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# SME INSTRUMENT & FAST TRACK TO INNOVATION

08 December 2015

**Equity Investment Forum, Workshop 2**  
“Funding for Innovation in SMEs: EU Policies & Tools”

# Outline

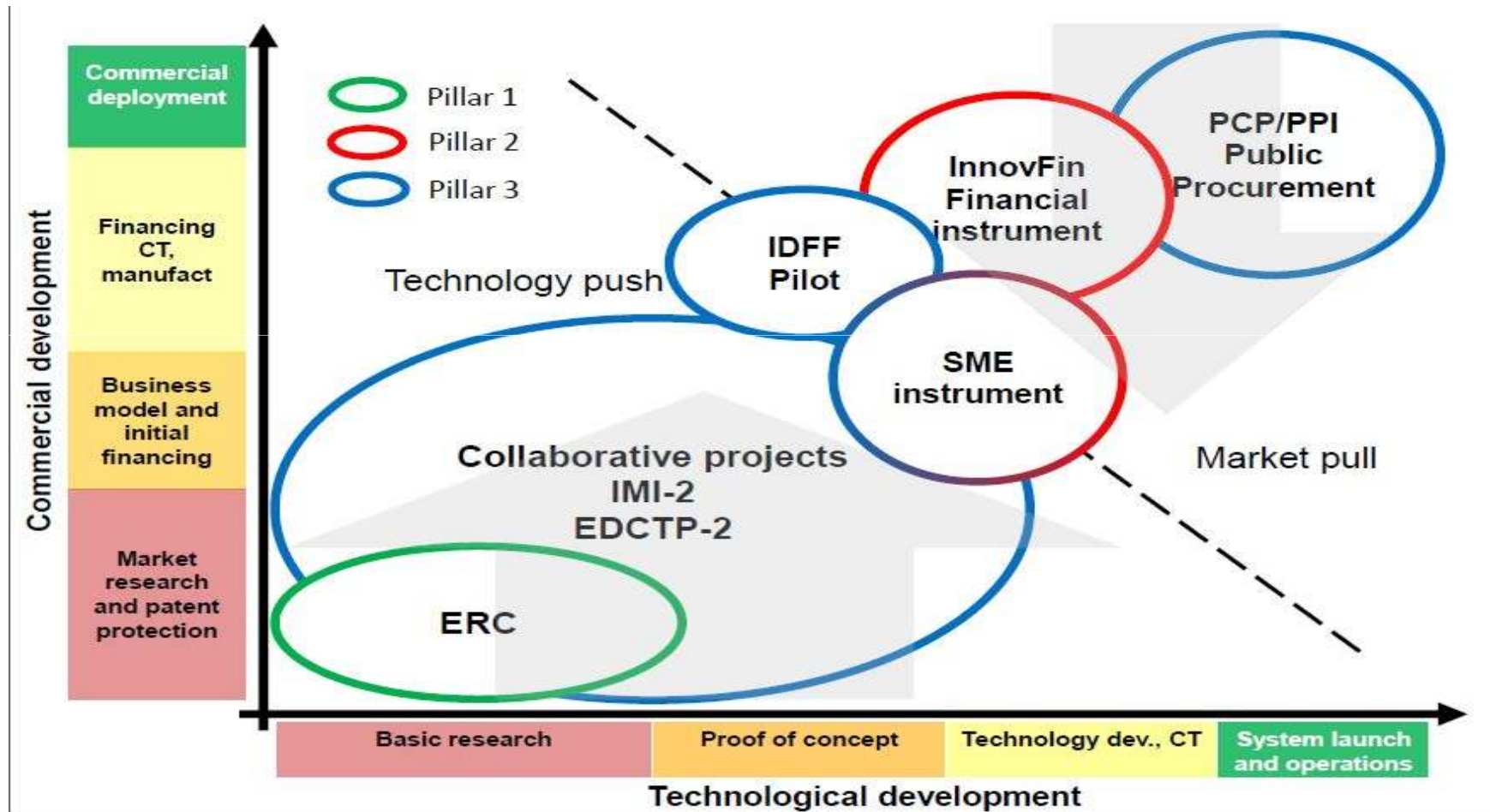
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- SME Instrument
  - ▣ Key Features/ Definitions
  - ▣ The evaluation process
  - ▣ The Good and the Bad
- Fast Track to Innovation
  - ▣ Key Features
  - ▣ SME Instrument vs FTI
- Conclusions

# My evaluation History

	Phase I		Phase II	
	ICT-37	PHC-12	ICT-37	PHC-12
Jun-14	13			
Sep-14	27		6	
Dec-14		45		4
Mar-15	10		2	
Jun-15	10			
Sep-15	9		6	
Dec-15	?		7	
<b>TOTAL</b>	<b>69</b>	<b>45</b>	<b>21</b>	<b>4</b>

