Interreg
Danube Transnational Programme
Danube Energy+

DANUBE ENERGY + TOOL

Pre-acceleration learning scheme for Young Innovators

August 2019

A stream of cooperation

Project co-funded by European Union funds (ERDF, IPA, ENI)

Introduction

The Energy + Tool (Tool) is a pre-seed/pre-acceleration learning scheme targeting Young Innovators (YIs) with highly innovative disruptive idea in energy efficiency field.

Target group are Young Innovators under 35 years of age with projects that are still at the idea stage, but with no product, traction, or even a working prototype.

The aim of the Tool is to boost their knowledge on business challenges in energy efficiency, competition, customer/market validation, business skills, business modelling, team setting up and legal start-up issues.

Purpose of this document is to give guidelines to providers of the Tool about recommended structure of the Tool including suggested methodologies.

Providers of the Tool are stakeholders which have a lot of experience with helping start-ups to scale up their idea towards successful venture.

Contents

1. Basic characteristics of the Danube Energy+ Tool

The purpose of the Tool is to support Young Innovators to pioneer a change in the energy efficiency area by setting up highly innovative start-ups and to prepare energy-focused start-ups to finalize commercialization plans.

1.1. Target group

Young Innovators (YI) are individuals under 35 years of age (high school students, university students, graduates and employees) with an innovative idea with commercial potential contributing to the sustainable energy challenge.

1.2. Eligibility criteria

Tool's focus is on:

- Young Innovators with energy business ideas;
- highly innovative disruptive ideas in energy efficiency;
- solutions that are still at the idea stage (with no product, traction, or a working prototype)

1.3. Sustainability of the Tool

Short-term goals of Danube Energy + pre-acceleration program implementation (pilot program defined for year 2020) are listed below:

- 10 ideas finalized in the program by having a commercialization plan for a new start-up;
- 10 events organised (motivation and learning workshops)
- Young Innovators connected with the right partners and helped towards an international growth

Depending on the implementation results Energy + Tool will be improved in following years throughout:

- 10 events organised (roundtables and learning workshops)
- 9 functioning organizations (HUBs) created
- boosted knowledge of key regional stakeholders including the public administration and regional authorities
- developing a start-up ecosystem in Danube region (the list of the partners/countries is given in the chapter 7.1)
- linking all key players of the ecosystem in the region, which helps new entrepreneurs to grow and expand on foreign markets through a network of partners

2. Structure of the Tool

2.1. Schedule

Launch of the Tool (motivational workshops) October 2019	Opening the call for applicants November 2019 / December 2019	Evaluation of the applications January 2020	Implementation of the Tool (learning workshops) February 2020 / March 2020

2.2. Identification, motivation and connection of YIs

In general, attracting Young Innovators and stakeholders depends on the offer and branding. Targeted marketing and clear communication about the Tool's criteria, what it offers and to whom, is key. There are multiple organizations, stakeholders and channels that Tool providers can engage with to source and attract Young Innovators:

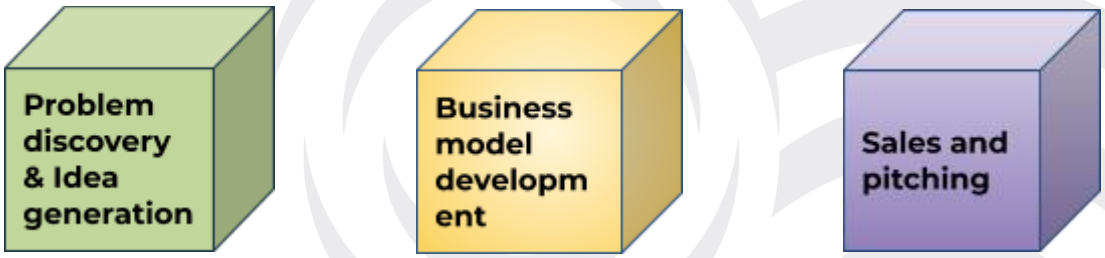
- Universities, Technology Transfer Offices
- Industry associations focused on specific sector (energy efficiency)
- Conferences with the focus on themes connected to innovation, technologies, entrepreneurship, career development …
- Sector–specific conferences (e.g. energy)
- Specialized social media groups and angels network groups
- Other accelerators, incubators, tech parks
- Student associations and startup competitions which stimulate innovations
- European Cluster Collaboration Platform

The Tool providers should organize motivational workshops and other events which will be opened for everyone or will be just a place to meet, to get motivation to apply or inspiration for the ideas / solutions for the industrial challenges that will be presented. Very short and intensive events (e.g. hackathons, startup meetups…) should be focused on connecting Young Innovators to a range of mentors and experts specializing in different industry fields and to encourage collaborative development, and test whether an idea may be viable for the pre-acceleration program.

2.3. Learning schemes

Learning structure is based on 40 hours of education which include these topics:
(1) specifics of business in energy efficiency,
(2) current networks, challenges and opportunities in the field
(3) competition analysis and advantage,
(4) customer/market validation,
(5) business skills including marketing/sales,
(6) business modelling,
(7) team setting up and
(8) legal start-up issues

Based on this learning structure the learning scheme of the Tool should consist of 3 learning blocks:



2.4. Pre-acceleration program activities

Suggested learning program length is 4 weeks and it consists of theory sessions, workshops and a demo day.

