LIFE GreenYourRoute: A European innovative logistic platform for last mile delivery of goods in urban environment

Deliverable E2.2: Exploitation plan

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Contents

1   Introduction

The Action E.2, aiming at maintaining and ensuring the viability of the project results beyond the project lifetime across project countries and beyond, foresees the development of two complementary deliverables:

- E2.1: After-life communication plan
- E2.2: Exploitation plan

Both plans set out the methodology and steps to ensure maximum commitment to the objectives of sustainability, replicability, continuity, and extensibility of the GYR products and services. The After-life communication plan has a broad scope by designing key actions for the promotion of the general scope and results of the GYR project while the Exploitation plan focuses on the sustainability and economic development of the main GYR product, namely the GYR company (hereinafter "GYR-C").

As the GYR Exploitation plan, this document elaborates on the GYR-C operation issues (incl. organisational, financial, marketing), based on the Bussiness Plan (hereinafter "BP") and the Replicability and Transferability plan (hereinafter "R&T plan"), both developed by Militos within the project lifecycle. More specifically, it aims at:

- Updating and adjusting to the current situation the setting up process of the GYR-C;
- Prioritising and specifying the key actions that will mark the initiation phase and set the foundation for company's growth.

Given that the BP and the R&T plan formed the basis for this Exploitation plan, clear reference to both is made throughout the whole document. To this end, the reader is encouraged to go through it, considering its complementary character not only to the above-mentioned documents but also to the After-life communication plan.

2   Exploitation Plan: Scope & structure

As described in the previous section, the exploitation plan elaborates on the company operation and, especially, the monetisation of the GYR platform. The company will be able to make use of the revenue generated to fund additional research and further develop project applications and technological parameters, leading to a fruitful cycle of Intellectual Property Rights (IPR) generation and exploitation.

To this end, the current document consists of the following sections:

- Updates and modification suggestions to the BP regarding issues that are key for the company operations;
- Initial steps and key actions for the implementation of the R&T plan;
- Identification and description of the funding mechanisms to ensure economic viability and growth of the GYR-C;
- Elaboration on the two primary ways that will enable GYR-C to enter and expand into new markets;
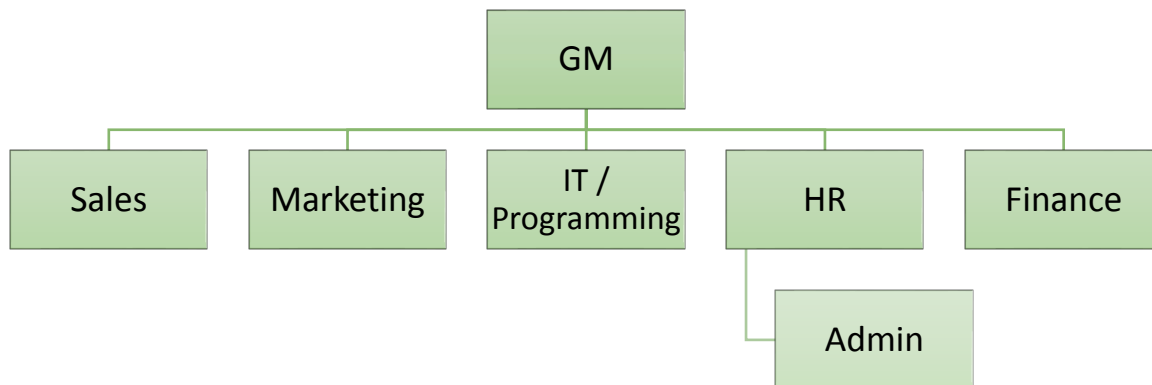- Future key actions.

3   Business Plan: Key updates

This section covers the 3rd BP part, titled "Segment Internal Structure and Organisation". A well-defined corporate structure will help GYR-C shape its goals, by clearly outlining positions and responsibilities. This, in turn, can attract investors who easily understand the company's added value and economic plans.

Organisation chart

As described in the BP, the organisation will be based upon the principle of minimum staff, namely keep solely the key responsibilities which could constitute a competitive advantage in-house and collaborate with external specialised service providers for all the others.