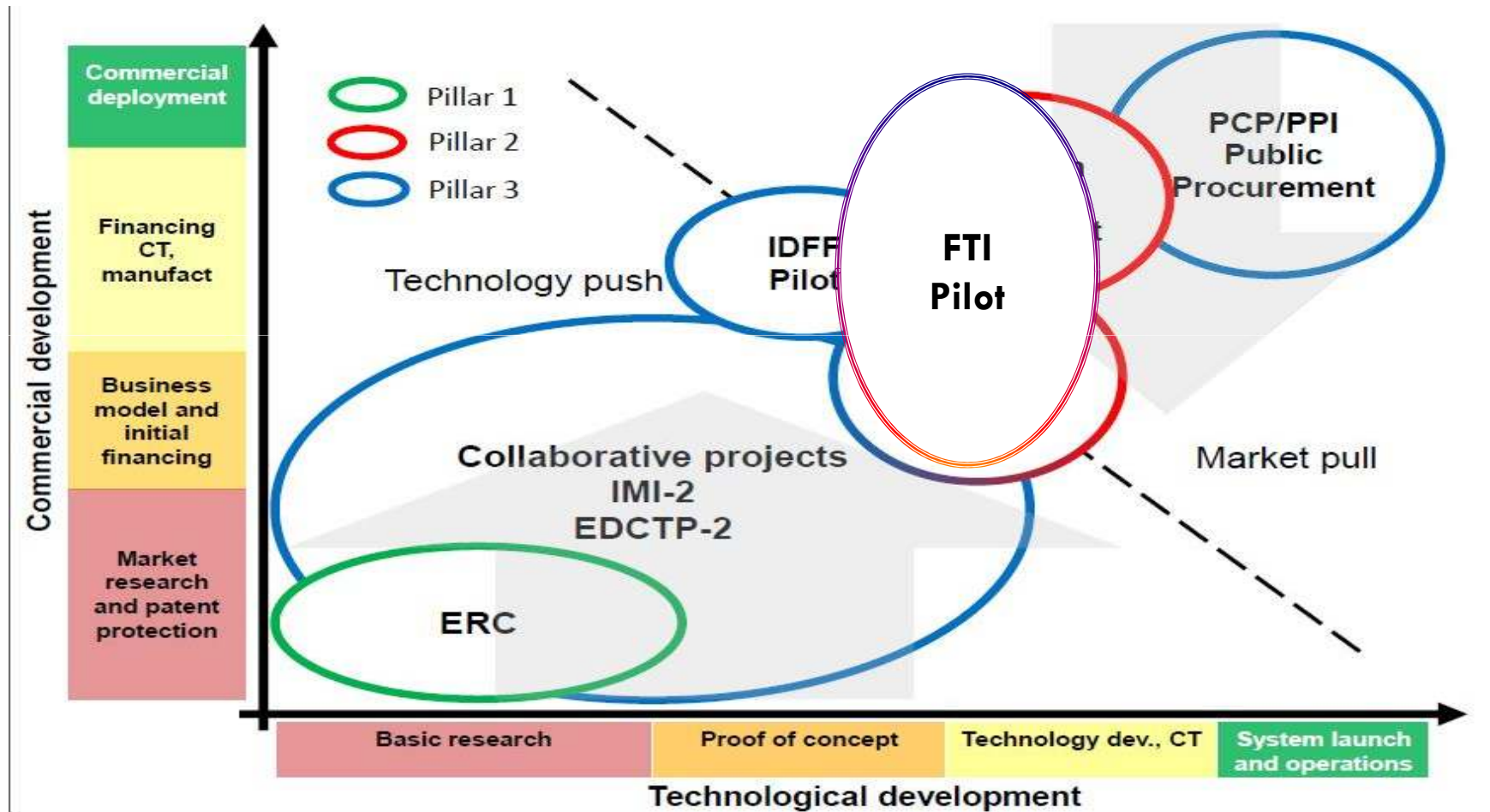
# H2020 Health Programme



\* From the Presentation of Antoine Miahle, EU Health Policy Officer

- Excellent Science
- Industrial Leadership
- Societal Challenges

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# SME Instrument

# Thematic Topics 2016 - 2017(I)

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- SMEInst-01: Open Disruptive Innovation Scheme
- SMEInst-02: Accelerating the Uptake of Nanotechnologies, Advanced Materials or Advanced Manufacturing & Processing Technologies
- SMEInst-03: Dedicated Support to biotechnology SMEs closing the gap from lab to market
- SMEInst-04: Engaging SMEs in Space Research & Development
- SMEInst-05: Supporting Innovative SMEs in the Healthcare Biotechnology Sector

# Thematic Topics 2016 - 2017(II)

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- SMEInst-06: Accelerating market introduction of ICT solutions for Health Well being and Ageing Well
- SMEInst-07: Stimulating the innovation potential of SMEs for sustainable & competitive agriculture, forestry, agri-food and bio-based sectors
- SMEInst-08: Supporting SMEs efforts for the development- deployment and market replication of innovative solutions for blue growth
- SMEInst-09: Stimulating the innovation potential of SMEs for a low carbon and efficient energy system



# Thematic Topics 2016 - 2017(III)

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- SMEInst-10: Small business innovation research for Transport & Smart Cities Mobility
- SMEInst-11: Boosting the potential of small businesses in the areas of climate action, environment, resource efficiency and raw materials
- SMEInst-12: New business models for inclusive, innovative and reflective societies
- SMEInst-13: Engaging SMEs in security research & development

# The SME Instrument Objectives

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- Address the financing gap in developing high-potential, but high-risk innovative ideas of small companies and bringing them closer to the market
- Support highly innovative SMEs showing a strong ambition to develop, grow and internationalise
- Finding the small gold nugget:
  - SME's with strong growth potential
  - SME's with ambition to become world-market leader

