

## PROJECT PLAN GUIDELINES FOR COMPILING A DEVELOPMENT VOUCHER APPLICATION

### INTRODUCTORY APPROACHES FOR PREPARING A PROJECT PLAN FOR THE DEVELOPMENT VOUCHER

#### **NB! PRIOR TO COMPILING A PROJECT PLAN, WE RECOMMEND THAT YOU:**

- read these guidelines thoroughly
- turn to the EAS with any questions

#### **OBJECTIVE OF THE GUIDELINES**

The objective of the guidelines is to help with creating a project plan description in order to apply for the development voucher. It is more important to ensure the coherence and integrity of different project parts and the justification of prerequisites, than it is to analyse all areas in great detail.

These guidelines function as reference material that help focus on the required topics when compiling a project plan. All projects are different and so are project plans. Pick a structure, model or system that suits your project best, i.e. describing all the following points in your project plan is not compulsory. **These are indicative guidance materials.**

#### **WHAT IS A PROJECT PLAN?**

A project plan is a single document that covers all aspects of the development voucher project. The main function of the project plan is to help think through and formulate the goal, action plan, budget, team, expected outcome and operational programme of the project in a comprehensible manner.

When compiling a project plan to apply for the development voucher, it is important, among other things, to comply with the development voucher evaluation criteria, which have been established in the “Conditions and procedure of granting innovation and development voucher support”.

The evaluation criteria of the development voucher application and their percentages of the total grade are the following:

- 1) problem statement, goal, action plan and cost-effectiveness of the project
- 2) project team
- 3) project impact in terms of meeting the goals of the measure

#### **RECOMMENDATIONS**

- Previous experience has showed that compiling the project plan is a vital part of implementing the project, and that it is executable for all entrepreneurs, regardless of their academic background.
- Try to present information in comprehensive charts. Provide a list of abbreviations used. If necessary, use explanatory notes and references.
- The recommended maximum length of a project plan is 10 pages.

#### **GENERAL INFORMATION OF THE DEVELOPMENT VOUCHER PROJECT PLAN**

Contact information of the enterprise: name, address, telephone number, website. Short description of the enterprise.

## **PROBLEM STATEMENT OF THE PROJECT .**

Focus on business related problems. When describing the problem, you can bring up the following question: Do you have all the information that is necessary for conducting business in a successful way?

## **GOAL OF THE PROJECT**

Describe within a few sentence what will be completed as a result of the project. What is the general goal of the project? (formulate the goal in a short, comprehensive and measurable way)

## **BUSINESS MODEL**

NB! Focus on a business model that is related to the development project. Describe the general business model of the enterprise at the end of the chapter.

- Describe briefly and comprehensively the development idea, technology and business model.
- Provide a more general description of the area of business, branch of industry, sector and specific business type (service, production etc.).
- Describe the business activity related to the project in a way that would be comprehensible as widely as possible. If necessary, use illustrative diagrams and figures.
- Describe the market situation and explain how the enterprise will earn revenue with the development project.
- List the existing and necessary key competencies.
- Describe how the project is related to the enterprise's current area of activity.
- Describe how the project is related to the enterprise's long-term plans.
- Describe the enterprise's business model if it differs from the business model of the project.

## **PROJECT BACKGROUND, DESCRIPTION OF THE FIELD OF ACTIVITY.**

The description of the state of the art of the field in non-complex language. Explanation about where the object (future product/service) of the project is located in that landscape and what the development of this product/service will add to the know-how of that fields. What differentiates your product from the existing ones. Main operators in that landscape (in the world, region and Estonia). Their strong and wear points. Competing and replacement products.

## **TERMS OF REFERENCE OF THE PROJECT**

What kind of terms of reference have to be set for the project team/partners in order to achieve the aforementioned goal? What kind of project tasks have to be completed in order to achieve the expected result. Describe each task in sufficient detail, so that the person carrying out the task could understand its content and that the inspector would know how to evaluate the result.

## **OPERATIONAL PROGRAMME OF THE PROJECT**

Write out the activities necessary for the achievement of the goal, focusing on the aforementioned tasks: 1, 2, 3 ... etc. For each activity, describe: what, why, how (incl. research, analysis etc.), when and by whom? Why did you choose this service provider? What agreements (offers, contracts) necessary for the implementation of the project have been signed with service providers? Provide a general timeline of activities (e.g. Gantt chart or a similar chart) and the expected measurable outcomes of the project. The action plan has to be sufficiently detailed – a more detailed plan is more reliable, but it cannot be fragmented in a way that would lose the general overview aspect.

## **PROJECT TEAM**

List the key persons, partners and important suppliers. For each person in the list, add their academic competencies and important work experiences that are necessary for the commencement of the project's activities. Give a brief justification of the set-up of the project team, i.e. why these specific persons were selected to the project team. CV-s of key persons must be added to the application.

