Sustainability elements for RIs (T4.4)

Ilaria Nardello, Ph.D.
Director and Founder, ERAMARIS - From research to business
ERIC Forum Implementation Project, Task Leader
Scope and Objectives

ERIC FORUM WP4

Comparison of ERIC evaluation practises and development of common methodologies; discussing solutions and best practises for KPI development and usage, socio-economic impact assessment procedures, **sustainability plans**, harmonized reporting guidelines and scientific issues.

ERIC FORUM T4.4 objectives

• Analyse existing practical tools to approach business modelling and planning for RIs

• Provide RIs with a standardised tool to approach business modelling, which accounts for their fundamental not-for-profit nature and their public-private partnership dimension
..Do ERICs need a business plan? Stakeholders do*!

- Strategic management
  - Alignment of vision and mission with objectives, results and SEI impact
- Operational Management practices
  - Clarification of success indicators and facilitated reporting
  - Obtaining/maintaining ESFRI Landmark status

RI Bankability and Stakeholders buy-in

* “Sustainable European Research Infrastructures – A call for action”
COMMISSION STAFF WORKING DOCUMENT, 2017
A business model is one of the elements in a business plan.
Business Model …Qu’est-ce que c’est?

• « ..Words never heard in Brussels until very recently » (F. De Man, Eatris, 2019)
• « …Stories that explain how enterprises work » (Magretta, 2002)
• « A response » to the basic question: how to make money from the business »
• “A description of the roles and relationships among a firm’s consumers, customers, allies, and suppliers that identifies the major flows of product, information, and money, and the major benefits to participants.” (Weill and Vitale, 2001)
• «The definition of a business model is murky at best. Most often, it seems to refer to a loose conception of how a company does business and generates revenue. Yet simply having a business model is an exceedingly low bar to set for building a company. Generating revenue is a far cry from creating economic value …” (Porter 2001, p.73)
“The sustainability of an ERIC business model rests on the basic assumption that the value (sum of tangible and intangible output) generated by the Consortium will match or exceed the public investments sustained by Member governmental authorities. However, the evaluation of an ERIC will need to consider that the fundamental ambition of an ESFRI RI is well beyond the mere commercial value of its activity: the delivery of non-financially evaluated products, such as scientific breakthrough and education, will remain a paramount remit for an ERIC.”

(Nardello et al., 2017: « EMBRC-ERIC Business Plan Update, 2017»)
Business Model – What tools? - I

• Preliminary analytical tools - I
  • Business Model Canvas (Alex Osterwalder, 2013)
# Business Model Canvas

**Key Partners**
- Identify critical relationships with other businesses or organizations.
- Determine who supplies key inputs or competes for resources.

**Key Activities**
- Outline the core processes and tasks required to deliver value.
- Consider how these activities can be optimized or automated.

**Value Propositions**
- Define what unique value your product or service offers to customers.
- Identify customer needs and how your product satisfies them.

**Customer Relationships**
- Map out how you interact with customers at each stage of the buying process.
- Consider what channels are most effective for customer engagement.

**Customer Segments**
- Identify different groups of customers with distinct needs.
- Determine how to best tailor offerings and marketing to these segments.

**Key Resources**
- List the assets essential for delivering value.
- Include physical and intellectual assets, as well as human resources.

**Channels**
- Describe the means through which you reach your customers.
- Consider distribution channels and how they can be expanded.

**Cost Structure**
- Break down the expenses associated with value creation.
- Identify cost drivers and areas for potential cost reduction.

**Revenue Streams**
- Identify income sources that are directly linked to the value you deliver.
- Consider diversification to reduce dependency on any single channel.

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The Business Model Canvas is a strategic management tool introduced in 2005 by Alexander Osterwalder and Yves Pigneur. It provides a visualized approach to describing and analyzing a business model. This canvas is widely used in business planning, strategy formulation, and innovation processes. It helps businesses to think systematically about their strategies and operations, aiming to improve efficiency and effectiveness.
• BM Canvas was originally set up for commercial structures, although some variations now exist also for not-for-profits;
• BM Canvas cannot track the dynamic relationships among business model elements.
Business Model – What tools? - II

• Preliminary analytical tools - II

  • ToolTechNova® (Martin et Devillez, 2012)

  Quantitative tool of TCF business models analysis
• RIs business model appears different to most of the TCF examined in previous studies (ShareBiotech Project, 2012; Audrey et al., 2015), however RI may be equated to TCFs for various characteristics
Preliminary Considerations - III

towards an adaptation of the TooltechNova model

RESOURCES ➔ PROCESS ➔ OUTPUT

Research Domain
- ESFRI Domain

Research Teams
- Monodisciplinary
- Multidisciplinary

Funding
- Public
- Private
- PPP

Organisation
- Centralised
- Distributed

Governance
- Internal Scientific Committee
- External Advisory Bodies
- High-Road HR policy

Equipment
- Owned Vs. Leased

HR
- Permanent/temporary/in kind

Projects/Workflows

Non-Financially Evaluated Products
- Publications
- Dissemination
- Networks
- Education

Financially Evaluated Products
- Services
- Training courses
- Applied research Contracts
- IPRs, Licences, Spin-Offs
Value (to be) created & perspectives

• Light strategic management tool for RI managers to prepare, analyse and strategically manage their business;

• Comparative tool to evaluate different ESFRI RI strategies, which may operate in different scientific domains, be of different sizes, have a distributed rather than centralised organization, be funded solely through public money or use a portion of private capital.

• Educational tool for to be RI managers and RI stakeholders
Next steps: Actions, Deliverables and Milestones

- Survey mapping of existing business models and analysis of their performance;
- Workshop (M40) aimed at validating the conclusions and achieve consensus;
- Recommendations for the RI long term sustainability will be made, the principles of which shall be applicable to all ERICs, regardless of their scientific background.

➔ D4.4: “Report and proposal for a model sustainability plan for ERICs”
Thank you for listening

Ilaria Nardello, ERAMARIS
Director and Founder
ilaria.nardello@gmail.com
@ilarnar