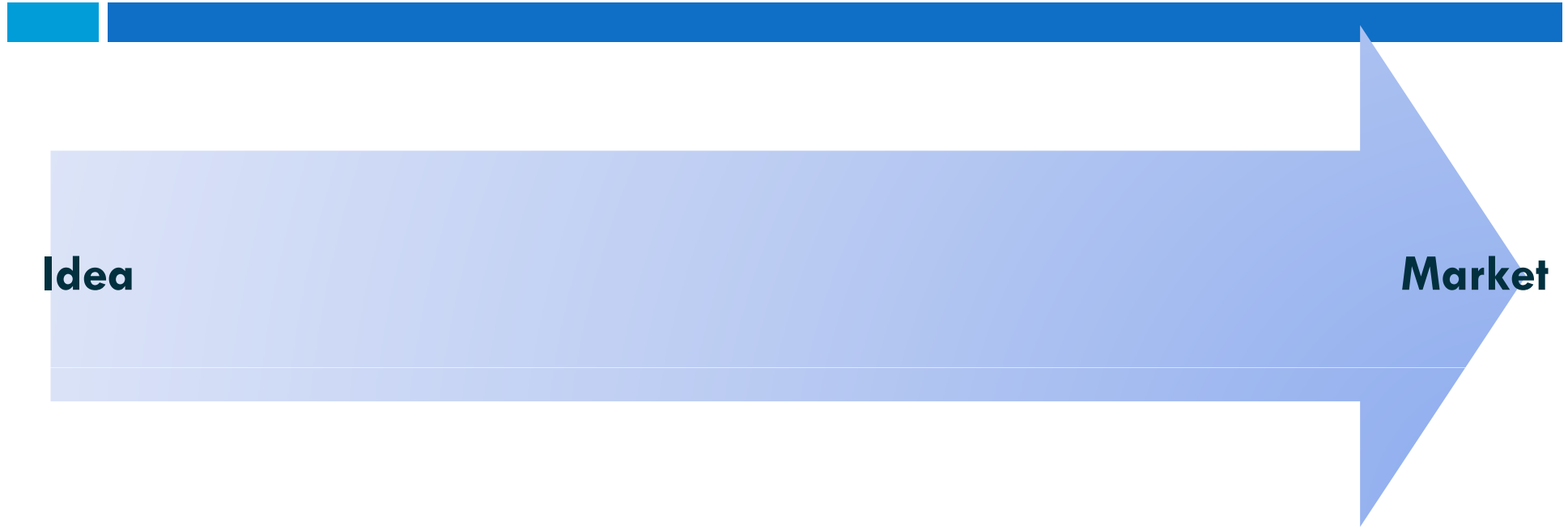
# The SME instrument



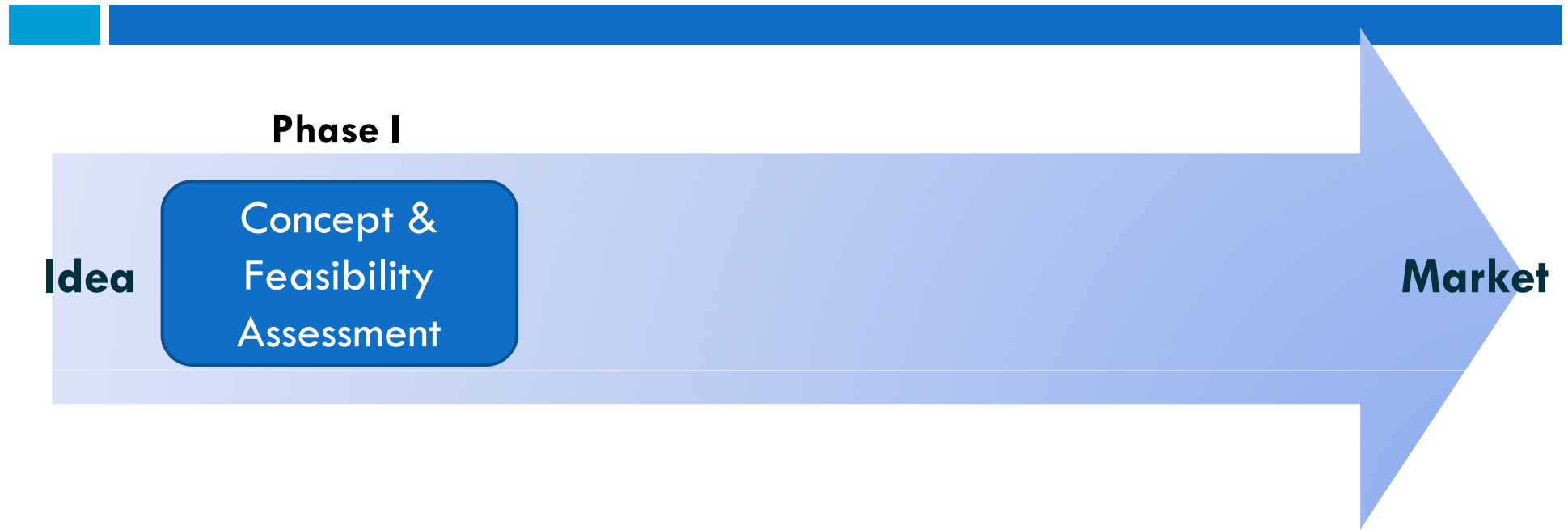
**Idea**



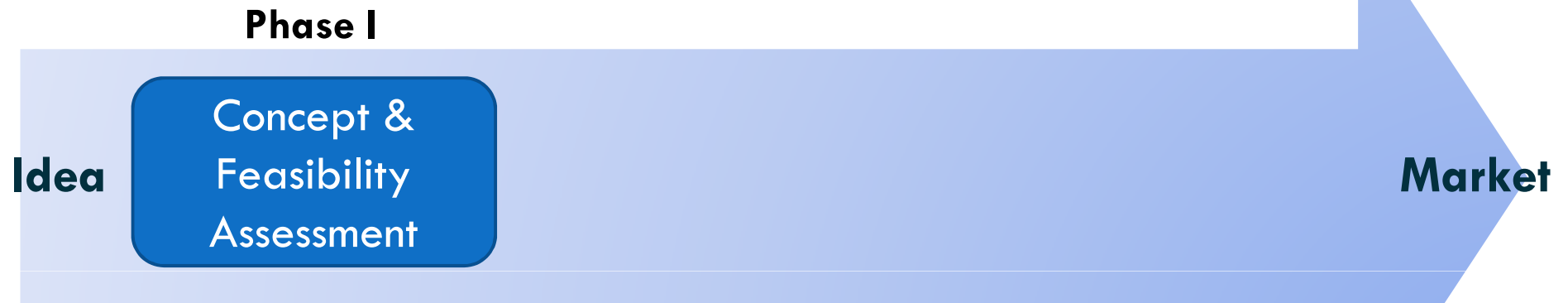
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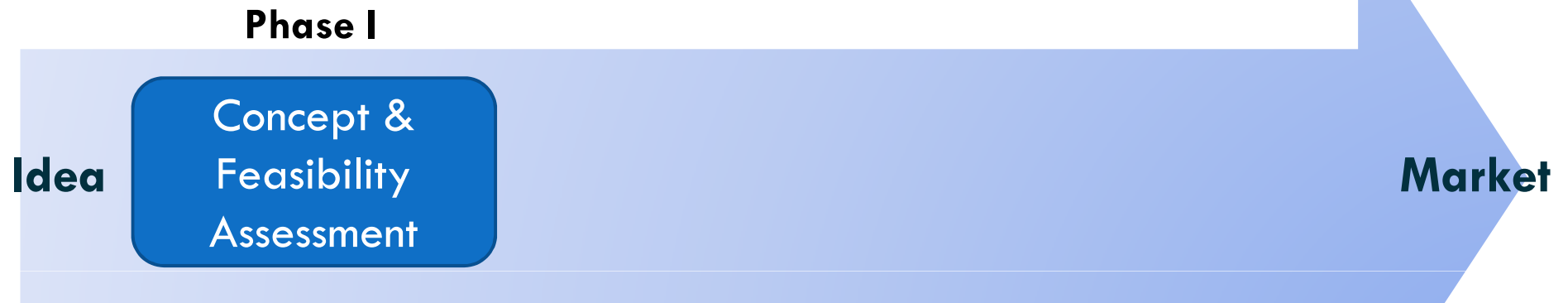


# The SME instrument



- **Feasibility of concept**
- **Risk assessment**
- **IP regime**
- **Partner search**
- **Design study**

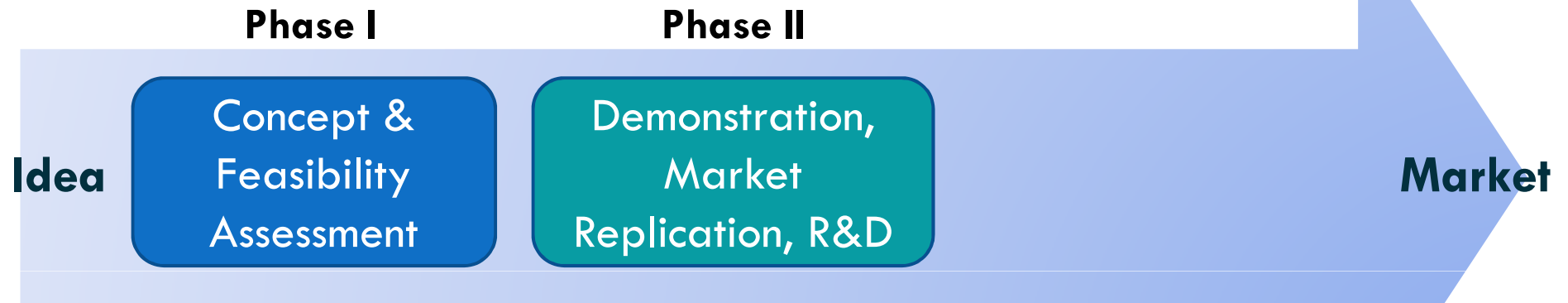
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**€ 50.000**  
**~ 6 months**