The following chart depicts the organisational structure (BP, pp.25):

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                          ┌──────────┐
                          │    GM    │
                          └────┬─────┘
   ┌────────┬──────────┬───────┼────────┬──────────┐
┌──────┐ ┌────────┐ ┌──────────┐ ┌──────┐ ┌────────┐
│Sales │ │Marketing│ │   IT /   │ │  HR  │ │Finance │
└──────┘ └────────┘ │Programming│ └──┬───┘ └────────┘
                    └──────────┘    │
                               ┌──────────┐
                               │  Admin   │
                               └──────────┘
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Placed at the top management, the GM or Chief Executive Officer (hereinafter "CEO") is typically responsible for the corporation's entire operations. However, another body is required to ensure adherence to the strategic goals and plans while representing the shareholders' interests. At the same time, due to the nature of the GYR project (designed and implemented by a consortium consisting of an academic and commercial partnership), this body shall also consult the GM/CEO building upon its academic expertise and market experience.

This upper-level consultation body is called "Board of Directors" (hereinafter "B of D") and it will consist of elected individuals, initially representing the shareholders while, in a later stage, the directors of each department.

In GYR-C, the B of D will:

▪ Be responsible for protecting the stakeholders' interests (further increasing the company's credibility) as well as balancing their expectations;

- Be collectively or, in rare cases, even individually accountable for company's performance, compliance, and risk mitigation strategies;
- Monitor proper implementation and execution of corporate strategic plans;
- Contribute to company's growth by bringing their experience, expertise, even their business contacts and networks.

To this end, before the company launch, shareholders shall conduct the B of D elections to form the company's board. The newly established B of D will, subsequently, appoint a person for the position of GM/CEO, who will be responsible for implementing board decisions and initiatives, as well as maintaining the smooth operation of the firm with senior management's assistance.

Therefore, the abovementioned corporate structure is updated as follows:
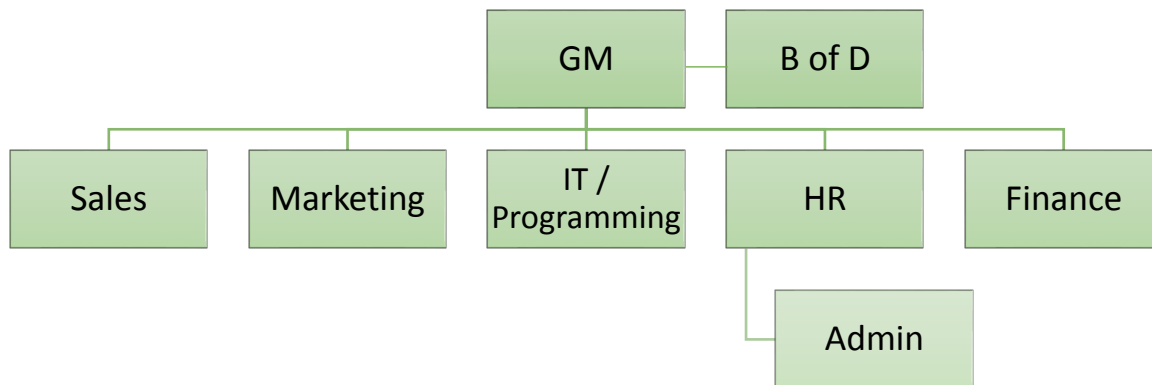
Departmental structure

Based on this figure, we conclude that GYR-C will use the functional structure, namely the one according to which employees are grouped into the same departments based on similarity in their skill sets, tasks, and accountabilities. The effectiveness of this structure highly depends upon the quality of internal communication within and across departments; quick and effective communication leads an efficient decision-making process. Moreover, such structure facilitates the financial and forecasting models as analysts can easily gather data, perform analysis, realize variances, identify data trends, and forecast future performance for each department.

