Cooperation of photonics clusters and the exploitation of European SMEs potential.

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Sustainability Plan

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Dissemination Level		
PU	Public	X
PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission Services)	
CO	Confidential, only for members of the consortium (including the Commission Services)	

Contents

1   Introduction

The present deliverable is aimed at the definition of the sustainability plan for the LIGHTJUMPS platform. It is intention of the proposers to keep the platform alive and updated after the end of the project. The sustainability will be guaranteed by one or more of the following items:

- Direct revenues that can be generated by the platform (premium services, advertising);
- Takeover of the platform by major stakeholders of the Photonic community;
- The volunteer contribution of partners that will financially sustain the platform to gain visibility of their services offered to the photonics community.

As far as in the short term the platform sustainability will be based on the efforts of the partners, a general memorandum of understanding among the partners is added to the deliverable, to clarify the roles of each partner and benefit that they can expect.

2 The results that can be exploited

The LIGHTJUMPS platform is one of the main assets created during the project. The contents that are public to any visitor, even without being logged in, have been created by the LIGHTJUMPS partners and are ownership of the LIGHTJUMPS partners. Clearly, for the sustainability of the platform such contents need to be regularly updated.

In the Knowledge Management Platform, accessible by all registered users after logging in with their ID and password , a set of contents can be searched and consulted:

- A database of organisations operating in photonics, clustered with respect to a set of parameters (country, sector, dimension). Such database includes information related to organisations that have self-registered in the LIGHTJUMPS platform, and information related to organisations included in other databases of photonics organizations that can be retrieved on the Web.

- A Document Management System, based on Open Source technologies, which is currently hosting a set of documents relevant for the photonics sector.

- An advanced search system on continuously updated databases of patents, scientific papers, and funded projects. These information, as well as the semantic search system on such information, are provided by a third party (not partner of LIGHTJUMPS), with which agreements needs to be found for a future commercial exploitation of the results.

- The search on databases of grants and of project ideas: the databases are property of CIAOTECH, and are updated constantly by CIAOTECH.

- A specific section to propose project ideas, that are screened by LIGHTJUMPS partners (currently by CIAOTECH) and that, after screening, are included in the project ideas database.

The LIGHTJUMPS platform embeds several interesting information for the photonics sector, that are the basis for the exploitation:

- **The access to millions of patents, papers, funded projects**. All such information is constantly updated, and can be tagged (and part of that is already tagged) with tags based on a taxonomy defined in the project. The searches can therefore be performed quite effectively, as they exploit the "human in the loop", meaning the tags included by other users that have performed searches and have tagged contents. The updated contents, the

tags, and the already tagged documents and information represent a valuable assets to keep building the photonic community and create a virtuous cycle to improve the contents quality available, and therefore attract more users who will keep improving the quality of contents available, etc.

- **The open innovation approach,** to allow users to propose projects, which are communicated through the platform but also through other networks, as well as to propose themselves as partner of project's ideas brought forward by other organizations. The uniqueness of the LightJumps platform is its integration in the Innovation Place platform managed by CIAOTECH, which allows the sharing of ideas and projects among different platforms of different industrial associations and other intermediaries. As matter of fact, if the user wants, his project's idea can be spread over more than 30,000 organizations with a single click.

- **The search over a continuously updated database of grants, and the service of grants scan and review of applications:** through the platform is possible to search for available public funding opportunities (at European and national level), ask for support, and require services such as grant scan and review of applications.

- **The possibility to propose project's ideas for visibility to the funding community.** Projects' ideas submitted to LIGHTJUMPS are promoted through the investor community, and the selected ideas are invited for pitch. The platform guarantees the right visibility of such ideas to a wide audience of potential investors.

- **Access specific information related to photonics**, namely a database of more than 5,000 organisations working in photonics throughout Europe, and several documents considered very relevant by the photonic community, and inspiring documents (such as business cases).

Overall, the uniqueness of LIGHTJUMPS relies both on the **contents provided**, and on the **functionalities** (the advanced search, the tagging through the photonic taxonomy, the open innovation approach). Furthermore, through the platform, consultancy services can be easily delivered such as the grants scan and projects review.

3   The sustainability scenarios

The uniqueness of LIGHTJUMPS, as described in the precedent paragraph, can make it a very attractive web site and therefore provide the conditions for its sustainability.

The sustainability of the platform can follow three possible scenarios:

1. Take-over of the platform by international organisations involved in Photonics. This scenario includes the complete take-over, or the integration of the LIGHTJUMPS functionalities and available contents in the existing platforms of the international organisation willing to take this over. Some discussions are in place to evaluate such scenario. Organisations that can be interested could be Photonics 21, EPIC, or similar.

2. Direct revenues created by the platform that should be considered as a spin-off handled by all partners (or some of them willing to embrace such activity). The scenario foresees to consider the platform as a source of revenues that should sustain it in the future. Revenues could derive by advertising, premium services, and other revenue streams to be identified.