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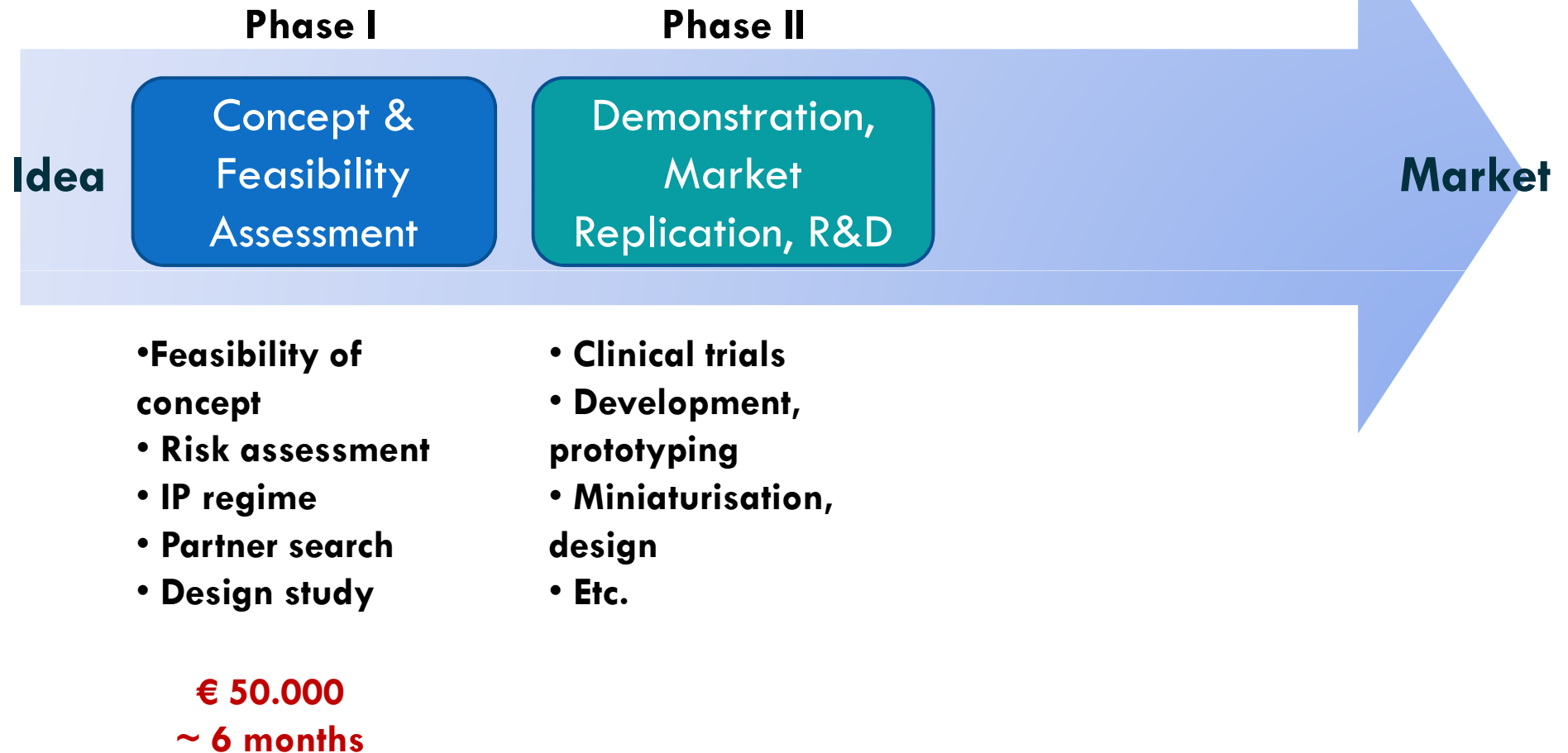


