



## APPLICATION GUIDANCE | Range 2

All investment applications are evaluated in six broad categories. In each of these categories, the application is ranked from **Red (1)** to **Green (4)**, with **Red (1)** being the lowest and **Green (4)** being the highest.

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### Category One: Impact on MTI Mission and Impact Goals

**How to answer:** To the best of your ability, provide both current and projected economic impact information about your enterprise in the provided table. The middle column (*As of Date of Application*) should reflect the status as of the date of application; the right column (*Year 3 Projection*) should reflect projections on each economic impact metric. If you do not have data, complete the column with 'n/a' or 'none'. Use the offered additional section to explain any additional impacts not captured by the table and information about employee benefits and opportunities for growth.

*Note:* Reviewers understand that at Range Two, projected impacts may fall into two categories: (1) speculative, pending a successful outcome of the project and follow-on funding from either MTI or other investors, or (2) a relatively modest impact with no expectation of future MTI funding.

**Why we ask:** MTI's mission is to grow and diversify Maine's economy. MTI's investments need to tie to our mission and impact goals. Successful and growing companies and organizations in Maine can lead to thriving communities beyond just the impact of their payroll. Maine needs companies that have a symbiotic relationship with the communities in which their employees live and work – these are usually measurable. Maine also needs companies that embed strong values and build a culture of collaboration within Maine – these can have impacts that are not always easily or directly measured.

**What **Green (4)** looks like for Impact on MTI Mission and Impact Goals:** At least two of the four major impact areas are identified and addressed in the company's projections. Jobs created and retained are well-paying and include benefits. The project leverages opportunities for raising other funds and the MTI award would be significant to this effort. The applicant has thought through other ways the organization impacts Maine's economy and their community. Application materials substantiate economic impact projections.

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## Category Two: Team Ability and Structure

**Question:** Describe your team's skill sets, noting the team's:

- lived or personal experience with the problem you are solving;
- understanding of the innovation's value chain and cost structure OR the team's understanding of the approach to solving the problem and the costs associated with the approach;
- ability to create a low fidelity prototype or pilot program; and
- gaps in skills and how you plan to address them.

**How to answer:** Describe your team's skill sets in detail relative to this project and to the health and growth of your enterprise. Make note of each of your key team members – and, in a concise paragraph for each, identify what specific skill sets each brings to your company / innovation (product, process, service or program). You should identify what specific deliverables each will be responsible for addressing in the proposed MTI-funded Scope of Work (Category 6). You may consider advisors, Board members, consultants and contractors as part of your team. You should also note any skills missing from the team and how you plan to fill the gaps.

*OPTIONAL: You may include your team's resumes/CVs as a single document with your Supporting Materials upload at the end of the application. Limit the contents of the document to one page per team member.*

**Why we ask:** An investment in a project is an investment in the team. A team with members who have some lived experience with the problem and an understanding of what a future team might look like, gives reviewers confidence in both the ability to complete the project and to grow the enterprise. A team with differentiated skill sets and experiences will help the enterprise as its structures become more complex.

**Question:** Briefly describe the history of your team, business, or organization, including descriptions of governing rules, practices or processes. What are the team's current strengths and weaknesses?

**How to answer:** Describe your team's accomplishments to-date and identify how long your team has been working together – also, be sure to explain how your team is managed / organized.

**Why we ask:** An understanding of the organizational structure and how the team works together helps instill confidence in the Team's potential for success.

**What Green (4) looks like for Team Ability and Structure:** Team should be comprised of people with varying backgrounds and skills. The team has a strong understanding of what skills are needed – along with a plan to address any current skills gaps. The team should instill confidence in the applicant's ability to successfully execute proposed project. The team is thinking about the overall company or organizational structure needed to be successful or has already put clearly defined organizational or financial systems in place to provide a level of oversight.

### Category Three: Innovation and Value Proposition

**Question: Describe your innovation (product, process, service or program), and include the critical assumptions you are operating with, and its relevant technical/scientific or program design components.**

**How to answer:** Provide a concise description of the innovation that gives enough technical detail and the underlying critical assumptions for reviewers to evaluate its uniqueness in the market and its technical readiness level. Technical/scientific or program design component assertions should be backed up with relevant data when possible. You should also identify competitors in the market and why your innovation is differentiated from these competitors.

**Why we ask:** A clear, refined explanation with technical/scientific or program data demonstrates understanding of both the technical/scientific feasibility of the proposed idea and how your product development connects with the innovation process (an MTI eligibility criteria). A clear understanding of the competitive landscape demonstrates an understanding of the opportunities and challenges for successfully commercializing your innovation.