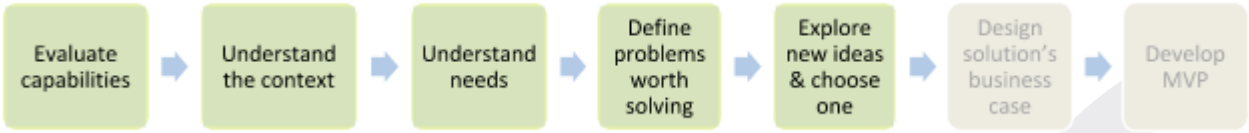
Theory sessions	Theory sessions will be led by experts or entrepreneurs with prior experience in the industry.
Workshops and coaching sessions	Each team will be working on all topics and mentors or business coaches will be coaching teams during workshops
Demo Day	The Program ends with a Demo Day where all teams pitch their idea

3. Problem discovery & Idea generation

3.1 Learning content

Part 1: introducing the innovation process

The goal of Block 1 is to **kick-start the innovation process**, linking challenges of energy sector with YI' skills, leading to a fresh and innovative idea. The innovation process of the Danube Energy + Tool in the Block 1 starts with evaluating capabilities and ends with new ideas' exploration.



Source: Board of Innovation, Retrieved from: https://www.boardofinnovation.com/

The end result of the Block 1 is a **viable idea or concept** that is going to be further developed by the team. In order to develop the idea, it is necessary to first facilitate creation of diverse teams, assist them in problem discovery and understanding, and finally guide them through the ideation process.

In case a team enters the programme with an idea already in mind or in early development, it is still valuable to journey through the problem exploration and ideation phase and treat it as part of the iterative process.

Tasks for Block 1:

- **Facilitate** team creation around complementary skill sets and mutual interests
- **Assist** in problem discovery and definition
- **Guide** through ideation and idea selection

The beginning of the session is designed to get participants familiar with the setting and with each other. They will also explore the skills and interests of the fellow participants, facilitating the formation of diverse teams. The team formation process

will be therefore started right at the beginning. The timing of the speeches by energy field specialists and by an already successful innovator in the field can be decided in function of the participants´ pre-existing knowledge on the topic. These speeches can therefore either kick-off the day or can be placed later in the schedule, for example after the Ice-breaker activities but before the start of the problem discovery.

Part 2 Scouting the field

Ice-breaker & Energizer activities

- During the initial Ice-breaker sessions, the participants **elevator-pitch** their interests, skills and experiences, as well as the motivation to be in the program (60 sec each)
- Facilitator notes the interests and the skills on a whiteboard, so that the information can be, later on, consulted by the participants
- Energizer activities will facilitate the team creation, instructions are provided for the following and more can be found on https://toolbox.hyperisland.com/
    - BANG (specifically for name learning) or
    - The Shouting Game

BANG

Bang is a group game, played in a circle, where participants must react quickly or face elimination. One person stands in the middle of the circle as "the sheriff", pointing at other players who must quickly crouch while those on either side of them quickly "draw". A good activity to generate laughter in a group. It can also help with name-learning for groups getting to know each other.

⏱ 5-30 min, all participants
Materials: None

❗ *Step 1*:

- The group stands in a circle. One person stands in the middle as the sheriff.

❗ *Step 2*:

- The sheriff quickly spins around and then points straight at one person in the circle and says "bang!"

- The pointed-at person crouches as quickly as possible. The two people standing next to the pointed-at person must quickly point at each other, shouting each other's names.
- The person who is last to shout the name of the other is out of the game. Unless, the pointed-at person in the middle of those two does not crouch in time. In that case, that person is eliminated.
- When there are only two people left, they stand with their backs to each other in the middle of the room. The sheriff calls out random numbers. On every uneven number the pair takes a step away from each other. On the first even number they draw, quickly spinning around and then shooting. The quickest draw is the winner.

The Shouting Game

This simple group game is played in a circle. Participants repeatedly choose one other person to look at, hoping that person won't be looking back at them. Whenever eye contact is made between two participants, both must shout wildly and lunge backward. They are then eliminated. The game generates laughter and boosts energy in a group.

⏱ 5-30 min, all participants
Materials: None

❗ *Step 1*:
The group stands shoulder to shoulder in a circle. Everyone must be able to see the eyes of everyone else.
Explain that you will be giving two sets of instructions repeatedly, "heads down" and "heads up." When you say "heads down," everyone looks at their feet.

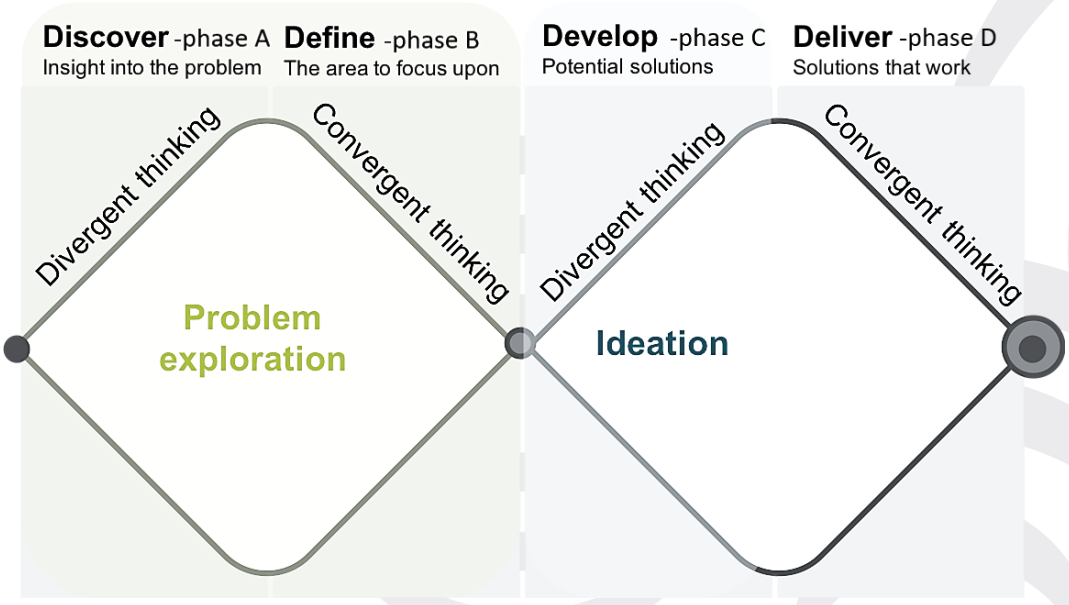
❗ *Step 2*:
When you say "heads up," everyone looks up and instantly looks *straight at the head of one other person in the circle.*
There are two possible consequences: when a person looks up at someone who is looking at someone else, nothing happens; when a person looks up at someone who is looking right back at them, they must both point in a very exaggerated manner at the each other and let out a loud SCREAM OR YELL.