Corporate culture

To maximise the potential of the functional structure while maintaining its agile character, GYR-C shall establish a strong, positive corporate culture upon the following values:

- Customer-oriented approach
- Innovative services
- Green logistics
- Inclusion & Diversity
- ESG criteria (at a later stage)

At a later stage, the B of D, together with the GM, will set up key rules that safeguard the smooth business operation within 5 areas (i.e. internal communication, office environment, working styles, working load and time management, incentive system). This regulatory framework shall be built upon the defined corporate values and established before initiating the hiring process. GM and B of D are encouraged to use the following template:

	Internal communication	**Office environment**	**Working styles**	**Working load ~ time management**	**Incentive system**
Customer-oriented approach	Rule A1	Rule A2			
Innovative services	Rule B1	etc.			
Green logistics					
Inclusion & Diversity					
ESG criteria					

<u>Hiring needs</u>

Building upon the description of the key roles, provided by the BP (pp.26-30), the following table matches each position with the suggested hiring channels:

Role	Hiring channel
IT/Applications Director Sales Director Marketing Director HR Director	*Referrals* ▪ <u>Pros</u>: Increased probability of hiring the right person, Saving time & money. ▪ <u>Cons</u>: Biased reference (Unconsciously or not) ▪ <u>Improvement action(s)</u>: Start with a training phase & Define KPIs for progress measurement
Optimisation Specialist Leads specialist	*Company Career Page* ▪ <u>Pros</u>: Increased chances for attracting aspiring job seekers who are already familiar with your company ▪ <u>Cons</u>: Time & Money investment, Higher risk in hiring a non-adequate person ▪ <u>Improvement action(s)</u>: Ask for references & Establish a multifaceted process of hiring, including assessment of both technical and non-technical skills *Referrals* ▪ <u>Pros</u>: Increased probability of hiring the right person, Saving time & money. ▪ <u>Cons</u>: Biased reference (Unconsciously or not) ▪ <u>Improvement action(s)</u>: Start with a training phase & Define KPIs for progress measurement
IT Executive Programmming Executive Marketing Executive HR Executive Admin Executive Success Management Executive	*Job boards* ▪ <u>Pros</u>: Increased number of applications (especially at entry level), Opportunity for creating an applicant database for future collaborations ▪ <u>Cons</u>: Time & Money investment, Higher risk in hiring a non-adequate person ▪ <u>Improvement action(s)</u>: Design an online, automated test for initial screening, Establish a multifaceted process of hiring, including assessment of both technical and non-technical skills *Social Recruiting* ▪ <u>Pros</u>: Increased number of applications (especially youth), Opportunity for creating an applicant database for future collaborations ▪ <u>Cons</u>: Time & Money investment, Higher risk in hiring a non-adequate person ▪ <u>Improvement action(s)</u>: Design an online, automated test for initial screening, Establish a multifaceted process of hiring, including assessment of both technical and non-technical skills *Company Career Page* ▪ <u>Pros</u>: Increased chances for attracting aspiring job seekers who are already familiar with your company ▪ <u>Cons</u>: Time & Money investment, Higher risk in hiring a non-adequate person

Account Executive	- <u>Improvement action(s)</u>: Ask for references & Establish a multifaceted process of hiring, including assessment of both technical and non-technical skills *Referrals* - <u>Pros</u>: Increased probability of hiring the right person, Saving time & money. - <u>Cons</u>: Biased reference (Unconsciously or not) - <u>Improvement action(s)</u>: Start with a training phase & Define KPIs for progress measurement

As highlighted in the R&T plan (pp.17), securing funds to invest on Human Resources, specifically in the sales, technical support, and programming department is key for the company's growth while the HR department shall prioritize the design and implementation of strategies aiming to maintain the key staff (e.g. adoption of participatory approaches to decision-making processes, offer of employee benefits, Pension Fund).

4   Replicability & Transferability Plan: Set in motion

To build its reputation among potential customers and, especially, in a positive light, GYR-C shall set up an Online Reputation Management (ORM) system. The benefits of a well-established and functional ORM system include among others a compelling corporate identity and an enlarged marketing footprint.

