

Scottish EDGE – Example Application Form

This form contains answers from 10 Scottish EDGE winners demonstrating what a good answer looks like in each of the sections on the form. This also shows you what a completed form would look like once you have submitted it and printed a copy for your records.

Business Name	The EDGE of Glory Ltd
Registered Address	Flat 1/1
Correspondence Address	Flat 1/1 2 Cliff Edge Edgetown ED1 123
Applicant / Key Contact Name	Eddie McEdgy
Position in Business	
Business Main Phone Number	07712 345678
E-Mail	hello@edgeofglory.com
Website Address	http://www.edgeofglory.com
Business Structure	Limited
Industry	Technology
Business Status	Pre-Trading
Date Started Trading	

Business Description
EDGE Company run high quality barber shops out of converted shipping containers in convenient locations, with free parking and affordable prices. In the space of five and a half months we have opened three shops at key locations in Glasgow and are due to open our fourth next month.

Amount Applying For
£100,000.00

Video Submission	
Video Link	https:// www.youtube.com/watch?v=CcXA3l-qAOc
Video Link Password (if required)	

Application Proposal

Irritable Bowel Syndrome (IBS) is a collection of symptoms including abdominal pain, bloating, cramping, and irregular bowel movements. There is no cure for IBS, affecting over 13 million people in the UK which costs the NHS over £45.6 million annually.

The UK free from food market is estimated at £365 million - forecasted to increase by 50% by 2019. However, there is a lack of meal options on the market for IBS sufferers with no IBS friendly fresh meal options suitable for their diet resulting in a clear gap in the current UK market.

Research highlights that controlling your diet can effectively manage the symptoms, where 70% of IBS patients found a low FODMAP diet to be beneficial. FODMAPs - Fermentable, Oligosaccharides, Disaccharides, Monosaccharides and Polyols are a wide range of foods such as gluten, dairy, garlic and onion that are difficult to digest and should be avoided.

EDGE Company is an innovative and sustainable food business providing the UK's first gluten free and dairy free freshly prepared meal options which follow the low FODMAP diet helping individuals suffering from IBS to live a healthier, better quality lifestyle. Our products cater to a range of special dietary requirements, including vegetarian and vegan diets, effectively positioning EDGE Company in the 'free from' food market. EDGE Company meal options are also suitable for anyone who enjoys delicious healthy food.

EDGE Company is at start up stage. Over the past 7 months, we have gained and renovated premises to operate in efficiently. We have sourced a skilled team of people, teamed up with local, Scottish suppliers and have successfully developed and tested a range of products. We have had support from Queen Margaret University, and have launched edgeofglory.com. EDGE Company has gained over 500 social media followers, valuable B2B contracts, and is working with the Scottish Centre for Food Development & Innovation at Queen Margaret University to launch a new health snack product in Summer 2018.

Our vision is to be market leader within the 'free from' health food segment within the UK, delivering exceptional, high quality products whilst providing tasty meals and great customer service. In addition to our fresh healthy meal options, we will introduce new product lines to expand our range and attract a wider consumer market. We aim to increase our distribution channels to allow consumers to access our products conveniently, and to boost our visibility and credibility.

Our business objectives are as follows: - To raise awareness of our brand, IBS and the benefits the low FODMAP diet - To personalise our product offering by engaging with customers to share our own experience and offer dietary advice - To satisfy a gap in the UK market - providing our products to people with IBS and other food intolerance suffers - To develop a long term unique business concept which is profitable - To satisfy demand by continually researching and testing our recipes to deliver a high standard quality product- To achieve a total sales turnover of over £xk end of year 3.