Those two are then "out" and stand outside of the circle to observe. Once the "screamers" have left the circle, the circle closes in and repeats the process until there are only two people left. The final two have to do it one more time, even though the outcome is a foregone conclusion.

Part 3 Double Diamond

Innovation process is most commonly represented as a double-diamond shaped process, as in the graph below. There are two main lessons represented in the double-diamond diagram:

1. Think large first, narrow-down second (convergent vs. divergent thinking)
2. Don't ideate before settling down on a valid problem



Source: Board of Innovation, Retrieved from: https://www.boardofinnovation.com/

Block 1 covers the first 3 parts (A, B and C) of the Double Diamond:

A. Discover problems – the first part is addressed by the content video prepared by the project partners and made available to Tool providers, motivational speakers

and the workshop organisers, presenting the challenges and the trends in the sector of energy

B. Define specific problems – analyse the challenge and narrow down to a problem, define the customer you will be solving a problem for

C. Develop potential solutions to these problems – think of potential solutions to the problem as defined in the previous point, think large!

D. Deliver feasible and viable solutions to these customer problems – the last part of the Innovation Double Diamond will be addressed in Block 2

PHASE A | DISCOVER

Goals: to become familiar with challenges and trends in the energy sector and to create teams, either organically around the common interests, or with the help of the facilitator by matching complementary skills

Timeframe: ⏱ up to 2 hours

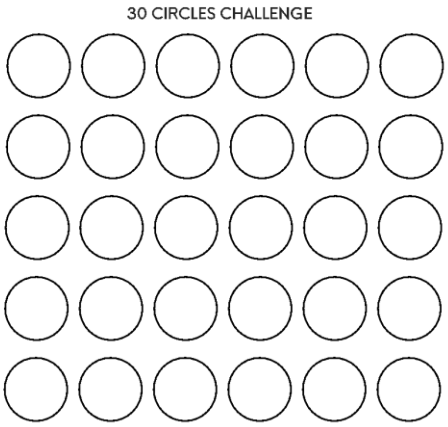
The first stage of designing a solution is to empathically understand the problem. This involves consulting experts to find out more about the area of concern through observing, engaging and empathizing with people to understand their experiences and motivations, as well as immersing oneself in the physical environment so a deeper personal understanding of the issues involved can be gained.

Methodologies:

- Content video - Dynamic presentation of the industry challenges
- Motivational lecture
- Warm-up 30 circles - the template is attached to this document (annex 1.1.)

30 circles challenge

This tool helps to kick-off the creativity of the group. The task is to fill as many circles with doodles – it can be one doodel per circle or a larger picture covering all of the circles. There are no limitations!



⏱ up to 5 min

PHASE B | DEFINE

Goal: precisely and concisely formulate a problem statement

Timeframe: ⏱ 3 – 4 hours

Phase B uses convergent thinking to define the specifics of the problem to which the solution will be looked for.

During the Define stage, YIs put together the information they have created and gathered during the first stage. They will analyse their observations and synthesise them in order to define the core problems that their team has identified up to this point. It will make designing the solution easier, if they think of the problem in a human-centric way. An example would be to instead of defining the problem as their own wish or a need of the company such as, "We need to increase our food-product market share among young teenage girls by 5%," a much better way to define the problem would be, "*Teenage girls need to eat nutritious food in order to thrive, be healthy and grow*."

Methodologies:

- Fishbone diagram
- The 5 Whys
- The Helicopter
- Validate the problem with stakeholders by asking them (the public and/or experts

The Fishbone Diagram

This cause-analysis tool identifies many possible causes for an effect or problem and it can be used to structure a brainstorming session.

⏱ 30-60 min

Materials:

- Paper/whiteboard/flipchart + Pens

❗ *Step 1*: Group creates a problem statement and writes it down

Result: one concise problem statement;

"Small-scale PV is not accessible to low-income customers"

❗ *Step 2*: Group persistently asks "why do we have this problem", until the root cause has been identified

❗ *Step 3*: Once the root cause was identified, the group proceeds to idea generation, addressing the issue

The Helicopter

The Helicopter can be compared to a mind map – the point is to look at the problem statement from different angles and to find an angle that the groups find interesting to work with. In this context it means to break down energy efficiency into partial problems.

⏱10 min, all participants

Materials:

- paper
- post-it notes
- pens

❗ *Step 1*: Write the central theme in the middle of a piece of paper

❗ *Step 2:* Write related problems in circles around the theme

❗ *Step 3*: Choose the problem you find most important and formulate the problem statement on the basis of the sub-problem you have selected

❗ *Step 4*: If the problem is still wide, use the problem statement from the previous step and use it as an input for the next exercise to narrow it down even more

PHASE C | DEVELOP

Goal: Brainstorm ideas, the deliverable being several ideas that answer the problem from PhaseB.