**Question: Describe your Value Proposition (how it solves a problem or meets an unmet need, and why your solution is better than alternatives) using the following format: “We sell/operate/serve \_\_\_\_\_ (innovation) to \_\_\_\_\_ (target customer/participant). The problem they have is \_\_\_\_\_, and we are addressing that with/by \_\_\_\_\_. Our solution is different from current alternatives because\_\_\_\_\_.”**

**How to answer:** Make sure your value proposition addresses each critical component of the suggested format below:

- We sell/operate/serve: \_\_\_\_\_ (your product/service/program/proposed innovation);
- Our target customer is: \_\_\_\_\_ (your target customer/participant);
- The problem our target customers have is \_\_\_\_\_ (problem);
- We are/will address that problem with/by \_\_\_\_\_ (proposed solution);
- Our solution is different from current alternatives because \_\_\_\_\_ (differentiators).

**Why we ask:** Without a compelling value proposition, there is no future for the innovation. The ability to parse out the value proposition into areas of hypothesis that can be tested and validated is important to ultimate commercialization of any innovation or idea.

**Question: Tell us what you know about your freedom to operate - your ability to develop and implement your innovation or solution without Intellectual Property (IP) issues or constraints, or existing relevant patents.**

**How to Answer:** Discuss the project's IP and any issues or constraints. You may upload any pertinent IP documents and identify the findings of your IP searches along with your Intellectual Property Form.

*OPTIONAL: Upload any Identified findings of your IP searches along with your Intellectual Property List.*

**Why we ask:** Freedom to operate is a critical piece of investigation to bring an innovation to market. Evidence of the team's efforts to investigate and address any barriers instills confidence that Team will not face challenges associated with their innovation further along in the development stage.

**What Green (4) looks like for Innovation and Value Proposition:** Team articulates problem and a plan for validating solution; Team provides evidence that this is a significant problem for the customer – and that their solution will be of high value to customers. Team provides believable initial customer discovery data that verifies the legitimacy of the proposed solution. Team identifies competition and articulates differentiators against competing products; Team can clearly articulate the innovation and technical claims/assumptions are supported by reliable data. Answers instill confidence that the applicant understands freedom to operate and IP protection issues; Team provides requested IP information.

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## **Category Four: Customer and Market**

**Question: Describe the overall market(s) or customer segments for your innovation/solution, and your plan or ability to capture part of the market. Include the size or portion of the market you are aiming to capture.**

**How to answer:** Quantify the total addressable market as well as your initial target market/segment. Upload market research or other visual aids to further clarify the market opportunity – be sure to cite the source(s) of your market data. Articulate how you plan to capture your target market(s).

**Why we ask:** A deep understanding of the customer and market, and a path to capturing customer segments is indicative of potential future success. A product in search of a market or customer is much less likely to end up as a profitable or successful venture.

**Question: Describe and provide evidence of initial demand/customer discovery/pilot participation that the changes your innovation will have on the customer. For ecosystem requests, the 'customer' is the way entrepreneurs, sectors or the innovation ecosystem functions will be impacted.**

**How to answer:** As specifically as possible, provide information about customer discovery conducted thus far and the evidence you have gathered that the innovation is a 'must have' not a 'nice to have' for your potential customers. If a project that is focused on entrepreneurs and innovators, a Maine sector or cluster, or Maine's innovation ecosystem, reviewers should understand why customer find that this is a critical part of the solution in Maine.

**Why we ask:** At Range Two, you should have done enough customer discovery/exploration to have formed a strong hypothesis about your customer's delight with innovation.

*Optional but recommended: Upload market research evidence, customer support letters, and/or customer discovery data as part of your Supporting Materials.*

**What Green (4) looks like for Customer and Market:** Team clearly describes the market that includes a) the overall size of the market(s), b) the potential for multiple markets or customer segments, and c) data provided (or cited) to support these claims. Team understands the portion of the market(s) they hope to capture with a clearly articulated plan and explains their ability to capture this portion of the target market. Team has systems in place to iterate product and further refine based on customer feedback.

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## **Category Five: Business Model**

**Question: Describe your plans for your business/organization in the next two to five years. What do you want to do with your innovation and what is your vision of success?**

**Question: Explain the projected revenues and costs for the next two years, including: a) revenue assumptions and how you formed those assumptions; b) description of project costs; and c) identification of price points where the innovation will create positive cash flow or become sustainable.**

**Question: Tell us what additional capital you will need and describe other revenue models you have explored.**

*Optional: Include proforma financials or other materials as part of your Supporting Materials upload that demonstrate business models, cost structures, or other projections that support your narrative.*

**Question: Upload a Gantt chart of visual roadmap of the path forward for the plan articulated above.**

*Note: the Gantt chart is not for the project's scope of work but for the overall enterprise plan.*

**How to answer:** Provide a narrative characterizing your plans for your enterprise over the next 2-5 years. Discuss any revenue models you have considered and any evidence you have gathered to support them. Connect the plans to governance and financial systems planned or in place, the team structure referenced in Category Two, and cash flow needs or challenges.