Innovation

We have identified four key areas that set us above the competition: Our stem cell derived liver cells: are the most metabolic, stable and mature cells on the market. They are 10 times more mature than leading competitors, due to derivation from stem cells these cells are potentially unlimited, they are representative of human physiology, and produced via patent protected protocol which we have licensed. Access to state of the art equipment & facilities: at the Centre for Regenerative Medicine. A world class laboratory with cutting edge technology. We have negotiated access to this equipment that enables rapid and scalable production of cells, eliminating the need to buy expensive equipment upfront. Furthermore, automation means minimal variation in production and reduces human error. Our screening platform: this toxicity testing method is highly sensitive and predictive, measuring damage at a single cell level, is also rapid, allowing screening of hundreds of compounds in one day. This detail and speed means we can generate significantly more information than standard tests, at a similar rate. Advanced technology and analysis: utilising complex data analysis software and machine learning allows us to deliver more information on mechanism of action, is completely unbiased, and is continually improving.

Technology Readiness Level (if appropriate)

We are at TRL stages 2-3. We have industry and research-level experience in the fields relevant to our idea and have spent 1.5 years (unfunded, part time) developing the idea, checking our assumptions, and performing background research. We are now in the process of formally investigating the feasibility of our product, for which we are receiving six months of funding support from Innovate UK. We will complete our feasibility study at the end of July 2018, so that we will be ready to start utilising EDGE funding from the time at which it would be awarded. Between then and now, we will be verifying the technical and scientific feasibility of our product, as well as holding discussions with universities and the NHS to verify the clinical need for a new hearing screening product and to establish academic collaborations and clinical trials.

In verifying the technical and scientific feasibility of the product, we will formalise the requirements of the novel algorithms that would later be developed with EDGE support, and will create mathematical patient models that will be used in computer simulations to confirm that sufficient information regarding patients' hearing can be theoretically inferred using our paradigm.

Entrepreneurial Spirit

The team that makes up the company is a broad one with key experience in biotechnology and the optimization of the nutrients required to grow microorganisms. Since being awarded a Young EDGE award at the beginning of 2017, the team has expanded from 1 part-time employee to 3 full-time employees. The team now consists of:

Douglas Businessman (Managing Director) combines experience in small ambitious businesses with his Synthetic Biology and Biotechnology training to give him the combination of scientific knowledge and commercial knowledge to make this project a success. Guy worked of the commercial aspects of numerous offshore wind projects with values circa £100m. He has worked on biofuel production systems and has hands on experience growing and processing microalgae.

Stuart Scienecman (Scientific Officer) has a PhD in bioprocessing and industrial experience in media optimisation and wastewater treatment. Stuart's experience has been invaluable in getting EDGE Company's production process optimised.

Mary Processwoman (Process Engineer) Mary has an honours degree in Chemical Engineering and a master's degree in Industrial Biotechnology. She has experience as a project engineer and in the industrial biotechnology sector. Mary has been focused on scaling the production process from lab

Entrepreneurial Spirit

scale to large reactors.

Andy Strategyman (Non-Executive Director) has taken many companies through their fledgling stages and has been successful in getting through feasibility and commercialisation phases.

Liza Advisorwoman (Advisor) Liza is involved in advising the company on a multitude of subjects.

Having started and run two high growth businesses herself.

Rob Moneyman (Advisory Financial Director) who has decades of experience in getting companies from a conception to commercial success with a key focus on ensuring the company is built on strong financial foundations.

In terms of gaps, EDGE Company is currently looking to grow our non- executive team and have been actively engaging with senior industry figures and hope to fill some of these roles in the near future.

EDGE Company will be looking increase our team's size in the next 3 months with the additional biotechnology scale-up experience and operational capacity.

Mark Mentorman (Mentor) has a wealth of experience in systems that are innately similar to ours and is very helpful when it comes to navigating the supply side of our process.

EDGE Company does engage with many business support agencies including: Scottish Enterprise, Scottish EDGE, Business Gateway, the University of Edinburgh (ERI), ClimateKic, Converge Challenge, Shell LiveWIRE, the Institute of Directors, and Entrepreneurial Scotland. These agencies have added value to EDGE Company in a mix of ways all together affording EDGE Company access to: guidance, training, mentorship, and funding. EDGE Company is continually looking to strengthen our management and advisory team.