## **COSTS BUDGET OF THE PROJECT**

The costs budget of the project describes the investment into the planned development activity during this project. The budget should show what, how much, at which price, from whom and why (reason for the selection of the supplier) is planned to be purchased. In the case of purchase services, the total cost, number of hours and price per hour of the service should be provided, as well as the description of the service content and necessity. When purchasing consultation services from a private market consultation company, the company's compliance with established selection criteria ought to be checked; it should also be kept in mind that when purchasing services like this, three competitive price quotes must always be submitted regardless of the cost of the service.

## **FINANCING PLAN OF THE PROJECT**

Describe from where, from whom, when and how much money will be provided for the financing of the estimated costs of this project. This is basically a list of financing sources and explanations with additional necessary supporting documents.

Financing sources that have been accepted by the EAS are:

- 1.1. the book value of liquid assets of the applicant at the time of the submission of the application (balance sheet of the previous period);
- 1.2. sales revenue and subsidies (incl. support) that the applicant can invest into this project without disturbing their ongoing economic activities;
- 1.3. net equity issue of securities of the incorporated entity;
- 1.4. involvement of foreign capital in the form of loans or bond issuance;

Brief explanation about which financing sources are planned for covering the investment of the follow-up

## **project. EXPECTED OUTCOME OF THE PROJECT AND ITS IMPLEMENTATION**

How to assess that the goals connected to the project have been achieved? Describe the situation in which the project can be considered completed. Set the measures, on the basis of which the efficiency of activities is evaluated. How will the outcomes achieved with the development project be implemented in the future, what are the follow-up activities, if and where shall the project be moved forth? Compile a plan for implementing the project's outcomes in the future.

## **INFLUENCE OF THE PROJECT**

1. Describe what is the potential economic impact, resulting from the commercialisation or use of the outcome, to various stakeholders: (incl.: buyers, end-users, contracting entities, employees and owners of the commercialiser, the public incl. the state or local government, trade unions, strategic alliances). It should be expressed, if no economic impact is expected for some of the aforementioned stakeholders. If there will be impact, it should be described in a comprehensible manner. Impact can cover the following: turnover, export turnover, labour productivity growth, jobs created in Estonia, increase in competitiveness, increased investments into R&D, closer cooperation between various parties, impact on regional development etc.
2. Describe the project's impact concerning the achievement of the objectives of the measure (The project's impact on the enterprise's growth of technological awareness and skills during the development of business activities ; Impact on the enterprise's awareness and capabilities concerning intellectual property protection; Impact on the use of engineering solutions to develop new products, services and technologies; Impact on the enterprise's awareness and capabilities concerning standardisation and certification;

## **RISK ANALYSIS OF THE PROJECT**

Describe the most important risk factors that are tied to the project (in addition to technological risks\*, be sure to describe economic, financial, personal and market based risks), the likelihood of those risks, potential preventative measures, potential correction methods should these risks turn into reality and the impact of these risks on the project's goals and parties.

Divide the risks into two groups:

- 1) process-based risks of the project – these result from the process of the project (deadlines, budget etc.);
- 2) outcome-based risks of the project – these threaten the quality or reliability of the outcomes of tasks set throughout the project

*\* **Technological risk**- a danger resulting from the uncertainty of planned technological processes and their outcomes.*

Indicative clauses of the plan\*

#### **\*SUCCESS FACTORS OF THE PROJECT**

Describe the success factors of the project, i.e. the prerequisites that affect the project's efficiency in a positive way. The project's success factor can draw from the high-level structure of the organisation and its operational processes, the existence of high-quality material, personnel or financial resources (incl. social capital: connections etc.), the professional competencies of the project team (incl. experiences), management style, communication, previous cooperation or high motivation level of the project team, intangible assets etc.

#### **\*SWOT ANALYSIS OF THE PROJECT**

Brief and comprehensive SWOT analysis of the project about the internal (i.e. in the project team) strengths and weaknesses of the project, external opportunities and dangers during the implementation of the project that may affect the achievement of project goals and the quality of its outcome.

#### **\*PROJECT QUALITY**

Describe the most important quality criteria and rates of the project. Make sure you differentiate between process-based quality measures and outcome-based measures of the project. In the first case, the focus is on assessing (measuring) the quality of ongoing processes (activities and tasks of the project), e.g. the compliance to task deadlines is measured, etc. In the second case, the goal is to evaluate how well (quality) the task set in the terms of reference has been carried out, e.g. it is measured how result-oriented the task was.

Quality evaluation becomes especially important when the different tasks that have been set during the project (research, professional work, service) is purchased from outside, i.e. there is a direct need to inspect the outcome-based quality of the services that have been purchased from elsewhere. Did you get what you wished for? Set the measures, on the basis of which the efficiency of activities is evaluated.

#### **\*ADDITIONAL INFORMATION**

Add other information that is related to the project here – if there is information that the previous clauses did not touch upon.