The corporate identity

Through its corporate identity, GYR-C shall present itself and its core values to its existing and potential customers. To create a compelling identity, adequate for the targeted markets, the marketing department will implement the following steps:

1   Build upon the findings of the market research, conducted within the context of the BP plan development with a twofold scope;
   a) To understand how company's messaging will resonate with the target audience, and
   b) To define the unique characteristics of the company's visual identity that will differentiate it from the identified competitors[1].
2   Design the GYR logo and develop the communication toolkit (i.e. communication templates, incl. font, font size, colour palette) for ensuring consistency in marketing.
3   Establish a "GYR lexicon", namely technical and non-technical terms that describe company's services, value proposition, mission & vision, and principles. A consistent use of these words will echo company's products, strategy, and culture.
4   Launch the company website and social media profiles. More specifically, the marketing team will cooperate with a developer for launching the company website (EN & EL[2]) and create a Facebook, LinkedIn and a Twitter profile (as defined in the BP, pp.23).

The digital presence

a. The GYR logo

Required staff	Graphic designer
Process	Iterative
Phases	- Consult with GYR company representatives to gather information regarding the mission and vision of the company. - Share the initial logo drafts for collecting feedback from the marketing team - Finalise the logo - Develop the appropriate file formats for various applications and for both physical and digital purposes
Estimated cost	€ 1,200

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[1] See Business Plan, pp. 8-10.
[2] At first, the website will be solely in EN & EL. When GYR-C expands into international markets, the website will be translated into local languages in the context of localisation strategy.

Estimated delivery date	July, 2023
Coordinated by	Militos

b. The GYR communication toolkit

Required staff	Graphic designer
Process	Iterative
Phases	- Consult with GYR company representatives to understand the communication purpose of the templates - Share the initial drafts for collecting feedback from the marketing team - Finalise the templates - Develop the appropriate file formats based on company's needs
Estimated cost	€ 2,000
Estimated delivery date	July, 2023
Coordinated by	Militos

c. The GYR website (Launching & Maintenance)

Required staff	Graphic designer | Web developer | Web content writer
Process	Iterative
Phases	- Purchased a domain - Content creation (Web content writer) - Design of visual assets (Graphic designer) - Development of a mock-up version (Graphic designer) - Code programming & Website technical maintenance (Web developer)
Estimated cost	€ 7,000
Estimated delivery date	September, 2023
Coordinated by	Militos

d. The Facebook, LinkedIn & Twitter account (Creation & Maintenance)

Required staff	Graphic designer | GYR communication and marketing team
Process	Iterative
Phases	- Content creation (Communication and marketing team) - Design of visual assets (Graphic designer) - Track social media analytics and take contingency measures, if required
Estimated cost	€ 6,000

Estimated delivery date	September, 2023
Coordinated by	Militos

The marketing campaigns

Marketing campaigns are strategic marketing efforts towards specific, predefined goals. Based on each of the goals set, a certain type of campaign will be designed and coordinated by the marketing team. At this point, three types of campaigns are planned:

- Dedicated marketing campaigns with a product-driven character;
- Company-focused marketing campaigns;
- Special campaigns for feedback collection.

As described in the BP, the "product-driven, go-to-market" process sets the product as the key hook of customer acquisition, relying on product features and usage as the primary drivers of customer acquisition, retention, and expansion, rather than the marketing and sales lead funnel process. To this end, dedicated marketing campaigns will have a product-driven character[3].

In addition to them, company-focused marketing campaigns are required, aiming to build a trustful relationship with the target audience by establishing means of a two-way communication. Such campaigns will be designed upon the principle of transparency and include information regarding company's activities, plans, and shareholders.

Lastly, special campaigns dedicated to feedback collection by users and non-users will be also designed. For them, the marketing team will work in close collaboration with the R&D department to define the technical partners under investigation. Through these campaigns, the company will achieve the continuous product development, not only of the platform but also of the additional services available (e.g. training).

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[3] Product-driven marketing campaigns are detailed in BP, pp. 23-24.

5   Customer Acquisition

Top-priority customers

A constant and profitable business growth heavily depends on customer acquisition, not as an outcome but as a process, including identification, attraction, and engagement of customers. The marketing and sales team will join forces to attract key customers as well as maintain and expand the customer database.