Business Growth Potential

	Trading Business Actual Figures	Projected – Year 1	Projected – Year 2	Projected – Year 3
Date Range	Proposed trading date is 01 Sept 2018	01/09/2018 – 31/08/2019	01/09/2019 – 31/08/2020	01/09/2020 – 31/08/2021
Turnover		£55,000	£175,000	£225,000
Net Profit		£2,400	£40,000	£65,000
Employees (FTE)		3.00	5.00	6.00

Detailed summary of the assumptions and the reasoning behind the 3-year projections

Please note that the key focus in this section for Social Enterprises should be on Impact and Sustainability.

Turnover

Our annual turnover from 400 practices is £45,000 in last 12 months. There are 4 key areas of Turnover growth:

1. We are negotiating a service contract with Oasis (2nd largest dental organization in UK) for a £50,000/year service contract.
2. The increase in current customer base in the dental industry would result in enhancement in turnover, we expect to sign up 20% of dental industry (around 2500 practices) by end of year 3.
3. NHS – Enabling appointment booking for the Cancer specialists referrals system NUHCLEUS- will open doors and increasing penetration into NHS hospitals.
4. GP practices in 3 years, income potential of £200K-£300K
5. Financial / other general businesses (e.g. South African and Indian parties' letters of intent).

Detailed summary of the assumptions and the reasoning behind the 3-year projections

Retail pricing and expected customer installations in 3 years:

EDGE Winner Online Booking-

Lite version (Free with restrictions),

Basic £40/month

Pro £99/month,

projecting to sign up 4,000 Customers (2500 practices, 1500 SMEs).

PatientConnections CRM system

Starter £30/m,

Standard £60/m,

Premium £90/m,

projecting to sign up 1500 customers.

We plan to branch out from the healthcare industry and build our client database to include all kinds of professional service providers – accountants, attorneys, salons, childminders, optometrists and more. We want our brand to become the name that springs to mind whenever you want to book any kind of appointment.

Cost of Sales

Cost of sales will vary depending on the different professional service industries and requirements of the SMEs.

Our Cost of sales will increase each year with growth before plateauing off, as it includes pre-installation, installation, support and associated costs (like SMS/voice chat).

Wages

Currently a team of 3, we will need to hire additional resources to fuel and support our growth.

Expected hiring for required skills and team size for next three years:

	Team	Skills required
Year 1: 3		Product development, sales & support
Year 2: 5		Marketing and brand building
Year 3: 6		Expansion in other verticals, international business development.

Being a SaaS business, support activity is a major factor in our business. Growth would come from direct sales team as well as attending Trade shows, marketing and branding activities.

Customer Focused

We have two customer groups.

Insurance companies and insurance brokers.

Insurance companies are the paying customers. They pay a software as service fee to access the EDGE Company Platform.

Brokers are paid to share their data and then they receive a transformation in the level of engagement with Insurers. They are however customers as we require them to share their data.

Customer Focused

We have been selling the vision and objectives for the business and have done some basic system demos to bring the product vision to life and the response has been incredibly strong from both insurers and brokers.

As a result, before the product is even live we have 18 signed letters of intent from brokers who place c£100m of commercial insurances into the market. This will provide a strong start to populating the platform for launch. We have segmented our detailed 2000 insurance broker pipeline in a number of ways to create a pipeline of c400 brokers to target over the next 12 months.

We have two insurers at contract stage who will pay to access the platform and we have a further 10 active insurer discussions on-going and at advanced stages in the sales cycle. We are targeting c6 insurer partners.

To support our B2B sales activity we are working closely with BIBA, the insurance broker trade body with the objective of getting them to endorse our business objectives. We are also using a number of marketing and communication mediums, including PR to build awareness. Our initial launch PR has had a fantastic response from the broker and insurer market.