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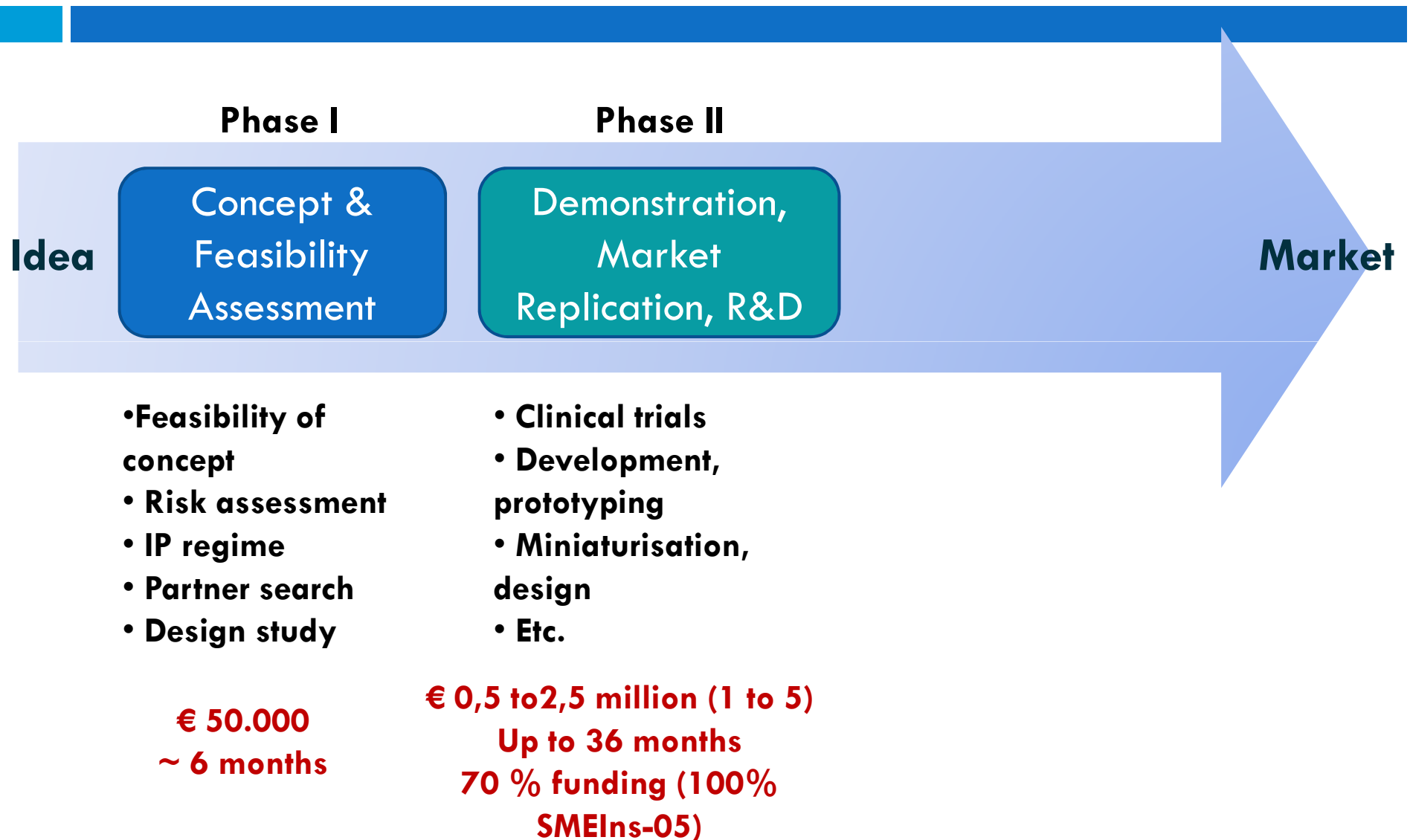
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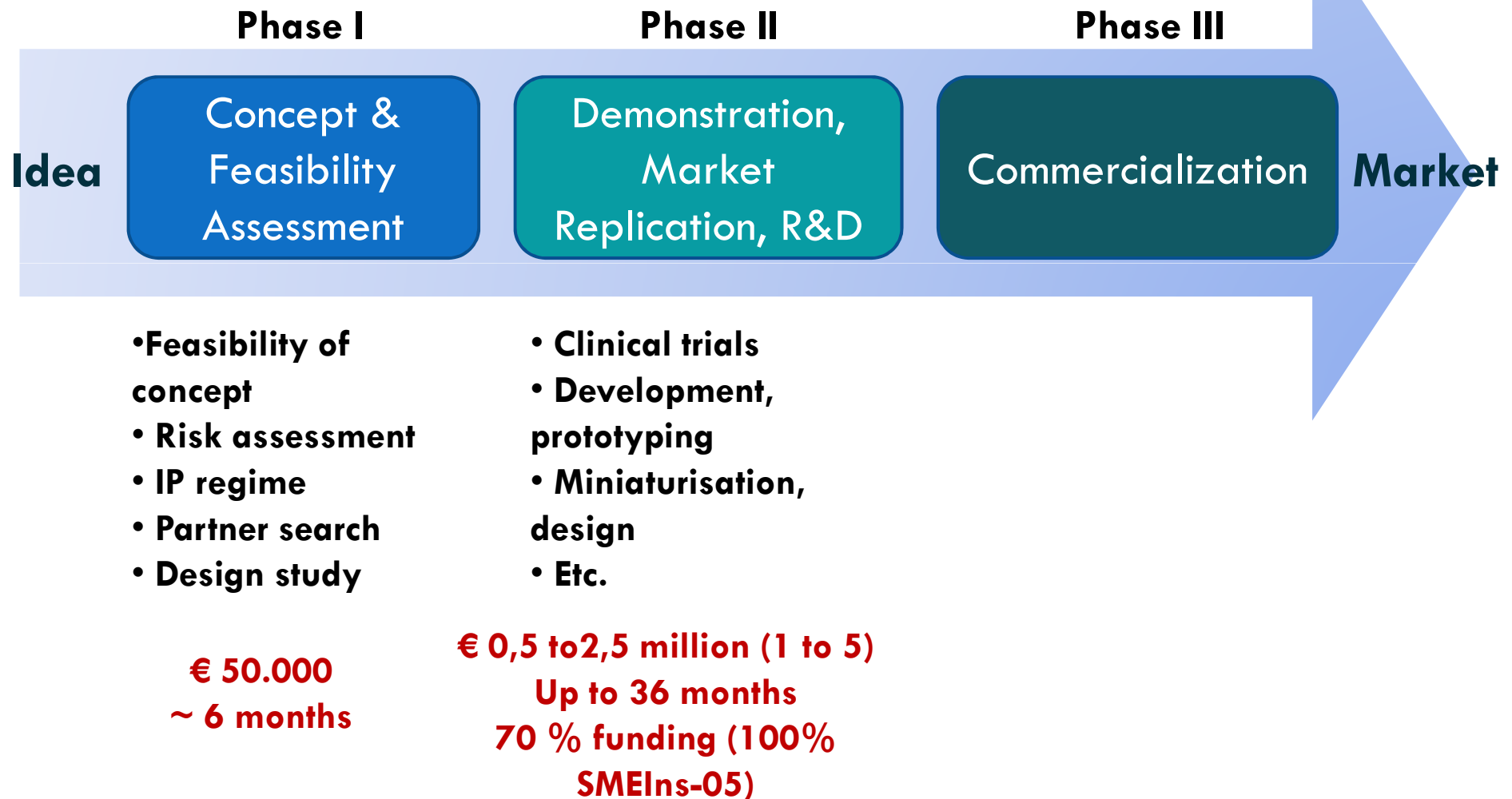
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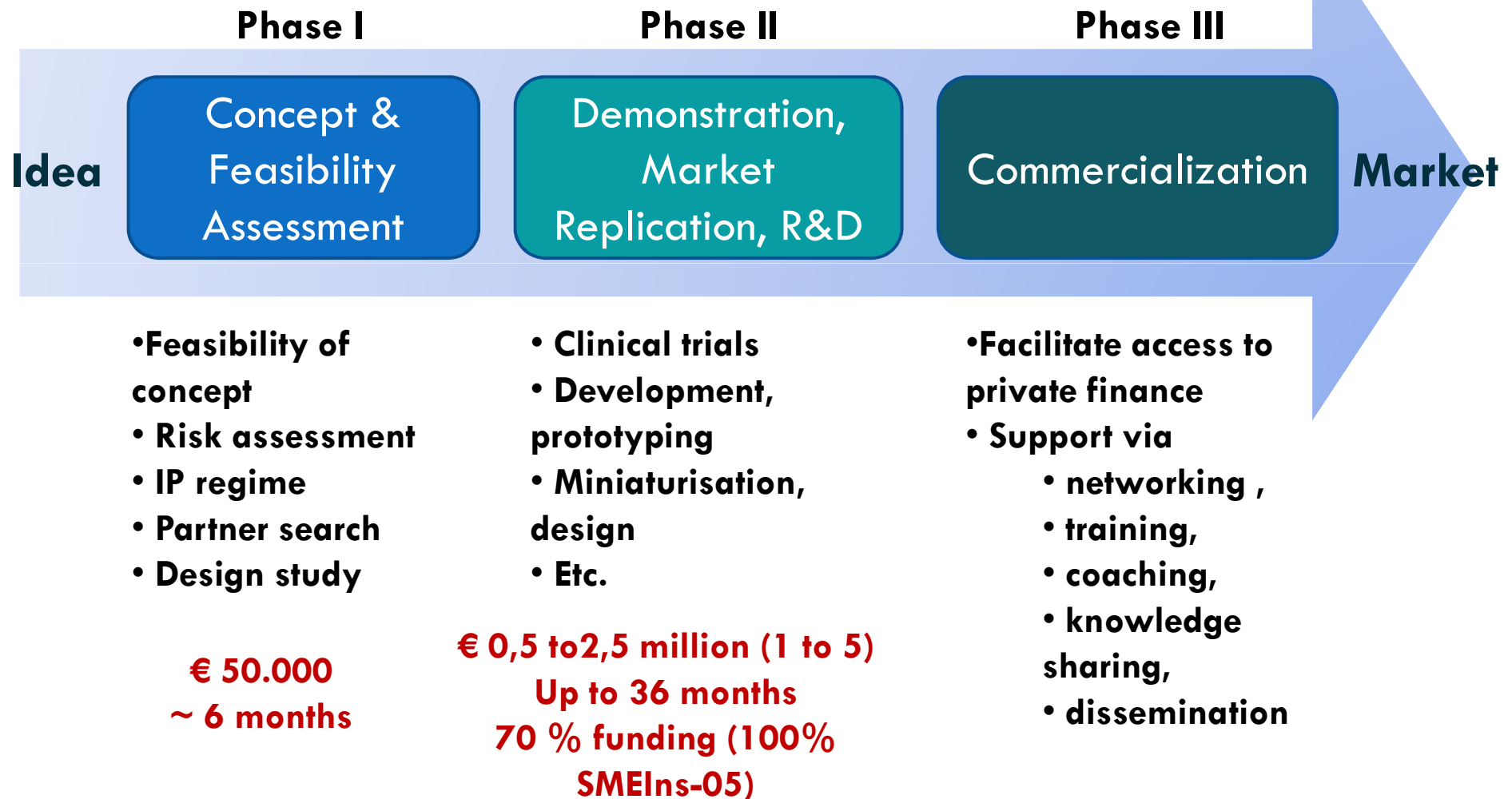
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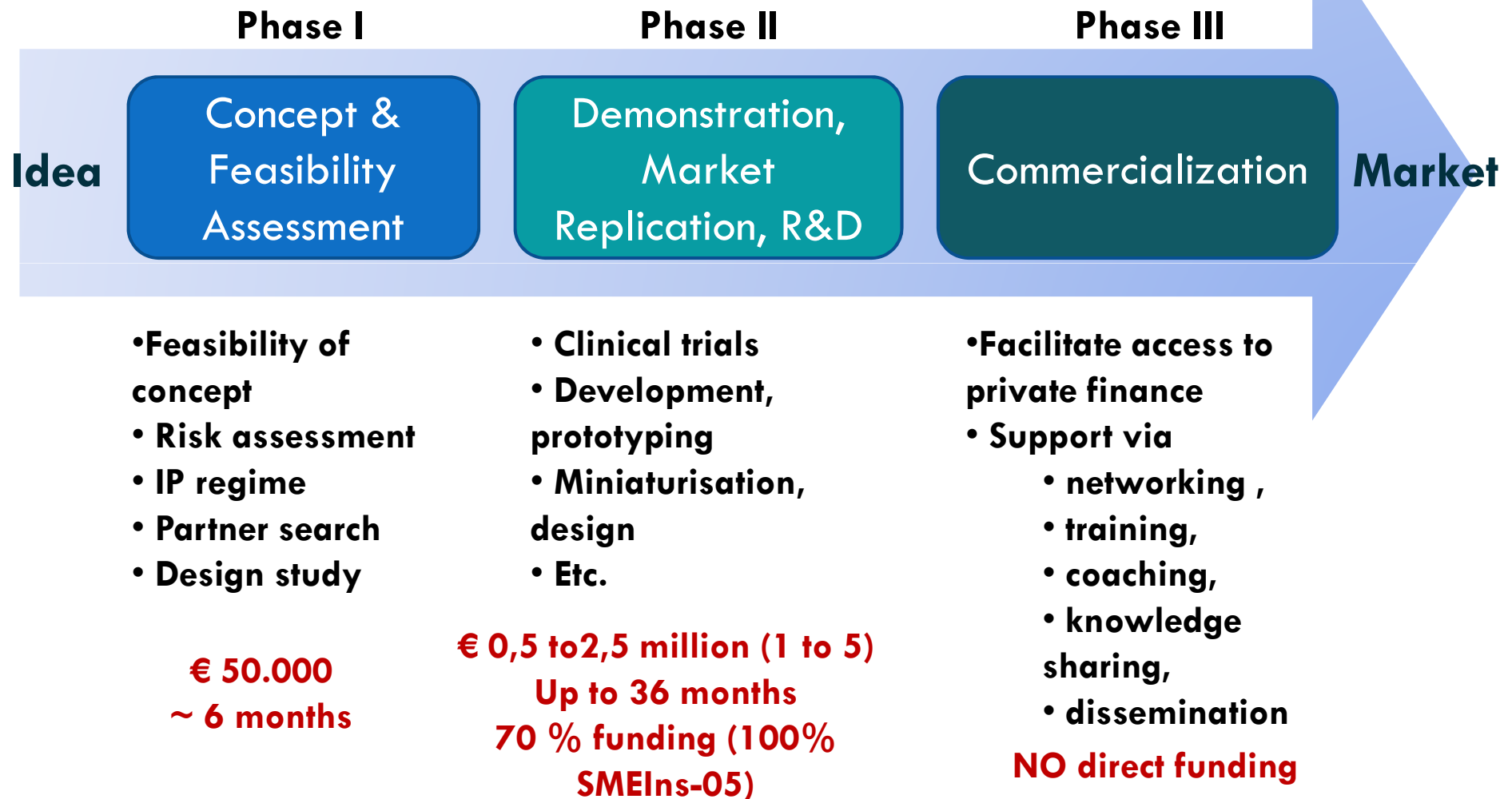
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# Evaluator Guidelines