Time frame: ⏱ 3-4 hours

The process of ideation refers to the phase of development of ideas, using divergent thinking and exploring options on the crossroads of skills, interests and needs. The following 4 rules should guide ideation:

4 GOLDEN RULES OF IDEATION

Rule #1 **There are no bad ideas**	Ideation must be an open process where everybody feels comfortable to present even the most outlying ideas. Therefore, we need to ask the participants to "kill" judgement at the beginning – at this stage, there are no bad ideas. Great businesses and innovations are made up of many pieces and even "the crazy" ones can bring value and meaning.
Rule #2 **Capture everything**	Tracking every idea is crucial – whatever the method, each participant will be given a stack of post-its and a marker and will be instructed to note down every idea they come across. Meticulous tracking of the ideas will bring clarity and help piece the larger idea together.
Rule #3 **Go for hybrid brainstorming**	Group brainstorming and individual brainstorming are complementary methods, which work the best when combined. The method is further developed below.

Rule #4 **Quantity over quality**	Ideation process is followed by the selection, where feasibility and quality of ideas is assessed. During the ideation phase however, free flow of ideas is crucial and should not be interrupted by ponderings on whether "it can be done".

Source: Board of Innovation, Retrieved from: https://www.boardofinnovation.com/

Methodologies:

- Individual brainstorming
- Picture association
- Circular brainstorm

Picture association

Another classic association exercise. You might want to use services such as http://www.instagram.com", "http://www.flickr.com" or "http://www.pinterest.com" to choose pictures to work on.

⏱ 30-45 min

❗ *Step 1*: Find 10-15 pictures on the Internet. It must be pictures, which are NOT directly connected to the problem area.

❗ *Step 2* : Each picture is placed one by one in the middle of the group so everyone can see.

❗ *Step 3*: The group creates ideas together and write them on post- it notes. Again only 1 idea per post-it note.

❗ *Step 4*: Avoid talking about the picture; just apply it to the problem context.

Individual (silent) brainstorming

An individual (also called a silent) brainstorm will ensure that everyone gets a say and empty their heads of all the initial ideas that come to mind. Doing that will prepare the entire group to take on the first association exercises together.

⏱15 min

- *Step 1*: Write down your individual solutions to the problem
- *Step 2*: One idea per post-it. It must be a short sentence not just one word.
- *Step 3*: Remember there is no such thing as a bad idea

Circular brainstorm

Circular brainstorm is a concrete brainstorming assignment you can use in groups, who find it hard to do the picture and Word association exercise. It is also an exercise where you "play around" a little with the group dynamic.

⏱ 20 min

- *Step 1*: Write an idea on a piece of paper
- *Step 2*: Pass the paper on to the person in your group sitting next to you. He or she grabs the idea and builds on it.
- *Step 3*: The same paper continues all the way round in the group with all members building on the original idea until returning to the original idea "owner".
- *Step 4*: The idea owner compiles all the input and writes it up as one idea and presents it to the group.

Source: Board of Innovation, Retrieved from: https://www.boardofinnovation.com

3.2 Time frame

Ideally, the first Block takes form of an intense boot camp, one and a half days long.

3.3 Learning materials

The Fishbone Diagram

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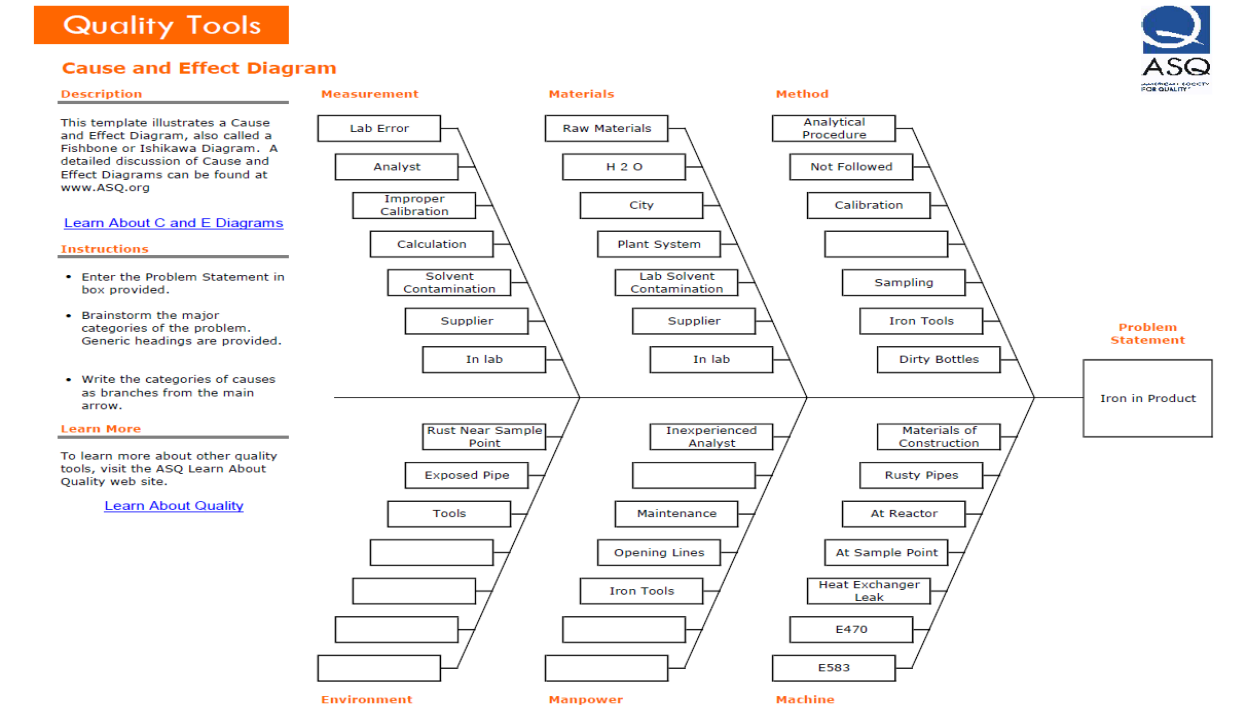


The Fishbone Diagram (xls) is attached to this document (Annex 1.).

