



# Guidance Notes

## Web Application Form – Questions and Guidance

**Please read this information carefully.**

### Notes on completing the form

- Once begun, the application form needs to be completed, in full, within two weeks.
- The length of your answers will be limited, so we strongly recommend therefore that you prepare your answers carefully **before** you begin to complete the form.
- To retain a copy of what you have submitted you need to print the completed form before you submit it.
- Once you have submitted your application using the web application form, you will receive an email confirming that your application has been received into our database.
- We aim to respond to all applications within 15 working days. If we decide to take your proposal forward, we will contact you to arrange an initial meeting. If not, we will reply by email or telephone.
- The information you provide in your application will form the basis of our initial review of the investment opportunity. Therefore we **strongly** recommend that you complete the form as fully as possible.
- To get a clearer idea of the types of business we invest in, we suggest that before completing the form you have a look at the information available on this website - particularly the sections on **investment criteria** and our **investment portfolio**.
- Please enter all financials information in pounds sterling (£).
- Questions marked (c) in the guidance notes are conditional and can be left blank.
- No other questions can be left blank, if you don't have an answer please enter none/no/0 etc as appropriate.
- ***By submitting an application to us, you confirm that you have read and agree to the terms set out in the important legal information, which includes our Terms of Business.***

## Questions

<b>1.</b>	<b><u>Contact Information</u></b>	Character Limit
1.1	First Name	
1.2	Last Name	
1.3	Title	
1.4	Email Address	
1.5	Direct Phone	
1.6	Mobile Phone	
<b>2.</b>	<b><u>Company Information</u></b>	
2.1	Has a company been formed?	
2.2	Company Name	
2.3-6	Address & Postcode	
2.7	Region <i>Please select from: London/South East/South West/East of England/East Midlands/West Midlands/North West/Yorkshire &amp; Humberside/North East/Northern Ireland/Scotland/Wales</i>	
2.8	Industry sector <i>Please select from: Healthcare/Engineering/ICT (Information &amp; Communications Technology) /Environment/Other</i>	
2.9	Number of Employees	
2.10	Of which Executives	
2.11	Of which Non-executives	
<b>3.</b>	<b><u>Business Information</u></b>	
3.1	Please give a brief description of your company	250
<b>3.2</b>	<b>Company History</b>	
3.2.1	Date founded (c)	
3.2.2	Where did the idea originate? <i>Briefly tell the story of the idea. Who/which organisation was responsible for the idea?</i>	500
3.3.3	Please list major milestones/achievements to date? <i>E.g. grant received from X, proof of principle achieved, partner agreements signed, new CEO appointed, first sales made etc (include date for each milestone).</i>	500
<b>3.3</b>	<b>Customer and Market Opportunity</b>	
3.3.1	What is the product / service? <i>Give a brief overview of the concept and what it does.</i>	750

- 3.3.2 What type of customer would buy this product / service? 500  
*E.g. SMEs, major international companies, governments, individual consumers etc. If you have any estimates of numbers of potential customers please let us know.*
- 3.3.3 Why would they buy it? 500  
*E.g. is there a technological problem, is the new solution cheaper/faster/more accurate, does it do something new?*
- 3.3.4 When will they want to buy this product / service? 500  
*Are they already buying an alternative? What is the trigger for them to switch to buying the new solution and when will they be ready to do this?*
- 3.3.5 How will it be sold to the customer? 750  
*Describe the route to market. Who does the end consumer actually buy from? Who do you need to sell to? For example, is there an obvious market supplier, wholesaler or other market intermediary that you could target?*
- 3.3.6 What is needed to create need for the product / service? 500  
*What other changes might need to take place for this product / service to be needed / desired? Are people already looking for a solution to a problem or are you going to need to generate demand?*
- 3.3.7 What is the size of the market opportunity? 500  
*Describe and quantify your addressable market(s). Try to be as specific as possible. Give values (£m) and historical and forecast growth rates*
- 3.4 Competition**
- 3.4.1 Is the customer already using a similar product or service? 750  
*Describe what the customer is using and give the names and brief details of the major suppliers (e.g. location, company size, turnover).*
- 3.4.2 How much is the customer currently paying? 500  
*How much and by what method does the customer pay? (e.g. price per product + additional service charge, monthly subscription fee, commission based on X, etc).*
- 3.4.3 What are the advantages and disadvantages of the customer's current solution? 500  
*What is good about what they are already buying and what are the drawbacks that could be filled by the new solution?*
- 3.5 Technical Innovation**
- 3.5.1 Why is this technology so special? 750  
*Briefly describe the technology and outline why it is unique.*
- 3.5.2 Do you know of any other new solutions in the pipeline being developed by others? 500  
*Give brief details: What is being developed? Who is developing it? What stage of development is it in? Why is your solution better?*
- 3.5.3 Is there any relevant intellectual property for this product / service? 500  
*Describe the intellectual property and if/how you are able to protect it.*
- 3.5.4 What is the current status of your intellectual property? 500  
*Detail patents applied for / granted / patent searches completed.*
- 3.5.5 Can you foresee how the product / service's technological advantage may be lost in the future? 500  
*What might change in the market place that will mean that the new solution is no longer required, or that something else will be a better solution in the future?*
- 3.5.6 What other types of applications or markets can you think of for this product / service? 500  
*How else can this solution be used in other circumstances?*
- 3.5.7 Does the technology depend upon the adoption of new standards? 500  
*E.g. is the technology dependent on another technology? Is the technology dependent on the introduction of new regulations?*

