

# PRODUCT DEMONSTRATION PROGRAM (PDP)

## APPLICATION COMPLETION GUIDE

### GENERAL INSTRUCTIONS

- Fully read the Program Guide and other documents found on our [website](#).
- A [Technology Development Advisor](#) (TDA) is required for the PDP. Connect with a TDA before applying.
- Use clear and concise language and reduce or explain any technical references.
- Address each question in the Application and read the question guidance carefully.
- Clearly identify the Alberta impact and outline all benefits to Alberta.

### PROGRAM STATEMENT

The Product Demonstration Program (PDP) is designed to de-risk the commercialization process by providing funds and coaching to the SME to enter a partnership with a potential reference client(s) (the "Strategic Partner") to conduct a pilot or demonstration and prove the Product's technical and/or business merits of their Product.

Applicants can be eligible if:

- They have identified a high-quality strategic partner to participate in a pilot. The purpose of the pilot is to validate the high potential of the product technology and advance the SME's product piloting knowledge. The Product is typically considered at a minimum technology readiness level (TRL) of 7.
- They have identified a high-quality strategic partner to participate in a demonstration. The demonstration focuses on accelerating scaling by expanding existing markets, creating new/vertical markets, and/or developing the SME's potential move into global markets. The Product is typically considered at a minimum at a technology readiness level (TRL) of 8 or 9.

### ELIGIBILITY SECTION

The eligibility requirements for the **Program** are:

1. SME's need to fit the program guide eligibility and have an identified high-quality Strategic Partner where they will Pilot or Demonstrate their Product.

**Pilot**

- A. SME products no longer require any refinement to their core technology. The pilot will help verify the technology and reduce uncertainty. The core technology of the Product is at a TRL 7. Alberta Innovates TRL definitions can be found at <https://albertainnovates.ca/wp-content/uploads/2018/05/Technology-Readiness-Levels.pdf>

From a business perspective, the SME should determine the value of the Product and establish best practices for implementation, test their pricing model, work on launch planning, distribution requirements, and identify resources and budgets required to bring the Product to market. The Applicant is looking to advance its product viability for its identified market within the *twelve-month* Project. The Strategic Partner could be a first customer or distributor within eighteen months post-project.

#### Demonstration

- B. SME products at commercialization or scale-up. The demonstration will show the differentiation of the verified technology to current alternatives and showcase the value and best practices of the Product to create a competitive advantage. From core technology is at a TRL 8 or TRL 9. Alberta Innovates TRL definitions can be found at <https://albertainnovates.ca/wp-content/uploads/2018/05/Technology-Readiness-Levels.pdf>

From a business perspective, the SME should have already had early revenues. How to produce and distribute the Product is understood and in place. A validated pricing model and pathway to the sales process exist. The Applicant wants to achieve expanded sales or a broadening of markets within *eighteen* months post-project.

#### All Applications

2.

An Applicant requires a signed Alberta Innovates Letter of [Interest](#) (LOI) from a senior manager level with a high-quality Strategic Partner to be considered for Project funding.

3.

Applicants are required to complete the pilot or demonstration within one year.

Before applying,

- the SME will have a good understanding of the Project and high-level milestones.
- will understand how the pilot or demonstration helping the company achieve its technical and business goals?
- can identify the objectives and intended outcomes of the Project?
- can describe how the objectives and intended outcomes align with the objectives and metrics found in the Product Demonstration Program Guide?

## APPLICANT INFORMATION SECTION

The **Applicant** is the entity or organization (SME) submitting this Application, not the person completing the form.

The Primary Sector is the Applicant's primary business sector based on the North American Industry Classification System (NAICS) Canada 2017 Version 3.0.

[https://albertainnovates.smartsimple.ca/files/646815/f125366/NAICs\\_Level1\\_List.pdf](https://albertainnovates.smartsimple.ca/files/646815/f125366/NAICs_Level1_List.pdf)

## RELATIONSHIP WITH ALBERTA INNOVATES

For the question "Please provide Alberta Innovates representative name," add the TDA's name and any other Alberta Innovates representative who guided this Application.

Ensure there are no conflicts of interest with Alberta Innovates.

[https://albertainnovates.smartsimple.ca/files/646815/f125423/Conflict\\_of\\_Interest\\_Definition.pdf](https://albertainnovates.smartsimple.ca/files/646815/f125423/Conflict_of_Interest_Definition.pdf)

Identify any potential conflict of interest that may exist with Alberta Innovates and the project team.

## DETAILED APPLICANT INFORMATION SECTION

Classify the current company development stage. Descriptions of the [development](#) stages can be found in this section of the Application.

Applicants for both Pilot and Demonstration have a team with diverse skill sets. It is important to identify the key team members, their skill sets, and how they contribute to the Pilot or Demonstration in terms of technical or business merit.

[Source of Applicant Funding\\*](#)

Full disclosure of financing received is important. Complete the table include all sources of financing and types of financing.