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- TRL 6 is a must but not for SMEInst-05
  - ▣ TRL6: technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- Ability of the Applicant to commercialize
  - ▣ Previous Track record
  - ▣ Experience & Expertise of Key personnel
- Subcontracting no limitations as to budget but for PHC-12. Look at operational capacity though
- Costs should be realistic, reasonable and justifiable

# The three reality checks

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**There has to  
be a market**

# The three reality checks

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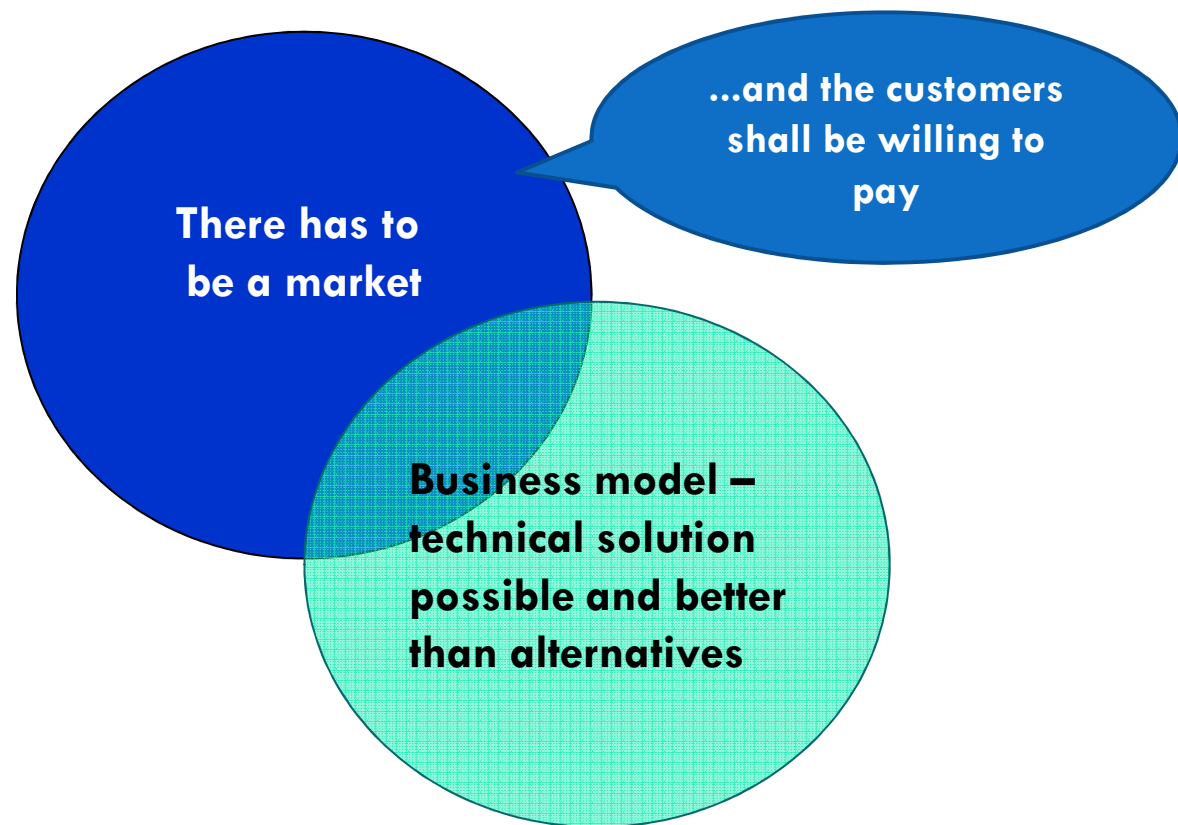
**There has to  
be a market**