### 3.6 Product / Service Development

- 3.6.1 What is the next step assuming that you have adequate resources? 750  
*E.g. to build a prototype and take it to a potential customer.*
- 3.6.2 What is the biggest technical challenge to completing build? 500  
*E.g. do you know of any new or unproven techniques being used to build the solution, or generally, what is the hardest part of building it?*
- 3.6.3 Do you need external partners and who would they be? 500  
*E.g. to take the product to market.*
- 3.6.4 Do you have any idea of how much it would cost to build? 500
- 3.6.5 Who, within your company, has the detailed knowledge regarding the product or service? 500  
*Give name, position in company, and very brief outline of role (CV detail to be provided in 'Management Team' section).*

### 4. Management Team & Board (add additional members as required)

- 4.1 Name
- 4.2 Position
- 4.3 Time Commitment  
*E.g. Full time, 3 days per week, 1 day per month etc*
- 4.4 Background 500  
*Give a brief summary of the individual's relevant CV details and experience.*
- 4.5 Years in sector
- 4.6 Start up experience  
*Please select from: Not previously founded / founded / founded and exited.*
- 4.7 If the management team is incomplete, what are your recruitment plans? (c) 500  
*For what positions do you need to recruit? How do you intend to go about recruiting them?*

### 5. Financials (please enter all amounts in £)

#### 5.1 Historic

- 5.1.1 Grant funding to date
- 5.1.2 Equity funding to date  
*Detail who from, amount and date received.*

#### 5.2 Current

- 5.2.1 Total required amount  
*How much are you looking to raise in total at this stage (from all sources)?*
- 5.2.2 Required amount from NESTA.
- 5.2.3 Names of organisations from which you already have funding commitments for this round (c).  
*Who? How much? Date?*
- 5.2.4 Please state your valuation expectations prior to this round? (c)  
*How much do you expect the company to be worth at this round? Please note: you do not have to answer this question, but any detail supplied may help us come to a more informed decision.*
- 5.2.5 How long do you expect the money raised at this round to last?

*How long will it be before you need to raise more money?*

- 5.2.6 Please list how the money will be spent  
*Split between the categories provided. Provide detail if 'Other'.*

### **5.3 Future**

- 5.3.1 What do you plan to do once this money runs out? 100  
*E.g. secure further funding / exit / finance through sales.*

- 5.3.2 If you require further funding how much will this be? (c)

- 5.3.3 Who do you plan to approach to raise further funding? (c) 100  
*E.g. Xxx, current investors, later stage venture capital etc.*

- 5.3.4 Please provide sales forecasts for the next five years  
*Be realistic! These will be indicative at best, particularly in the later years.*

### **5.4 Exit**

- 5.4.1 What is your exit strategy? 100  
*E.g. IPO, trade sale (detail potential acquirers), share buyback etc.*

- 5.4.2 Within what timeframe do you expect to secure an exit?  
*Detail potential exit points.*

- 5.4.3 What are your valuation expectations at exit?  
*How much do you expect your company to be worth at exit? (a range of values is fine).*

- 5.4.4. Please give details of any comparable exits in your sector? (c) 250  
*E.g. X biotech spinout from University of X, acquired by X (large multinational) for £Xm in 200X.*

### **6. Referral details (c)**

Please provide details of anyone who referred you to NESTA.