[Financial Statements\\*](#)

Read the attachment instructions and provide the required documents. Ensure the current financial information provided is current to **two months prior** to the Application submission date.

[Financial Projections\\*](#)

Ensure you read the attachments instructions and provide the most current pro forma statement(s). Include capital investment requirements leading up to revenue generation and three years post-revenue; and forecasts for revenue and all operating costs.

### [Business Plan\\*](#)

Attach your latest 3–5-year business plan. The Business plan will help validate elements of the Application and linkages to your business. The main areas of the business plan should include market analysis, competitive analysis, operations plan, marketing and sales plans, and financial plan.

*\*Required attachments*

## REPRESENTATIVE INFORMATION SECTION

The Applicant Representative is the individual who is authorized to submit this Application on behalf of the Applicant, confirming that the organization is fully committed to the Project's success. Accordingly, the Applicant Representative should be an individual who has the authority and permission to see the Application and any attachments (including financial statements). Alberta Innovates will only communicate with the Applicant Representative.

## NON-CONFIDENTIAL SUMMARY SECTION

Keep the project title brief. The project summary should give the reading audience an overview of the entire Project and intended economic and societal outcomes, including if jobs are expected to be created, revenues, and exports expected within eighteen months post-Project. Spell out any acronyms or non-common terms.

- Please include a description of the business problem the Product is trying to solve and its value proposition. Who is the Product important too; customers, suppliers, society, companies?
- Include a brief description of the innovation of the technology.
- Include why the Project is important to the strategic partner and its expected outcomes?

Demonstrate the team's credibility, depth, and motivation for delivering a project on time.

Provide a high-level project title and a short overview of the proposed Product Demonstration project. The project title and overview are used for communication purposes and should be direct and brief. Spell out any acronyms or non-common terms.

## INNOVATION OPPORTUNITY SECTION

### [Problem/Challenge to Be Addressed](#)

Outline the proposed Product Demonstration Project's objectives and how it aligns with the overall Product Demonstration Program objectives.

Describe where innovation is taking place to solve a customer's business problem.

#### [Description of the Innovation](#)

Provide a detailed description of the Product. Describe the Product knowledge development or technology/system advancement potential. Includes a description of the Product gap the Project is addressing, the context within which the Project is being proposed, the current state of the Product, and any technical/system-related challenges, gaps, and future opportunities that are present.

Identify the TRL level of the Product and provide substantiating information to support the identified level.

#### [Intellectual Property](#)

Provide a detailed description of the Product Ownership.

Outline Intellectual Property (IP) ownership details post-project and how the IP will be protected for future sales and implementations.

Highlight any regulatory, export/import control, taxes, or legal considerations.

### MARKET OPPORTUNITY SECTION

Provide a detailed description of the Product's current and future market potential.

Provide a comparative analysis of the Products strengths and weaknesses relative to alternative/competitive products or technologies.

Much of this should be gathered from your business plan. Key information should exist from future market interviews and primary and secondary research. Outline your findings from all sources of market data, interviews, and print. Also, identify any direct, indirect, and expansion competition.

Describe your innovation's value proposition by considering the value you bring to paying customers and why both early adopters and other end users will pay for your product post-project. Outline why it will save customers money/time/risk, etc., that sets you apart from your competition.

### PROPOSED COMMERCIALIZATION PATHWAY SECTION

Provide a detailed description of the Products commercialization pathway and commercialization potential (new markets, verticals, and regions).

Also, outline what you intend to learn during the PDP Project that you can apply to future end commercialization of your Project.

Describe your planned commercialization process following the Project and what inputs and outputs you will need to commercialize your technology.

The Commercialization pathway can include future Products, price models,

## PROJECT OVERVIEW SECTION

Provide a detailed description of the Product Demonstration Project:

- The objectives of the Project.
- Targeted Outcomes
- A high-level Work Plan.
- A timeline with Key milestones for the Project.
- The location of the Project.
- Please include a brief description of the project team, their roles, and how their expertise aligns with the Project. Identify any additional new hires and the capacity required should the Project go ahead, including any part-time or full-time employees, new hires, contractors, etc., required to complete the Project over the term of the agreement.
- Include the Project's strategic partner's role in the Project, including key people and their roles.
- Include the Applicants senior leader(s) role in the Project.
- Include the expected return on investment

### [Project Summary Table](#)

Complete this table with confirmed contributions from the Applicant and Other Sources (i.e., Strategic Partner). When inputting the information, keep in mind:

- Proposed Project Start Date – date needs to be after AI Investment Agreement.
- Proposed Project Completion Date – date maximum is one year after the Proposed Project Start Date.
- Project Term (months) - cannot exceed twelve months.
- Funding requested from Alberta Innovates to a maximum of \$150,000.
- Contribution from Applicant (cash and in-kind) - maximum \$150,000. Need to match the request from Alberta Innovates and be equally comprised of cash and in-kind.
- The contribution from Other Sources (cash and in-kind) – in addition to the Applicant contribution and the Strategic Partner.
- Total Projects Costs – the sum of AI, the Applicant, and Other Sources cash and in-kind.
- % of Total Project Costs – The minimum applicant contribution needs to be 50% of the total project costs.