3. Maintenance of the platform from the partners that will sustain the maintenance costs with their own funds, to obtain visibility against the photonic community, for example to promote and sell their services. In such case, the platform will be mostly kept alive on a volunteer basis by the partners (all or some of them), which expect indirect economic benefit from such activity, such as brand reputation, or promotion of services.

The three scenarios can also be brought forward in a mixed way, as example by having a mix of sponsorship from an international organization, revenues through some premium services, and partial contribution by some of the partners.

4   Costs expected to maintain the LIGHTJUMPS platform and services

To maintain the LIGHTJUMPS platform and related services (at least the ones making the platform unique, as stated in the previous paragraphs, such as grant scan, projects' reviews, and project's quality control for open innovation) available and running after the project's end, the proposers have estimated the following efforts per activity, and related costs:

- Hosting and system maintenance: this is meant as the IT maintenance, which includes system maintenance, recover, back up, measures against attacks, etc.

- Development of users' management module for premium services and advertising: the current platform does not allow to easily managing premium services. The users' database and the authentication system shall be updated, to define users status (premium, member) and the services that users can access depending on their status. Moreover, for premium services it is necessary to keep track of the date when the service started (and up to when such service is active).

- Data update and maintenance (patents, papers, funded projects): the platform currently access, through Web Service, the search functionalities and data provided by a third party. The service is guaranteed to be free for six months after the project's end. It will have a cost for the future usage (in particular for commercial usage) after 6 months beyond the project's end. The cost already preliminary agreed with the provider is of 6,000 Euro per year in the case of usage without commercial fees or commercial fees (premium membership) asked up to 200 organisations.

- Data update and maintenance (grants, project ideas): this is done by CIAOTECH. The cost estimated is of 6,000 Euro per year, which is half of the cost paid by external parties to access such data in commercial agreements.

- Contents update (news, inspiring section, showcases): this is a publishing activity that it is estimated that will take up to 240 hours per year.

- Promotion (google AdWords, other on-line promotion activities): some marketing budget shall be reserved to promote the platform in the photonic community.

- Minor re-shaping of the user interface to allow advertising: the current user interface does not allow to host advertising in an efficient way. Therefore, a minor reshape of the user interface to allow such hosting is foreseen.

- ▪ Provision of services (grant scan, evaluation of ideas, reviews): this is based on the number of request that will arrive; on the basis of the experience of last year of LIGHTJUMPS, it is estimated the necessity of 440 hours of a consultant.

The following table provides an aggregated overview of the costs:

Costs	Year		
	I	II	III
Hosting and system maintenance	8400	8400	8400
Contents update (databases)	12000	12000	12000
Contents update (news, newsletter)	7200	7200	7200
Grant scan, project ideas	16000	16000	16000
Advertising	1000	2000	2000
Development of user management / authentication system for premium services	9100		
Minor reshaping of the user interface for advertising	4320		
Total	58020	45600	45600

Table 1 – costs associated with the maintenance of the web platform

5   Revenues directly generated by the LIGHTJUMPS platform and services

5.1 Target users of the services

The current platform self-registered members are expected to be the first target user of the platform for the years to come, also of premium services. The current users mainly include SMEs belonging to the clusters partner of LIGHTJUMPS. It is intention of the proposer to enlarge the target user of the platform, to:

- SMEs o any European countries, not necessarily belonging to clusters:
- Research organisations active or interested in photonics
- Large organizations active or interested in photonics
- Governmental bodies and intermediaries (associations, regional development agencies) active or interested in photonics.

The over 5,200 organisations already in the database of LIGHTJUMPS will be the primary target list, then a set of promotional campaign shall be launched to target all the other target users.

5.2 Direct revenues of the LIGHTJUMPS services

As stated in previous paragraph, the LIGHTJUMPS will allow reaching the twofold objective of direct and indirect revenues for partner.

Direct revenues: premium services and advertising. The platform will be promoted as the central point for the entire photonic sector. Partners will be sought also outside of the current partnership (example: other photonics' stakeholders). The revenues will derive by:

- **Premium services** offered for a subscription fee. The premium services will include the advanced search on all the contents (that will be restricted for non premium members), and consultancy support on project's ideas evaluation, the partner search, and the grants scan. The premium membership fee will be in the range of 500 Euro per year.
- **Advertising** will be also used to generate revenues to sustain the cost of the platform maintenance. Advertising will be promoted directly with large stakeholders of the photonic community. It is not expected to embed google AdWords in the web site as the traffic will not be high, but highly qualified.

The following table provides an overview of the direct revenues that can be achieved in three years. The estimate is a conservative one, considering that only 14 premium members is the target of the first year.

	Year		
Revenues	**I**	**II**	**III**
Premium membership	7000	15000	39000
Advertising and sponsorship	6500	8000	15000
Total	**13500**	**23000**	**54000**

Table 2 – direct revenues from the platform

5.3 Partners contribution to the LIGHTJUMPS services

The partners may expect to derive several benefit by contributing to the platform and services maintenance. The main ones being:

- Brand and reputation in the photonic sector;
- Institutional mission in the sector;
- Visibility to promote consultancy services;

Concerning the latter, through the platform a set of services will be offered to the community, namely training, coaching, and peer review of projects and of elevator pitch, as well as other consultancy services.