4. Business model development

4.1. Learning content

Since the YIs which will be part of the Danube Energy+ Tool Pilot are only starting their entrepreneurship road, the second learning block which will be taking on business model development will be mainly focused on mapping out all relevant elements of the business idea that they will be working on. By doing so they will understand their business better, have an idea which factors are key to the success of their startup and which actions are necessary in order to start developing their idea.

Before the start of mapping activities the mentors will organize a theory session on Lean Startup methodology which is the foundation of all other learning contents inside of this block.

The best way to map out the business is through practical sessions with the YIs which will be filling out various canvases tackling the most important issues that they are facing. The sessions should be structured in a way that after they have finished filling out the canvases they can discuss them publicly amongst themselves with the facilitation of the mentor in order to improve the engagement of the participants and maximize the learning experience.

Apart from mapping out their business, participants will be taught the right way to speak to their customers in order to learn valuable information for the development of their startup using the methodology described in the book “Mom Test” by Rob Fitzpatrick. They will have a chance to learn about the best way to set up a working team, and to hear about legal matters which are important for newly established startups.

In between of the practical working sessions there should also be room for slots where successful entrepreneurs can speak about their experience on building a successful startup from scratch. These sessions should provide motivation to the teams and help them rest a bit from the hard practical work.

Methodologies used in this learning block are:

1. **Lean Startup methodology**

Lean Startup methodology was developed by Eric Ries and it provides a scientific approach to creating and managing startups in order to get a desired product to customers' hands faster. The Lean Startup method teaches entrepreneurs how to drive a startup:

- how to steer
- when to turn
- when to persevere-and grow a business with maximum acceleration.

It is a principled approach to new product development.

2. **Customer persona canvas**

The persona canvas is used to help Young Innovators to create their customer segment and to give them a face and characteristics, so they can understand them and their needs better. Developing a customer persona makes talking about customers and their characteristics more tangible and concrete and makes it easier to refer back to a pattern of characteristics. It also makes it possible to create and share mental models and have a common language about several customer types.

3. **How to talk to your customers?** (derived from the "Mom Test" book by Rob Fitzpatrick)

Now that Young Innovators have identified their customer personas it is necessary to go out and talk to them and get to know them in order to develop a product that they actually want and need. This seems pretty straightforward, but in order to get valuable information from these conversations, it is necessary to learn the right way to ask questions. A methodology developed by Rob Fitzpatrick provides simple guidelines for entrepreneurs that allow them to get less biased data from their conversations with customers and ultimately make well informed decisions on the development of their startup.

4. **Value proposition canvas**

Once that Young Innovators have got to know their customers really well, now they can start formulating what kind of value they can provide to them. Tool used for this

is a value proposition canvas which first makes them map out their jobs to be done, pains and gains, and then identify how to address these issues and what kind of product can be built to achieve that.

5. Business model canvas

The business model canvas is a great tool to help YI to understand a business model in a straightforward, structured way. Using this canvas will lead to insights about the customers they serve, what value propositions are offered through what channels, and how their company makes money. (We suggest using lean canvas instead, because it is a more simplistic overview which is more suitable for early stage startups.)

6. Lean canvas

When the teams have identified what their customers want/need and how they are going to address that, it is necessary develop a more detailed overview of their business. For that we use Lean Canvas which replaces elaborate business plans which take too long to write with a single page business model. It is a 1-page business plan template created by Ash Maurya that helps deconstruct ideas into its key assumptions. It is adapted from Alex Osterwalder's Business Model Canvas and optimized for Lean Startups.

7. Riskiest assumptions canvas

This canvas helps teams identify which things does the success of their idea hinge on? These are the riskiest assumptions and they need to be tested. It is necessary to validate the riskiest assumptions as quickly and cheaply as possible so that YI don't waste valuable time and resources toiling away at something that likely will never work.

8. Experiment canvas

Once the riskiest assumptions have been identified the teams will need a way to figure out how best to test and measure them in a quantitative way. The experiment canvas, created by Ash Maurya, provides a straightforward way to break down the assumptions into measurable, observable, experiments.

9. Team setting up and legal issues

Team structure and relationships inside of the team are one of the key issues for the work of every startup. The best way to learn about these matters is from examples and experience of people that have already gone through these steps. Here a successful and experienced entrepreneur will share their knowledge and point out the most important things that the startups should pay attention to.

10. Motivational and experience sharing talks by successful entrepreneurs

In between of the practical working sessions there should also be room for slots where successful entrepreneurs can speak about their experience on building a successful startup from scratch. These sessions should provide motivation to the teams and help them rest a bit from the hard practical work.

4.2 Time frame

Below time frame proposes the length and structure of each session and does not go into detail when it comes to distribution of sessions in different days.

1. Lean Startup Methodology (theory session) ⏱ 75 minutes

The mentor explains the basis of Lean Startup Methodology to the students.

2. The Persona Canvas (theory and practical sessions) ⏱ 90 minutes

Structure of the sessions and suggested time line are given below:

I. Introduction (⏱ 20 min)

At the beginning of the lecture, the mentor presents himself and gets acquainted with the students, then begins explaining the concept and use of the persona canvas with a presentation where, through practical examples, it will be shown how to fill the segments of the canvas.

II. Persona Canvas (⏱ 30 min)

Participants fill in the persona canvas in accordance with what they learned in the first part of the course, the mentor supervises and answers any questions.

III. Presentation and analysis (⏲ 40 min)

The teams publicly present their persona canvases and actively discuss them with facilitation from the mentor.

3. How to talk to your customers (theory and practical session) ⏲ 90 minutes

Structure of the sessions and suggested time line are given below:

I. Mom Test methodology (⏲ 30 min)

Mentor explains the Mom Test methodology guidelines and goes through practical examples of good and bad questions with the teams.