**...and the customers  
shall be willing to  
pay**



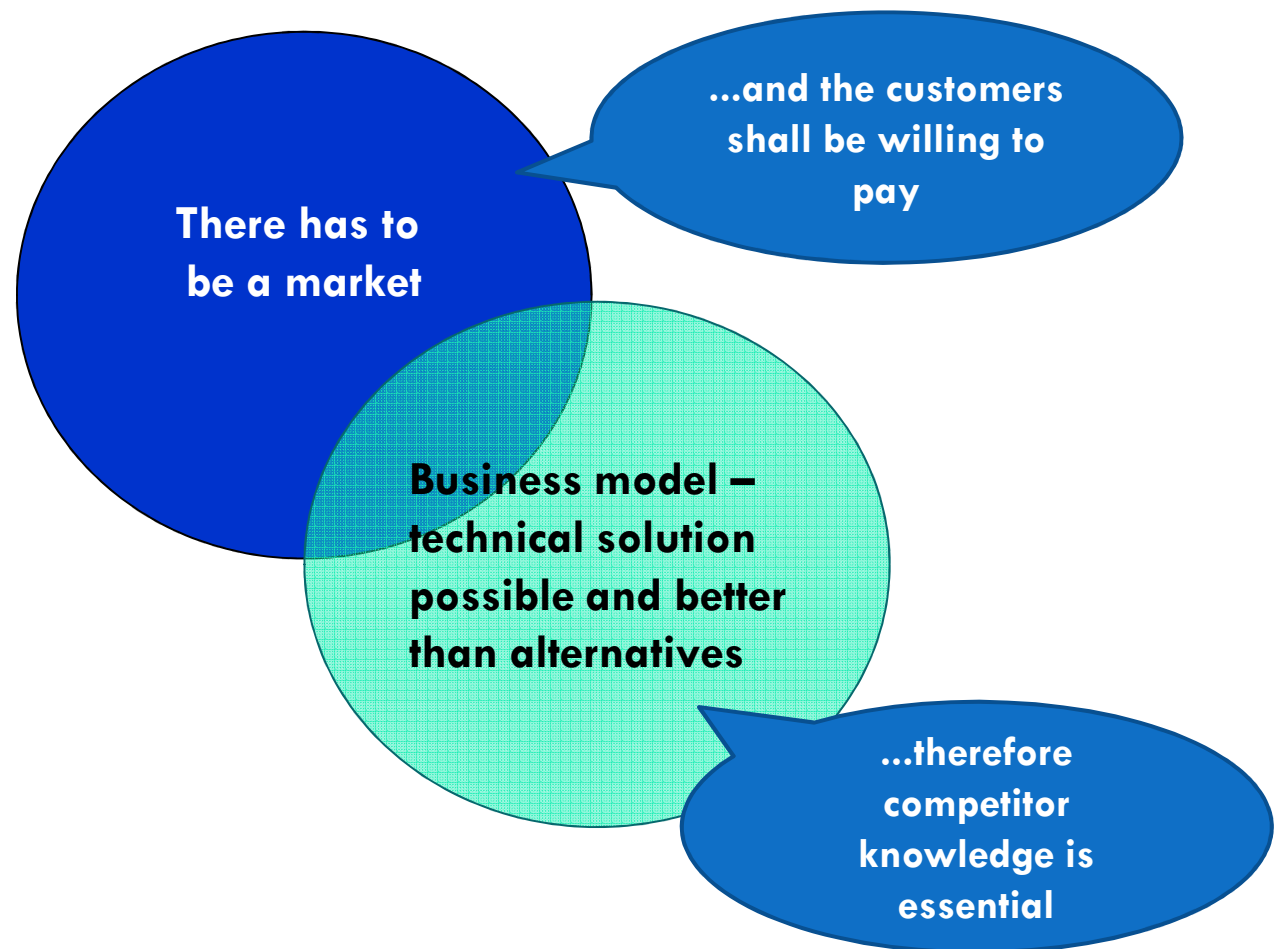
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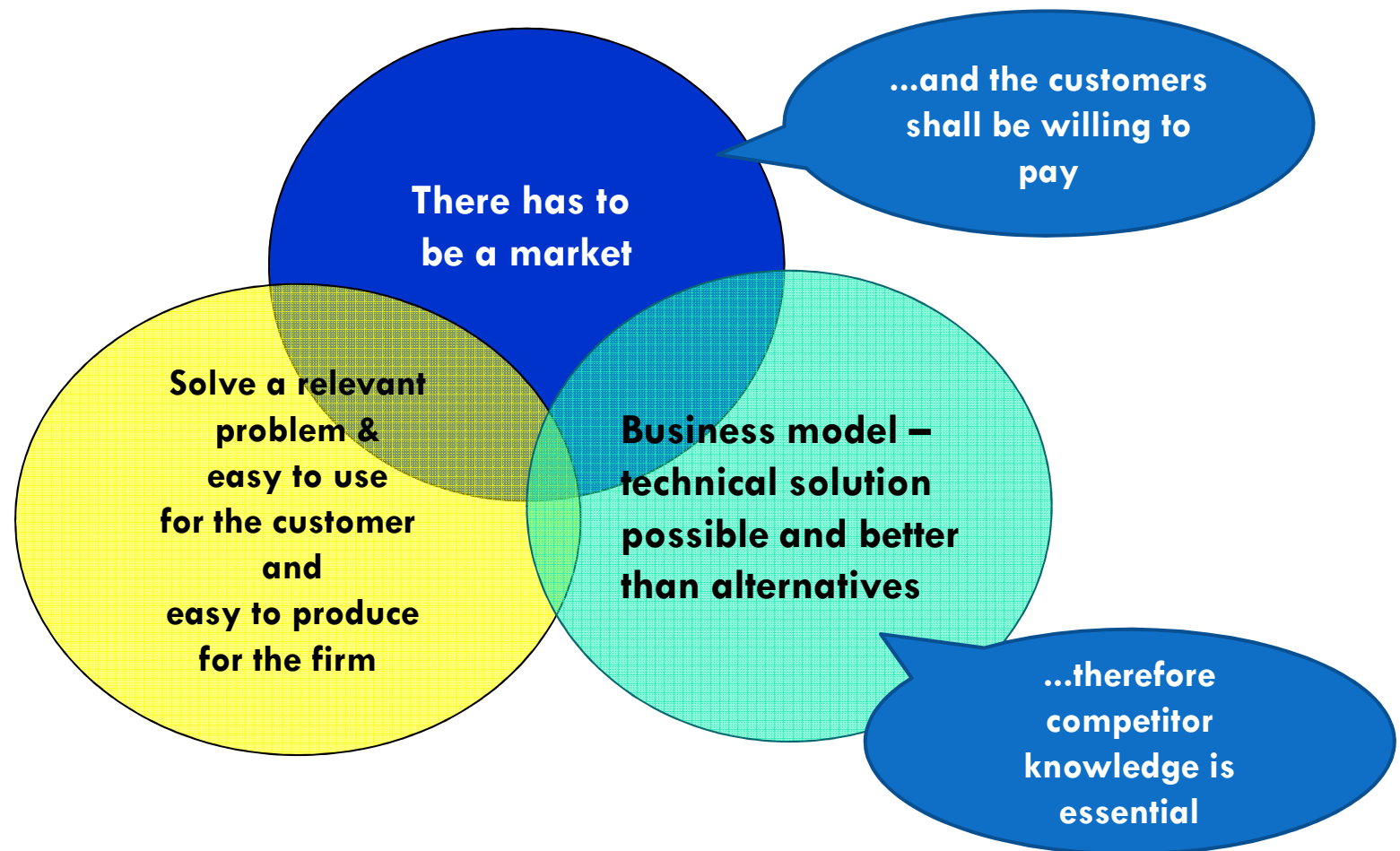