A customer analysis has been conducted in the context of the BP development (BP, pp.14-16). The identified top-priority customers are summarised below:

A.   Type of business segments based on need / sector

- Private Shipping Fleets (focus on SMEs)
- Delivery service (focus on medium and large enterprises)
- Appointment based businesses (size-independent)

B.   Type of business segments by customer readiness

- Potential customers who are already using a tracking system
- Potential customers with understanding of the benefits but with low readiness to implement

As highlighted already by the R&T plan, it is of high priority for the shake of company's sustainability to maintain and update the existing stakeholder's database with the top-priority customers from Greece, where GYR-C is based, but also from other regions and countries with similar characteristics (see "Scale-up opportunities"). To this end, the Sales and Marketing team will update the current database with contacts from the abovementioned sectors and be responsible for its future development on a continuous basis.

Key Performance Indicators vis-à-vis customer acquisition

For the first year of operation, GYR-C sets the following Key Performance Indicators (KPIs) pertaining to expected customer acquisition:

- 2 private schools: Integration of GYR platform into school buses,
- 3 municipalities: Integration of GYR platform into public waste trucks,
- 4 courier companies: Integration of GYR platform into courier vehicles.

Customer Relationship Management system (Growth stage)

To balance between increased sales and high level of personalisation per customer, the sales team will put in place a Customer Relationship Management (CRM) system, namely a strategy that help organisations streamline processes, build customer relationships, increase sales, and improve customer service, thus improving profitability. Building upon the developed customer database, the first step for setting in motion a CRM system is to establish strong relationships with the existing contacts, a process that the sales team shall initiate directly after the company launch.

Key Performance Indicators vis-à-vis CRM

To effectively monitor and assess the expansion of the customer database and, subsequently, the sales progress, the sales' team will predefine goals and objectives in the form of KPIs. To achieve a holistic approach, the sales team will define both lagging and leading indicators. A brief overview of both is depicted in the following table:

Type of Indicators	Description	Key Metrics / Questions
Lagging	Focus on the performance by assessing outputs and results.	▪ Sales ▪ Gross margin ▪ Gross margin % ▪ Number of customers ▪ Churn rate
Leading	Focus on the likelihood of achieving goals and, more specifically, on activities and actions that can be tracked or measured during the sales process and considered as opportunities.	▪ What kind of actions a sales person takes? ▪ How many of these actions turn into opportunities? ▪ How many of these opportunities turn into wins?

A combination of KPIs of both types will enable the sales team to:

▪ Treat each opportunity individually by accurately forecasting which of them have higher potential of closing;
▪ Identify training/coaching needs in sales by monitoring the stage-to-stage conversion ratios;
▪ Assess the whole company performance in sales within defined periods.

6   Funding Mechanisms

There are 4 funding mechanisms that will set in motion the GYR-C operation:

- Existing customers
- Incubators
- Business loan
- Additional funding opportunities

<u>Existing customers</u>

During the project lifecycle, the GYR platform has been already integrated into the daily operation of 5 partners; ATHINAKI, PLUS, PAPA, CEDA, and ITACA, who have been committed to keep it for a period of 3 years upon project completion at the price of 1,000€ per month. This means that GYR-C has already a revenue of 180,000 €.

In addition to them, 3 more SMEs have purchased the GYR platform, adding 30.000 € to company's revenue per year. The plans for extending the customer database is detailed in sections "Customer Acquisition" & "Scale-up Opportunities").

<u>Incubators</u>

GYR partners will act as business incubators for the GYR-C, with their support mainly focusing on:

- Providing networking opportunities;
- Supporting GYR-C with their expertise and experience (e.g. in proposal management);
- Offering of tailor-made business development coaching.

<u>Business loan</u>

To ensure continuous growth through market expansion while running the day-to-day economic activities, GYR-C will apply for a small business loan, a type of loan dedicated to provide financial support to small businesses. This way, GYR-C will ensure the continuation of its operation as well as its expansion into new markets without operational disruptions due to unexpected financial problems, such as delays in payments.

<u>Additional funding opportunities</u>

GYR-C aims to apply for funding by national sources. More specifically, within 2023, GYR-C will design a proposal for "Ερευνώ – Καινοτομώ, 2021-2027[4]", a programme funded by the Hellenic Minister of Development and Investments that aims to link research and innovation with entrepreneurship as well as to strengthen the competitiveness, productivity, and extroversion of enterprises towards international markets in key activity areas (incl. logistics and supply chain).