II. Teams creating their own questions (⏲ 30 min)

Using the methodology that was provided the teams create a list (6) of their own questions in order to test their business idea.

III. Presentation and analysis (⏲ 30 min)

The teams publicly present their questions and actively discuss them with facilitation from the mentor.

4. Value Proposition Canvas (theory and practical session) ⏲ 90 minutes

Structure of the sessions and suggested time line are given below

I. Introduction (⏲ 15 min)

Mentor explains the concept and use of the Value Proposition Canvas with a presentation where, through practical examples, it will be shown how to fill the segments of the canvas

II. Value Proposition Canvas (⏲ 45 min)

Participants fill in the Value Proposition Canvas in accordance with what they learned in the first part of the course, the mentor supervises and answers any questions.

III. Presentation and analysis (⏱ 30 min)

The teams publicly present their value proposition canvases and actively discuss them with facilitation from the mentor.

5. The Lean Canvas (theory and practical session) ⏱ 120 minutes

Structure of the sessions and suggested time line are given below

I. Introduction (⏱ 30 min)

Mentor explains the concept and use of the Lean Canvas with a presentation where, through practical examples, it will be shown how to fill the segments of the canvas.

II. The Lean Canvas (⏱ 60 min)

Participants fill in the Lean Canvas in accordance with what they learned in the first part of the course, the mentor supervises and answers any questions.

III. Presentation and analysis (⏱ 30 min)

The teams publicly present their lean canvas and actively discuss them with facilitation from the mentor.

** If you decide to use Business Model Canvas instead, the structure of the session is the same*

6. Riskiest assumptions canvas (theory and practical session) ⏱ 90 minutes

Structure of the sessions and suggested time line are given below

I. Introduction(⏱ 20 min)

Mentor explains the concept and use of the Riskiest assumptions canvas with a presentation where, through practical examples, it will be shown how to fill the segments of the canvas.

II. Riskiest assumptions canvas (⏲ 40 min)

Participants fill in the Riskiest assumptions canvas in accordance with what they learned in the first part of the course, the mentor supervises and answers any questions.

III. Presentation and analysis (⏲ 30 min)

The teams publicly present their riskiest assumptions canvases and actively discuss them with facilitation from the mentor

7. Experiment canvas (theory and practical session) ⏲ 90 minutes

Structure of the sessions and suggested time line are given below:

I. Introduction(⏲ 20 min)

Mentor explains the concept and use of the Experiment canvas with a presentation where, through practical examples, it will be shown how to fill the segments of the canvas.

II. The experiment canvas (⏲ 30 min)

Participants design the experiments (5 per team) that they could do in order to test their most important hypothesis and riskiest assumptions

III. Presentation and analysis (⏲ 40 min)

Students present their designed experiments and comment on the good and the bad parts of them. They all get homework assignment to implement the comments on their experiments and try to conduct them as soon as possible.

8. Team setting up and legal issues (theory session) ⏲ 60 minutes

Team structure and relationships inside of the team are one of the key issues for the work of every startup. Legal issues involved in setting up a business are

connected with this thematic and different for every country. The best way to learn about these matters is from examples and experience of people that have already gone through these steps and legal frameworks. Here a successful and experienced entrepreneur will share their knowledge and point out the most important things that the startups should pay attention to.

9. Motivational and experience sharing talks by successful entrepreneurs (theory session) ⏱ 60 minutes

In between of the practical working sessions there should also be room for slots where successful entrepreneurs can speak about their experience on building a successful startup from scratch. These sessions should provide motivation to the teams and help them rest a bit from the hard practical work.

4.3 Learning materials

All mentioned learning materials are public and listed below:.

1. Lean Startup Methodology (Lean Startup, Eric Ries)
2. Customer persona canvas (https://designabetterbusiness.tools/tools/persona-canvas)
3. How to talk to customers (Mom Test, Rob Fitzpatrick)
4. Value proposition canvas (https://designabetterbusiness.tools/tools/value-proposition-canvas)
5. Lean canvas (https://leanstack.com/leancanvas)
6. Business model canvas (https://designabetterbusiness.tools/tools/business-model-canvas)
7. Riskiest assumptions canvas (https://designabetterbusiness.tools/tools/riskiest-assumption-canvas)
8. Experiment canvas (https://designabetterbusiness.tools/tools/experiment-canvas)

The templates are also attached to this document (annexes 2.1., 2.2., 2.3., 2.4., 2.5., 2.6., 2.7., 2.8.)

5. Sales and pitching

5.1 Learning content

In the following chapter general guidelines for a business pitch are presented. The content is divided into 3 chapters: 1) Preparation, 2) Execution, 3) The X - factor.

1. Preparation

I. Big idea

We can recognize the value of a given idea in the right context. For pitching purposes, we can present a big idea in contrast with a bad idea in order to emphasize its **differentiation** (Seth Garden's concept of purple cow). Prior to embarking on this train of thought, a startup needs to examine its idea intensely by invalidating its proposition (Piotr Bucki) i.e. what is bad about it? Why wouldn't this idea work? Through analysis of their idea they can bring forward its shortcomings (e.g. a cognitive bias) and its strengths.

II. Solid business plan

A clear articulation of a great idea without a solid business plan will not convince any investor. A good business plan with solid market strategy presented in a pitch demonstrates startup's readiness for an investment.

The investors will be looking for traction (the number of users of the product, service). Since the project Danube Energy+ is focused on Young Innovators, which are most likely without a product with a traction, we should be conservative with emphasizing traction of not yet existent products. At the same time it is important that we give the future entrepreneurs the right information. Traction eliminates most of the risks for investors. If startup can show fast growing number of users, this proves the startup has found a customer pain and that the customers see the product/service as a solution. It also gives an investor opportunity to finance the continuation of the exponentially growing business.

