

The Business Case for Applying for a Government Grant



APPLIED SUPPORT SERVICES
MANAGEMENT CONSULTING

The Business Case for Applying for a Government Grant

The Purpose of this Document

Government granting agencies fund projects. The first step to obtaining grant funding is to identify a project your organisation proposes to undertake. The project must not be “business as usual” and should address, for example, product, service or process innovation, technical feasibility studies, new business models, energy efficiency, environmental sustainability, capability building or the development of new international export markets.

The purpose of this document is to help you get started assembling the information required to prepare the business case for funding your projects. If you are seeking board, shareholder or investor support, your responses to these questions will help you prepare your business case. If you are applying for a government grant, your responses to these questions will be an essential part of your funding application.

Section Headings

- 1 The Business Case for the Project
- 2 Current State of Knowledge
- 3 Project Overview
- 4 Disclosure and Due Diligence

Contact Details

Your Name:

Your Title:

Organisation:

Address:

City:

Website:

Email:

Phone:

1 The Business Case for the Project

Government grants fund well defined projects. The projects should have a start, a middle and an end, with clearly stated goals and objectives. They should break new ground, be innovative and not involve “business as usual” activities. The members of the project team should be experienced and qualified to undertake the project work.

First off, describe the business case for your project. What is the problem, opportunity or specific need that the project will address? What are the drivers for change that have triggered the project proposal?

THE OVERALL PURPOSE OF THE PROJECT	
The Business Case	
What is the overall purpose of the project? (For example, will you be developing a new product, service, or process, or creating a totally new business model).	
What is the specific problem, opportunity or business need the project will address? Identify the internal and external drivers for change that have triggered the project proposal.	
What is the value proposition of the output of the project to customers or the marketplace?	
What are the likely risks or obstacles to the project, and how will those risks be mitigated?	
What are the likely impacts and costs to the business if the project does not meet its objectives?	
Is your company in a tax loss position? Is your expenditure on R&D salary and wages 20% or more of the company's total salary and wages? Have you applied for an IRD R&D loss tax credit?	
Specify any legal requirements, standards or regulations the output from the project will need to meet.	
Will you seek Intellectual Property protection for the outputs from your project? Do you have IP ownership agreements with your employees and external contractors? Is your IP strategy incorporated into your business plan?	

2 Current State of Knowledge

What is the current state of knowledge about the problem or opportunity the project will investigate? What is known, and what is not known, about the problem? How have you validated the market need?

Can the information you need to solve the problem, or meet your project's objectives, be purchased commercially? Will your project infringe on existing patents and do you have "Freedom to Operate" in your chosen market?

CURRENT STATE OF KNOWLEDGE	
Information Collected, Research and Investigation Undertaken To-Date	
What is the current state of knowledge about the problem the project will investigate? Cite industry analysis, market research, market studies, R&D plans, literature searches, patent searches, competitor analysis, consultation with experts and professional advisors.	
What is known, and what is not known about the project's objectives and deliverables?	
What information about the problem, or the project's objectives, is available in the public arena? Can the information you need to solve the problem, or meet your project's objectives, be purchased commercially?	
What is the outcome of any patent searches or "Freedom to Operate" searches you have conducted?	

3 Project Overview

Government grants fund well defined projects. What are the major objectives, deliverables or outputs for your project? When are the deliverables due? Has a project scope been prepared? What resources are required to complete the project? What will the project cost?

PROJECT OVERVIEW	
Key Parameters of the Project	
Who will be working on the project? Name the internal and external team members.	
What other resources are required for the project. (e.g. materials, consumables, experimentation, trials, prototypes, R&D equipment, other resources?)	
What are the major objectives, deliverables or outputs for your project?	
Has a written scope of work been prepared?	
How long will the project take? What is the anticipated start and end date?	
What is the cost of the project? Have you prepared a project plan and budget?	

4 Disclosure and Due Diligence

Applicants for New Zealand government grants are usually required to be entities registered under companies act 1993, have a New Zealand IRD and GST number and have a New Zealand bank account.

Funding agencies have different requirements for company disclosure and what may be termed “Due Diligence”. It is the applicant’s responsibility to ensure that all company-related disclosure is true, accurate and correct. The types of information that may be requested, or arise during either the application or review process, may include but are not limited to:

4.1 Financial Disclosure

- Annual accounts for a past financial years, as specified by the funding agency.
- Latest management accounts, including income statement and balance sheet.
- Cash-flow forecasts for the duration of the project for the funds being sought.
- Independent financial audits by a member of the NZICA.
- Letters from shareholders agreeing to funding agency terms and conditions.
- Bank statements.

4.2 Project Plan and Budget

- A documented project plan with objectives, deliverables, time-frame and budget.
- Written estimates or quotes from third party suppliers.
- Estimates of internal time spent and costs incurred for the duration of the project.
- Calculations for residual values of prototypes created during the project.
- Project risk and risk mitigation.
- CVs of project team members.

4.3 Market Validation

- Independent market research reports validating the size and value of the target market.
- Business models showing the value proposition of a proposed new product or service.
- Purchase orders or expressions of interest from potential customers a new product or service.
- Identification of the stakeholders and other beneficiaries of the outputs of the project.

4.4 Intellectual Property

- Copies of patents and other IP rights documents. Results of Freedom to Operate searches.
- Copies of IP protection strategies, Intellectual Property Asset Reviews.
- Signed copies of Non-Disclosure agreements between the applicant and other parties contracted to undertake work on the project for which funding is being sought.

4.5 Project Benefit to New Zealand

- Evidence that the project will generate export revenues.
- Evidence that the project will generate wide “net economic benefits”.
- Evidence that the project will generate environmental or sustainability benefits.
- Evidence that the project will have benefits beyond the intended outcome including job creation, capability building and human capital development.

Contact Details

Applied Support Services Limited
Unit 2, 48 Lemnos Place,
Auckland 0604

Phone 09 817 7460
Mobile 021 1323 955

Email info@appliedsupportservices.co.nz
Web www.appliedsupportservices.co.nz

Skype appliedsupportservices

Contact Michael Venter, MA (Hons), Director
Contact Emma Beacham, BCom, Project Assistant

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