The partners' contribution is expected to cover the costs of maintenance not covered by the direct revenues. The following table provides an overview of the revenues, costs, and partners' expected contribution (or profits whenever the direct revenues exceed the expected costs):

	Year		
Funding sources	**I**	**II**	**III**
Premium membership	7000	15000	39000
Advertising and sponsorship	6500	8000	15000
Partner contribution	44520	22600	
Total	**58020**	**45600**	**54000**
	Year		
Costs	**I**	**II**	**III**
Hosting and system maintenance	8400	8400	8400
Contents update (databases)	12000	12000	12000
Contents update (news, newsletter)	7200	7200	7200
Grant scan, project ideas	16000	16000	16000
Advertising	1000	2000	2000
Development of user management / authentication system for premium services	9100		
Minor reshaping of the user interface for advertising	4320		
Total	**58020**	**45600**	**45600**
PROFITS	**0**	**0**	**8400**

Table 3 – overall costs, revenues and partners expected contribution

As it can be seen, for the first year the partners should contribute for an amount ranging from 44,520 Euro to 58,020 Euro (worst case, if no revenues will be generated). This means that each partner shall at least agree to contribute with a minimum fee, which is set to 4,000 Euro per year.

5.4 The LIGHTJUMPS platform business model

Below it is reported the overall business model of the LIGHTJUMPS platform, provided in a CANVAS business model structure:

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
Key Partners: ■ Service providers offering consultancy services ■ Service providers for relevant information to the photonic industries ■ Organisations active in the photonic sector **Motivations for partnership:** ■ Reduction of risk and uncertainty ■ Acquisition of information ■ Acquisition of resources for service delivery	■ Provision of information for the innovation processes of photonic organisations ■ Services for facilitating obtainment of public funding **KEY RESOURCES** ■ IT maintenance ■ Human resources (consultants) for service delivery ■ Human resources for information update ■ Financial resources for advertising	■ Single place where accessing relevant information for photonic industry technology innovation. ■ Support innovation processes of SMEs ■ Addressing the need of acquiring and analyzing information during the innovation process ■ Accessibility and usability of information needed during the innovation process	■ Premium membership through on line subscription ■ Direct relation with customers for on-line service delivery ■ Help desk for public funding information ■ Communities co-creation for information sharing **CHANNELS** ■ The LIGHTJUMPS platform will be the main channel for promotion and services' delivery. ■ Awareness will be raised through mailing, social (linked IN) and advertising	■ European Start ups and SMEs operating in the photonic sector, needing tutorials, best practices, access to information for technology innovation processes, service for accessing public funding ■ Research centers willing to join industries for collaborative innovation ■ International association and clusters

COST STRUCTURE	REVENUE STREAMS
■ Fixed costs of resources involved in contents update ■ Variable costs of resources involved in service delivery ■ Fixed cost of acquisition of information ■ The business is Value Driven, focused on value creation, and premium value proposition	■ Subscription fee to access information relevant for innovation processes, services for public funding, and visibility for private funding ■ Advertising to profiled users (advertising revenue stream)

6   Memorandum of Understanding among the partners

The platform sustainability depends on the efforts of the partners. It is agreed that only the partner contributing to the platform maintenance will be entitled to gain revenues and/or visibility through it. The following milestones are set:

- First 6 months after the project: CIAOTECH will maintain the platform alive. The partners will provide information, news, contents to keep it updated. All the partners will make their best efforts to identify possible sponsorship for the platform.

- Before the end of the sixth month after the project's end, the partners interested in contributing to the platform will communicate it to the coordinator (CIAOTECH). A financial contribution is foreseen necessary to share the cost of the maintenance and update of contents. The financial contribution will be in the range of what described in section 5, with a minimum contribution set to Euro 4,000 (four thousand) per year.

- If partners will not communicate their intention to contribute to the platform sustainability by the end of month six, they will be automatically considered not entitled to have any

governance power and eventual revenues from the platform. As matter of fact, it is considered that the platform will be of property only of the partners that will contribute to its maintenance. CIAOTECH already communicates its intention to contribute to the maintenance. The platform will always mention that was funded through an EC funded project, and the names of the partners contributing to the project will be present in the platform.

- Starting from month 8, for-paying services might be offered through the platform, such as Premium membership to get access to all contents; advertising will also be promoted through the platform. The revenues will be shared among the partners contributing to its maintenance.

All the partners will have the rights to promote their services through the platform if they contribute to the maintenance and to the selling of services. CIAOTECH will have the role of collecting the financial contribution from partners to cover the maintenance costs, and share the direct revenues (if any) proportionally with the partners' contribution.

Annex I Memorandum of Understanding

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- If partners will not communicate their intention to contribute to the platform sustainability by the end of month six, they will be automatically considered not entitled to have any governance power and eventual revenues from the platform. As matter of fact, it is considered that the platform will be of property only of the partners that will contribute to its maintenance. CIAOTECH already communicates its intention to contribute to the maintenance. The platform will always mention that was funded through a EC funded project, and the names of the partners contributing to the project will be present in the platform.

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