III. Pitch structure

Pitch should include following elements:

- Problem

- Solution (benefits, not features)
- Unique Value Proposition (what is unique?)
- Target Market
- Business Model
- Traction
- Team
- Call for an action & strong finish = one-liner

2. Execution

The powerful pitches hook the listener within the first 15 seconds by different approaches: it is always a good idea to start with a context, asking a question, sometimes a controversial statement can be an useful tool to capture the attention of the audience, or even better, sharing a vision could be a connecting point with the audience.

An excellent pitch will be:

- Short, sweet & to the point
- Facts will reflect startup's expertise
- Reasonable & realistic
- Exciting & Effective
- Structure is coherent
- Design will emphasize the key points
- Includes UVP e.g. differentiation
- It is passionately delivered
- It is well prepared

The most important information in the pitch is worth repeating, for it can increases the chance that potential investors will remember the thing startup would like to pass on. The last slide of a pitch represents take-away in one-liner and contact information. Here are some examples:

- https://www.youtube.com/watch?v=i6O98o2FRHw
- https://www.youtube.com/watch?v=D1GTnaFA5gw
- https://www.youtube.com/watch?v=D1GTnaFA5gw
- https://www.youtube.com/watch?v=7a_lu7ilpnI&t=124s

3. The X – factor

The X factor is a factor that YIs should think about as a factor that makes their pitch stand out, be it something that is unique about them or their style of pitching, or the unique interest or concern that investors might have regarding their idea and answering which can make a difference for them.

a. From a **startup perspective**

Confidence is the key element for a presentation to succeed. Psychological attributes of the performing person can be, if presented rightly, for a brief moment left aside, meaning there is nothing special about the pitch, merely a job that needs to be done. As much humans differ in characters and openness, we do tell each other stories all of the time. We are "pitching" ideas – what happened, what needs to be done, what are our aspirations, etc. – to our friends, family and co-workers daily.

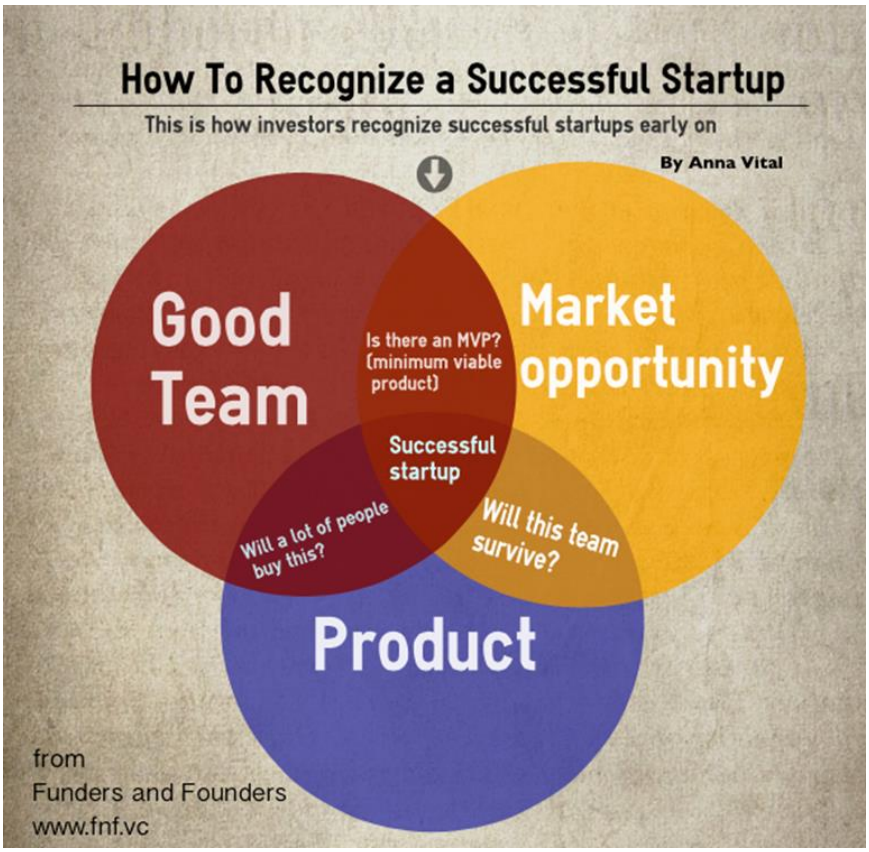
When a young entrepreneur gives hers/his best with gathering data (through customer interviews) and analysing it within the scope of building a viable business plan, all she/he needs to do is to present the emerging idea to the right audience. That's it.

b. From an **investor perspective**

It's good to know what investors are looking for or what kind of risk they examine:

- the founder risk *(does the startup have the right founding team)*,
- the technology risk *(does the technology work)*,
- the consumer adoption risk *(will customers adopt your solution)*,
- the market size risk *(is the market big enough)*,
- the future capitalization needs risk *(how much more money will you need)*,
- and, most importantly for them, the execution risk *(can the team implement whatever is needed to succeed)*.

c. What comes **in between the startup and the investor?**



A personal narrative opens a space for an honest dialogue, an excellent pitch is merely an introduction into new business relationships, and yet it needs to be engaging enough to make a succesfull startup happen.

"The pitch is about earning respect, explaining the difficult in a simple form." Piotr Bucki. Except for investor pitch training and pitch deck secondary output of this Block is to connect YIs with relevant partners and investors during the Demo day.

