
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7. Financial Projections

Please show 5 years projections of revenue and EBITDA in thousands Rand. Please note there should be **NO** Rand signs, commas, decimal points or special characters.

Questions on the online application form

Guidelines to answer the questions

	2015	2016	2017	2018	2019	
[*] Revenue (in 000's)						<p>Revenue: income generated from sale of goods or services before any costs or expenses are deducted.</p> <p>Gross Margin: $(\text{Sales revenue} - \text{Cost of sales}) \times 100 \div \text{Sales revenue}$</p> <p>EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization): Total Revenue – [Cost of sales + Operating expenses] (excluding interest, taxes, depreciation, and amortization).</p> <p>Head Count: the number of persons in a given group.</p> <p>Unit Sales: total revenue a product generated divided by the total number of units of that product that were sold in a given time period.</p>
Gross Margin %						
EBITDA (000's)						
[*] Headcount						
[*] Unit Sales						

8. Accomplishments

Questions on the online application form

Guidelines to answer the questions

<p>[*] Entrepreneurship experience:</p> <p>a. Please describe any previous participation, awards or recognition (e.g. participation in or awards from any competitions, incubators or accelerators, including the Cleantech Open. Please note: unless you have previously won the grand prize, you may participate in the Cleantech Open Accelerator as often as you wish. (max 500 characters)</p>	
<p>b. Why do you feel your company is a good candidate to participate in the Cleantech Open Accelerator?</p> <p>What do you expect to gain from the experience, and how do you plan to make the most of your participation? (max 1000 characters)</p>	
<p>c. The Cleantech Open is a process that lasts several months and requires each accepted company to engage fully in different aspects of the program. There are numerous benefits for companies that dedicate the appropriate time and effort. In the United States, each year up to 40% of Cleantech Open Accelerator participants raise third-party capital. Please confirm below that you understand the commitment.</p>	<p>Do you understand the commitment and are you prepared to devote the necessary time to the Accelerator and to your entrepreneurial future? Please convince us with your answer.</p>