As GYR-C grows and scales its hiring, this type of funding will gain more ground in comparison to the rest ones as it enables the company to achieve financial sustainability

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[4] The title in translation: "Research – Innovate, 2021-2027"

while expanding its activity into new areas. In addition to the offered financial benefits, this funding also enables the company to stay competitive and build new partnerships.

7   Scale-up Opportunities

GYR-C will achieve internationalisation in two ways:

1. Partnering;
2. Market localisation.

Partnering

As depicted in the SWOT analysis in the BP (pp. 11-12), two of the main weaknesses of GYR-C are:

- System output depends on quality of mapping in each country;
- The GYR platform set-up depends heavily on the willingness and speed of collaboration from clients' side;
- A low level of digitisation characterising potential customers severely impedes the effective integration of GYR platform into their services.

To successfully address these weaknesses, the Sales and Marketing team will develop a partnership strategy, customised to needs and characteristics of each potential customer. Two main groups will become the pools of potential partners:

1. Companies with integrated enterprise resource planning (ERP) system;
2. Companies operating in the logistic sector (store to ramp) and using data in a digital format.

An indicative example is depicted below:

Key Partner	Identified gaps	Areas for partnering	Expected benefits for GYR-C
A Track&Trace company	Lacking a monitoring mechanism from ramp to distribution	Integration of: a) The GYR-platform for monitoring and optimising the daily routes; b) The emission calculation tool.	- Financial benefit; - Customer acquisition.

Market localisation

To successfully expand into markets beyond Greece, GYR-C will build a localisation strategy, namely the overall plan and approach on the required adaptations to new market's characteristics regarding the services and product offered as well as the marketing channels and content. This two-fold process includes the following phases:

- Preparatory phase: Conduction of (a) a product analysis to define the transferability potential of the provided services and products (incl. key transferability parameters to consider) and (b) an analysis of potential markets to identify factors to consider when developing the expansion strategy.

- **Implementation phase**: Adapt the marketing strategy and technical characteristics of the services to local characteristics.

Preparatory phase

The findings from the product and market analysis, conducted by Militos in the R&T plan, have been summarised, as follows:

Product analysis:

- Following the case of ITACA, the expansion to international markets can be realised through integrating certain services of the GYR-C into other systems as plugins.
- Different factors impact on companies' decision-making process; for instance, > 90 % of 3PL companies prioritise the cost factor while courier companies rank higher customer satisfaction as well as their environmental footprint.

Market analysis:

- The level of digitisation of the state and the SMEs in a national market is a decisive factor for the potential expansion and the respective outcome in this market.
- Local legal and regulatory framework might give financial or other incentives to the targeted audience of the new market.
- GYR-C can address the low level of readiness of markets and/or companies through providing them with a free toolkit with a basic version of GYR-A services for a defined trial period. In addition to the marketing benefits, this action will enable GYR-C to collect data vis-à-vis localisation needs.
- The efforts for the opening to new markets shall start within countries with characteristics similar to Greece, namely, Czech Republic and Italy.

Implementation phase:

According to the R&T plan (pp.13-14), countries that offer high transferability potential for GYR services are:

- Romania
- Spain
- Italy
- Slovakia
- Belgium

As in partnership strategy, GYR-C will collaborate with local software service providers (e.g., ERP providers) and take a fair commission for the GYR services depending on the functionality level used. In this way, GYR-C shall keep costs for localization, marketing and after sales support to a minimum, while retain the opportunity to invest heavier in the future should business thrives. Another option under discussion is to collaborate with a multinational SaaS provider either exclusively or not, potentially allowing for co-developing upgrades. In both cases, the key localization action shall be taken. The following table summarises them, grouped into 5 strategic areas:

Strategic areas	Description	Key localisation actions (Indicative)
Product portfolio	Need for custom products and services that meet customer needs in the targeted region and / or market.	1. Adjust the offered product, product segments, and services based on the feedback provided by local companies in the context of GYR-A pilot testing.
Messaging (Text & Visuals)	Content & visual adaptation of the marketing material to the local preferences of each market; e.g. economic and social trends, customs, and language.	1. Translate existing content. 2. Deliver new content tailored to local characteristics.
Channels	Select marketing channels that attract local customers and stakeholders.	1. Identify the marketing channels of high popularity among local stakeholders, create profiles, and produce content.
Pricing structure	Price adaptation to national / local currency and respective adjustments based on the overall economic trends of the targeted market (e.g. tax structures).	1. Hire external experts on local legal and economic regulations to research and analyze the local market landscape and, suggest accordingly price and business model adjustments.
Business model	Adaptation to local regulations (if required).	