5.2 Time frame

Duration of all trainings /workshops in this block (3) ⏱ up to 16 hours.
Pre-acceleration programme ends with a Demo Day where all YIs make a 4-8 minute pitch

5.3 Learning materials

The World Wide Web can offer many templates for a pitch structure, the most useful for young entrepreneurs can be the Sequoia Capital Pitch Deck. These templates can serve as a tool to clarify the idea and the plan, however, the pitch itself should have great emphasize on the narrative. Storytelling has been proven as the best way to attract the audience and to capture the listener's attention (as mentioned in this article). The template for the Pitch Canvas is attached to this document (annex 3.1.)

Pitch deck including commercialization plan is a main deliverable of this block and the output of the whole pre-acceleration programme. The template for the pitch deck is attached to this document (annex 3.2.).

6. Guidelines for implementing in practice

Organizational requirements are listed below:

- The pre-acceleration program has to be named ***EU Interreg Danube Energy+***
- Open call for applicants has to last one month;
- The number of participants (per batch) should not exceed 15 Young Innovators;
- 40 hours of lessons and workshops + Demo day needs to be done in 4 weeks;
- During the workshops, local languages can be used;
- Pitch deck and Demo Day, need to be provided in English;
- Participants needs to sign attendance sheets per each day of workshop and for Demo day;
- After the Demo day providers of the Tool need to prepare a report with the list of participants + Pitch Deck (deliverable for each participant) + attendance sheets (all participants signed) and photos of workshops and Demo day;
- Pitch Deck is mandatory deliverable of each participant of the program - the template is attached to this document (annex 3.2.);
- Logo Danube Energy + needs to be included in presentation materials throughout the program implementation - logo is attached to this guidebook (annex 3.3.);
- Checklist (listed below) can be used to make sure you have everything set up for workshops.

Workshop Checklist

Room Setup

- ☐ Provide a workshop location outside the office with spacious rooms
  teams and facilitators will be walking around the room a lot so we need the space
- ☐ Provide a creative workspace, preferably open, bright spaces
  we can provide tips for inspiring workshop places
- ☐ Provide enough wall space to hang posters, templates, post-its: +/- 3m per team
- ☐ The rooms should have 1 table-island per team of 4-5 people and 1 table and chairs close to the screen for our facilitator(s)

- ☐ Beamer or white wall for presentations
- ☐ 1 flipchart per team of 4-5 people (can vary)

Food & Drinks

- ☐ Make sure people have drinks all day long: coffee, tea and water
- ☐ Preferably lunch outside the room so that people can get some air
- ☐ Preferably a light lunch
- ☐ 2 coffee breaks one in the morning one in afternoon

6.1. Mentors and coaches

It goes without saying, in the beginning of a business endeavour, young innovators and entrepreneurs need knowledgeable and experienced mentors: senior business developers, marketing strategists, sales experts, and last but not least pitch coaches. When we talk of new beginnings, for young or senior entrepreneurs alike, the input of experienced professionals can be just as valuable as an investment itself, if not more.

Criteria in selection of mentors and coaches and their roles depend on the methodology that will be used during the program implementation. Mentors should be specialists in the energy field. Coaches/Facilitator should be familiar with and ideally experienced in Lean Startup, Business Canvas or other mentioned methodologies as well as conducting these kind of workshops. Pitching coach is the most important for good pitch. A good pitching coach will be able to bring the best out of any startup i.e. by enhancing rhetorical capabilities and finding the right way for the idea to be articulated clearly. No matter what the theory is, a good pitching coach will give constructive feedback for each case specifically, personally and professionally.

7. Local / regional impact

The Danube Energy+ Tool's main objective is to support Young Innovators to pioneer change in the energy efficiency area in the Danube macro-region. The Tool for boosting YIs towards successful ventures is based on expert knowledge of regional ecosystem actors. The Tool was developed jointly with partners'´ expertise involving key stakeholder groups: public administration, SMEs, universities and business supporting organizations in the region.

Transferability inside and outside of regions/countries will be supported by the dynamic presentation (content video) of industry challenges, learning materials with models and good practices for identification, motivation and connection of YIs and Training workshop materials for the Tool. The impact of the Tool will be demonstrated in 2020 by engaging 90 Young Innovators to address the energy efficiency issues through the innovative pre-acceleration learning scheme and connecting them with key regional stakeholders. The gained knowledge will act as a booster for further transfer of the Tool across Danube region. In order to build a long-term innovation enabling environment, functional HUBs will be established in each participating region.

7.1. Partners

The Tool was developed with key stakeholders, partners from 9 Danube macro-region countries:

1. KIC InnoEnergy Germany, Karlsruhe, Germany
2. Cleantech Bulgaria Foundation, Sofia, Bulgaria
3. Neulogy, Bratislava, Slovak Republic
4. ABC Accelerator, Ljubljana, Slovenia
5. Optimization, Zagreb, Croatia
6. E-KLASTR Czech Republic a.s., Praha, Czech Republic
7. Startup Transilvania Center, Cluj-Napoca, Romania
8. SEE ICT, Beograd, Serbia
9. Center for European Initiatives, Zakarpattia oblast, Ukraine

Young Innovators per each region (90 in total) will participate in the pre-acceleration program. Furthermore, partners will helps start-ups to acquire angel investment and promote them at events such as Danube Energy+ Days and regular social media and newsletter activities on both regional/national and international level.

ANNEXES

Supportive learning documents attached to this document are listed below:

1. Problem discovery & Idea generation

1.1. Warm-up 30 circles

1.2. The Fishbone Diagram

2. Business model development

2.1. Lean Startup Methodology

2.2. Customer persona canvas

2.3. How to talk to customers

2.4. Value proposition canvas

2.5. Lean canvas

2.6. Business model canvas

2.7. Riskiest assumptions canvas

2.8. Experiment canvas

3. Sales and pitching

3.1. The pitch Canvas

3.2. The Pitch Deck Template

3.3. Logo Danube Energy+