**Why we ask:** Strategic thinking about the business model for the enterprise is critical to its success in the long run. MTI wants to understand what avenues are being explored and why, as well as whether the aspirations for the enterprise align with MTI's mission. Reviewers need to understand how this will

make money or be sustainable over the long run. Reviewers also need to have confidence that the enterprise has enough financial runway to complete the effort and level up.

**What Green (4) looks like for Business/Organizational Model:** Team articulates a vision for success and has begun to consider and can articulate strategies for growth, exit or sustainability. Team has outlined potential business models. Team can articulate revenue assumptions and instill confidence that those are realistic and attainable. The financial health of the enterprise is such that the team has enough ‘runway’ to complete the project and either begin to secure follow-on funding or has a revenue model that becomes sustainable by project end.

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## **Category Six: Scope of Work and Budget**

MTI invests in project-specific requests leading to impact goals – provide a Scope of Work that specifies your proposed objectives and project deliverables over the course of your proposed project timeline.

**Question: Upload a Scope of Work using the template provided in the application portal.**

**How to answer:** Use the Scope of Work template to identify the key activities and deliverables of your proposed project. The template connects the Scope of Work to the categories of the VIRAL scale so that MTI can track how our funding impacts our clients’ ability to “level up” and establish a strong foundation for success.

In the template, column one asks you to identify the VIRAL category that the activities and deliverables support. In column two, enter the current VIRAL level that was provided following your client engagement session. Repeat this any for any VIRAL category that is directly related to the MTI funds requested and matching funds provided.

Provide an accompanying narrative below the table, if necessary, and in your application, to provide clarity on the stated deliverables and to connect them to the VIRAL level questions being answered to “level up” on the VIRAL framework scale. The narrative should also indicate what you hope to learn and what might change based on these learnings.

**Why we ask:** At Range Two, project success will be the ability to learn what is needed to “level up” within a realistic timeframe. Being able to focus on the appropriate area of enterprise growth at the right time, in a deliberate and disciplined manner, is an indicator that the effort will eventually succeed and have impact on MTI’s economic metrics. Projects at this MTI funding range will fall into two categories, based on aspiration and economic impact: 1) Level up and become competitive for outside investment or eligible for follow-on funding from MTI or 2) level up to complete the need for project funding with the team achieving its growth goals.

**Question: Upload a Budget using the template provided in the application portal, providing a detailed breakdown of your proposed project budget. Include all proposed expenses: MTI funds requested, cash match and other match.**

**How to answer:** Use the template to identify all costs for your proposed project. The Budget form allows you to break down project costs by category. Remember, MTI requires at least an equal amount of matching co-investment funds for all applications. Be sure the “MTI Funds Requested” entry is the amount you are requesting. The match fields should be the total of all additional project expenditures beyond MTI Funds; see MTI’s Matching Funds Policy for more detail on what may be included as “Other Funds” contributions.

**Why we ask:** The requirement for matching is the hallmark of MTI’s ability to leverage private sector co-investment. Reviewers must have confidence that the team can provide match to meet our policy requirements and enough funding to complete the proposed Scope of Work.

***In the Application portal:***

*Question: In the application portal, list the project’s start date and end date.*

*Question: Enter the breakdown of the project totals from the Budget Worksheet.*

**How to answer:** Enter the project’s start and end dates. Then, copy the numbers from “MTI Funds Requested”, “Cash Match”, and “Other Funds” of the Budget form into the corresponding fields in the online application portal.

**Why we ask:** The redundancy for these is intentional. We confirm the start and end dates that will guide any award contracting documents and provide clarity on project timelines; we also confirm the amounts of both matching funds and MTI funding requested.

**What Green (4) looks like for Scope of Work and Budget:** Planned activities focus on areas of agreed upon need and instill confidence that if completed, will accelerate goal achievement of the company or organization. Project outcomes are measurable. The deliverables and timeline are clear and realistic to be accomplished within the proposed scope of work. Team has a firm understanding of what it needs to learn and how to apply what it learns to the need or opportunity. Project budget is reasonable and appropriate; appropriate matching funds are identified.

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## **Additional Materials**

Supporting materials should be uploaded as one document that includes:

Team resumes/CVs

Market research evidence, including letters of support and commitment and customer discovery data

Proforma financials