8   Further Actions

ESG compliance

According to a KPMG report[5], amid rapid developments in the environmental, social and governance (ESG) space and rising stakeholder demand for improved sustainability performance, it is essential for business leaders to adopt a proactive approach to holistically integrate ESG into their business. To this end, GYR-C will set out its own ESG strategy within its first 2 years of operation, upon consultation with an ESG expert.

For this, GYR-C will take the following steps, grouped into three phases:
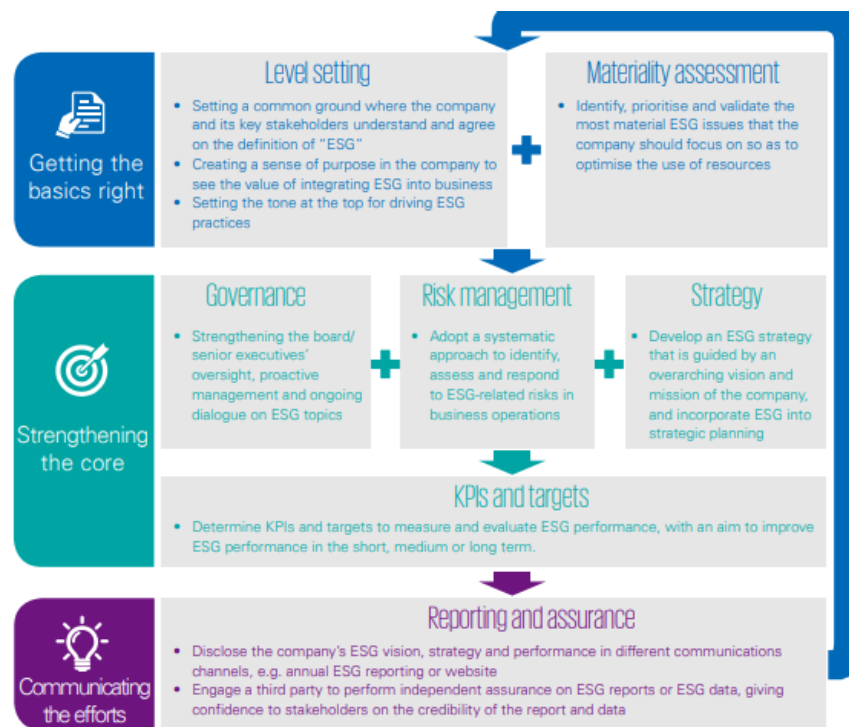
5   Figure 1: KPMG Report, 2020[6]

Emphasis will be put on the Environmental pillar (i.e. "E") due to the nature of the GYR platform and the mission of the GYR company to facilitate the green transition of the logistics sector by providing an eco-friendly and cost effective solution.

Lobbying activity

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[5] https://assets.kpmg.com/content/dam/kpmg/cn/pdf/en/2020/01/integrating-esg-into-your-business.pdf

[6] The KPMG (2020) report provides step-by-step guidance, recommendations, and insights from interviews with leading companies that will assist GRY-C in integrating ESG value drivers into its strategy and operation with the aim of establishing a sustainable business model.

The GYR consortium has been successful engaged within EU and national policy during the project lifecycle, actively contributing to the voting of the national amendment vis-à-vis emission reduction, produced by businesses in Greece[7].

Building upon partners' experience in lobbying, the GM/CEO, together with B of D, plans to integrate lobbying activity within the corporate strategy within the first 2 years of GYR-C operation. To this end, they will set up a lobbying strategy and identify the adequate actors for lobbying at local level, namely the markets where GYR-C operates. The type of lobbying (direct/indirect), the exact activities, the potential partnerships, as well as the goals and objectives of the strategy will be defined at a later stage.

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[7] Law 4936/2022.