## PROJECT WORKPLAN, BUDGET, AND TEAM

Use the Team table to Describe the project team and their business domain expertise relevant to the Project.

Provide a detailed explanation of the Project budget and justification for the project expenditures.

### PROJECT RISK ANALYSIS AND MITIGATION SECTION

Complete the table to identify potential risks and mitigation strategies related to the Product Demonstration project. Outline any technical, human, and other risks and how you would intend to solve or mitigate these risks during the Project.

### IMPACTS SECTION

Highlight the overall expected economic outcomes that may arise from successful implementation of the Project, focusing on benefits to your company and then to the province of Alberta.

Provide practical and quantifiable information on impacts at project completion and after full commercial deployment.

### STRATEGIC PARTNERS SECTION

Provide a detailed description of the Strategic Partner(s) role and contribution to the Product Demonstration project. Ensure you highlight:

- Why you are working with this partner and at what level the signing authority is with the partner (CEO/CIO, etc.).
- Their expertise, financial capability, and commitment to execute the proposed Project.
- The strategy and probability for post-project sales and/or signing of a distribution agreement.

### ATTACHMENTS SECTION

Ensure you attach all the required documents. Below is a checklist of the attachments:

- Strategic Partner [Letters of Interest template](#)\* (must be signed by your Strategic Partner)
- Business Plan\*

- Financial Statements\*
- Financial Projections\*

*\*Required attachments*



## DEFINITIONS

The definitions included are specific to the Product Demonstration Program. The definitions are meant to give a sense of meaning and context to the term being used. The goal is to help direct the Applicant to relevant information to help evaluate their product and business to fit the short-term and long-term objectives and metrics of the Product Demonstration Program found in the Program Guide.

- **Business Merits** – Competitive advantages of the product or service such as cost structure, uniqueness, quality, intellectual property, distribution network, efficiency that make the product or service more desirable than existing products or services used by target customers.
- **Business Model** – A description of how a business creates, delivers, captures value, and makes money. Customers are categorized as business to consumer (B2C) or business to business (B2B).
- **Business Problem** – A business problem affects an organization and impacts its ability to do its best business. A successful solution will solve the problem and create value for the organization.
- **Commercialization** – The process of bringing new products and services to market. It involves product or service launch planning, production, sales & marketing, distribution, customer support, resources, and budget required to achieve success.
- **Demonstration** – A demonstration looks to inform deeper, provide insight, extend the product's core technology and/or capability. It showcases value and best practices. Experiences are shared during the demonstration, and a successful outcome can lead to expanded sales or a broadening of market segments. The demonstration is completed within a twelve-month timeframe. It provides market validation leading to expanded sales or new market segments within eighteen months post-project.
- **Pilot** – The installation of the product in an operational environment that no longer requires further refinement of the core technology. During the pilot, the value of the product will be verified, and uncertainty reduced. Best practices for implementation and operation are established. A successful outcome of the pilot may reduce friction for future adopters. The pilot is completed within a twelve-month timeframe with outcomes achieved to advance the product viability for its identified market.
- **Pathway to Sales** – A process and system to prospect potential customers, qualify potential customers, do the work to move the customers towards a sale to closing the sale of new customers.
- **Pricing Model** – Pricing structure determines how pricing is set, trials, and discounts involved. The Pricing model has been validated with potential customers. The pricing model is profitable.

- Strategic Partnership – This is a business relationship where each partner remains independent, creating common value for each organization involved.
- Product – A product is a physical, virtual, or hybrid item or service sold to service a customer.
- Scaling – Companies can and want to grow fast. Hiring, improving quality and implementing processes all help to increase efficiency. There is a focus on Key Performance Indicators (KPI's) based on measurable growth in users, customers, revenues, market traction, and market share. Companies have considered or have attracted significant funding/investment or could do so if wanted.
- Technology Development Advisor (TDA) – TDA's are senior business advisors who provide one-on-one guidance, community connections and assist with identifying non-dilutive capital to support entrepreneurs and SME's in technology or knowledge-based industries developing innovative technology.
- Technical Merits – A product or service that meets the potential customer's technical needs and expectations.
- Technical Readiness – A framework to estimate the maturity of a product or service and provide a consistent language to describe different types of technologies uniformly.
- Validating – Companies are iterating and testing assumptions for validated solutions to validate user growth and or/revenue. Key Performance Indicators (KPI's) are identified. Companies are starting to attract additional resources (money or work equity) via investments or loans for equity, interest, or revenue share from future revenues.