There is currently no business globally doing what we are doing and a key part of our vision is to move with real pace to gain a strong and dominant position in the UK, then quickly scale into North America and other territories that share the same market dynamics and challenges. Initial high-level scoping of the US commercial insurance market through brokers has revealed c45,000 brokers and \$500bn of premium placed versus the UK market which has c3000 brokers and £16bn of business placed.

Our revenue model is that insurers pay a fee for service to access our platform. The fee is a function of how much available premium is represented on the platform and how much new business the insurers write. This commercial construct ensures alignment of interests and shared risk and reward. EDGE Company shares a proportion of the income we receive from insurers with the brokers to incentivise the sharing of data.

Risk Awareness

1. Knowledge Gap: Ability to Turn Manufacturing Recipe into a Liquid Batch.

Neither founding member has recipe development nor Syrup Room experience.

Have hired an Operations Manager who has a wider understanding of process but we must hire permanently for a specialist Syrup Room Operator.

2. Accreditation

- Target to become accredited for SALSA and pass Britvic audit in Yr1.
- To ensure best practice process put in place at start, including sample testing, we have engaged with EHO, Britvic, Caledonian Bottlers, GTG Training for guidance. Permanent team will bring this experience in-house.

3. Financial

- High upfront capital expenditure
- Utilising previous competition wins, local grants, debt, founders' funds and equity investment.
- EDGE win will get us to market quicker and safer without having to sell more equity nor take on additional debt.

4. Ongoing operational costs:

- Rent, salaries, utilities, other overheads
- Manufacturing income from will cover majority of daily running costs
- Lean model with lower overhead base

5. First to market

- Well-known challenge so others are exploring it.
- Currently have first to market advantage in Scotland and Northern England.
- Want to quickly build loyal customer base through trusted strong track record.

Key Highlights

At the end of 2017, EDGE Company won the 2017 Converge Challenge. This provided us with £27k of support from various institutions in the Scottish Ecosystem, increased visibility through PR, and £50k of cash upon spin-out of the business.

In January of 2018, we signed Heads of Terms with the University providing EDGE Company with an impressive license and spin-out deal.

We spent the last months of 2017 travelling through the United Kingdom, United States and Europe, introducing our technology to key players in the NDT markets (notably, face to face meetings with X Company, Y Company and Z Company).

We had exhibition space at BiNDT Materials Testing (Telford, UK) and IEEE Sensors (Glasgow, UK), and attended American Society for Materials Testing tradeshow (Nashville, USA).

Our main highlight from the start of 2018 has been the opening of our seed investment round to raise £750k. At the time of writing, the business plan has been well received. We are in the process of working a deal with a lead investor with whom we have signed a term sheet.

Utilisation of Funding	
Amount Applying For	£100,000.00

Spending Activity	Proposed Spend	Activity Description
A new Robot Coupe mixer	£25,000.00	A new Robot Coupe would enable us to double our current production and would give a full time job to a new employee who would be required to operate this. A second mixer would not only enable us to more easily meet current demand, but also allow us to expand sales while also give us a vital 'back up' machine in case one stops working and needs repaired.
A filling machine and a labelling machine for the vinegars.	£35,000.00	We are receiving significant interest from abroad for our products and need to be able to increase productivity to meet potential and actual demand. These two pieces of equipment are essential so we can do this as we still bottle and label by hand.
New depositor, industrial electric tin opener, date printer and conveyor line.	£35,000.00	We are currently purpose building our own facility which will give us much needed extra space. A new depositor, date printer and conveyor (in combination with our second mixer) is what is required for a second production line. We currently open up to 300 tins a day by hand and need an electric tin opener to speed up this process so we have time to increase volume of products made in a production run.
A merchandiser	£5,000.00	A merchandiser would work weekends to do in-store sampling to promote current lines and introduce new ones.

Type of Financial Support	Value	Date of Support	De Minimis
Interface Voucher	£5,000.00	20/11/2017	Yes
Equity Gap Private Investment	£200,000	02/03/2018	No