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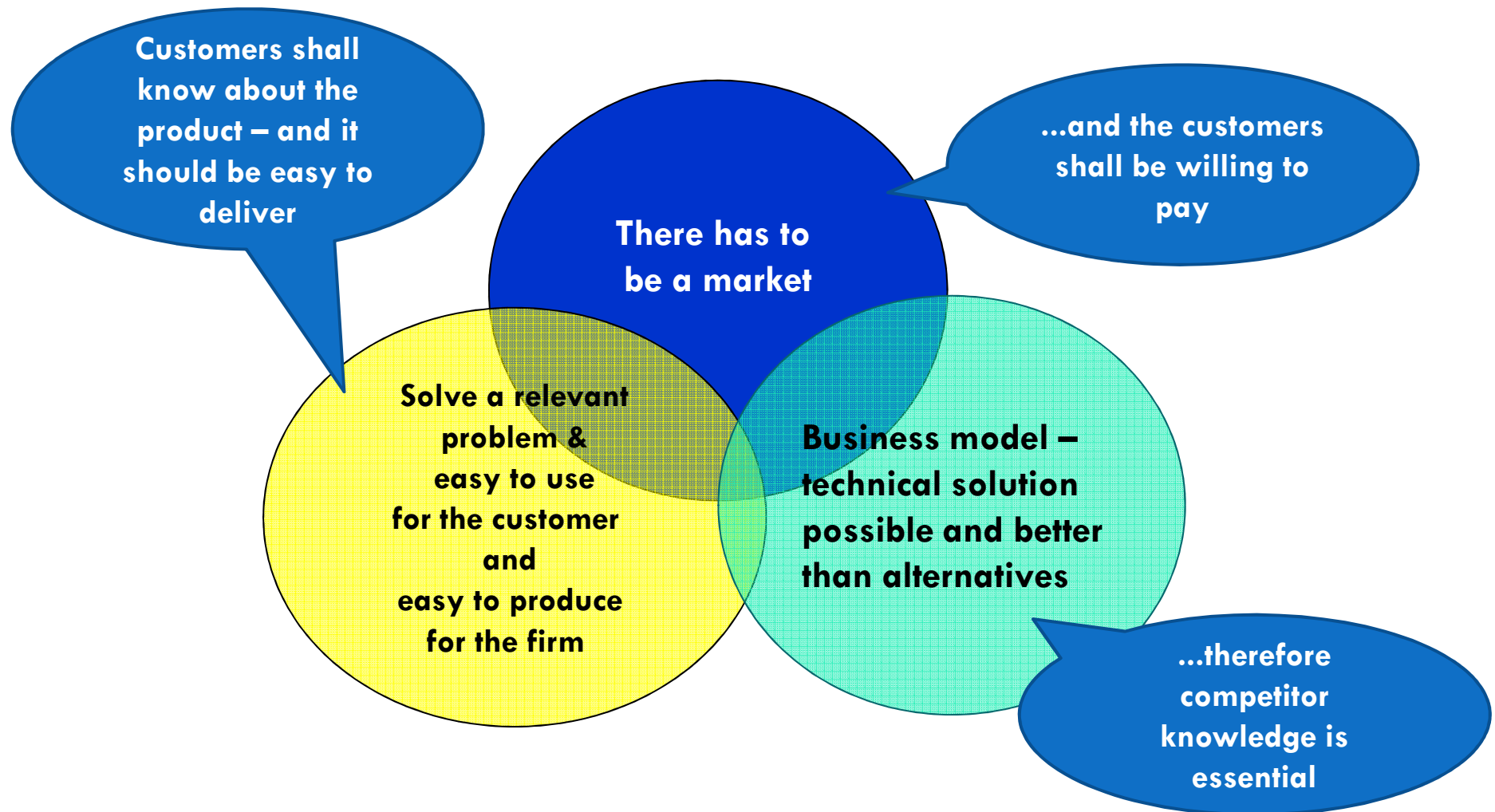
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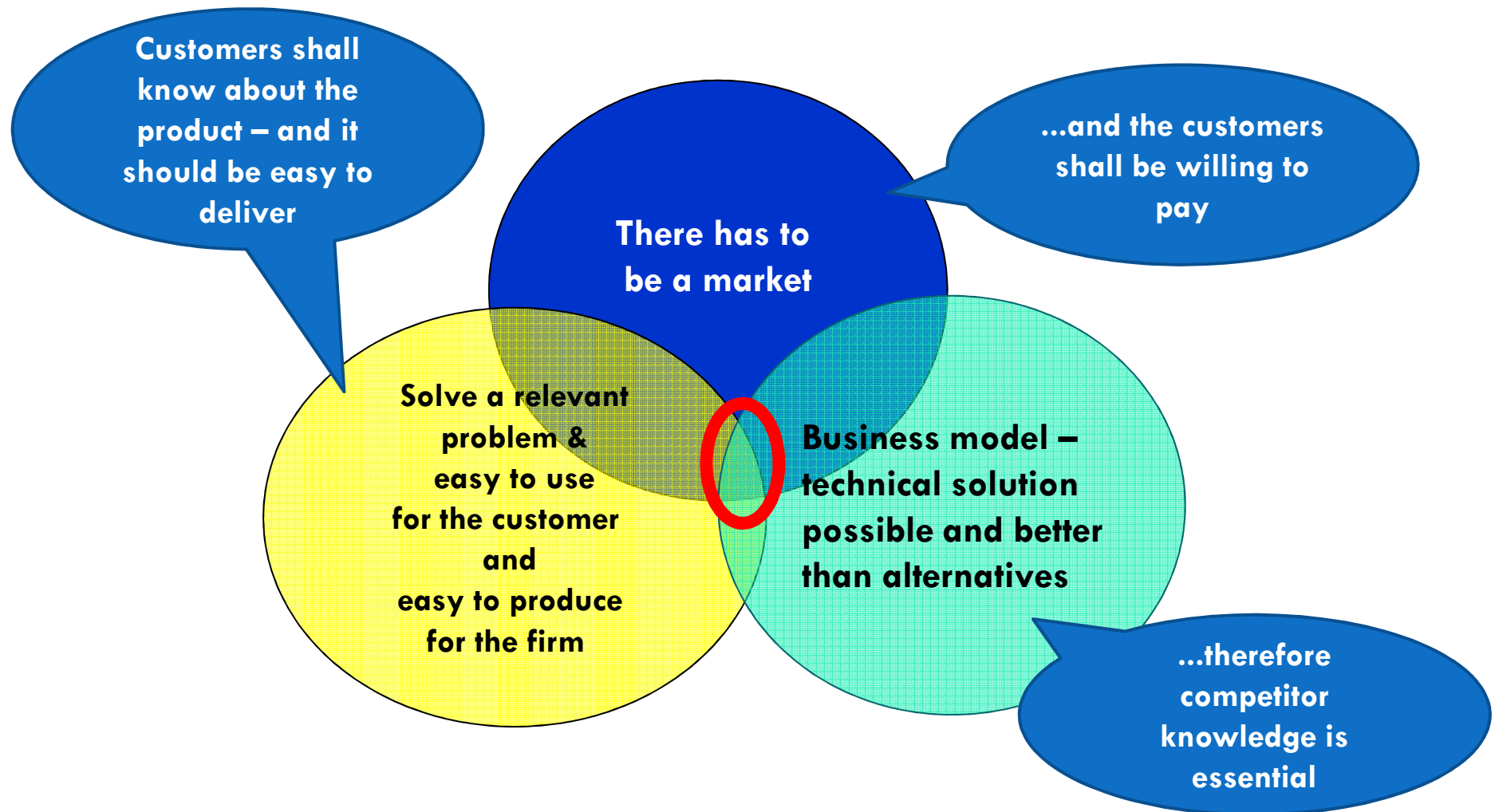


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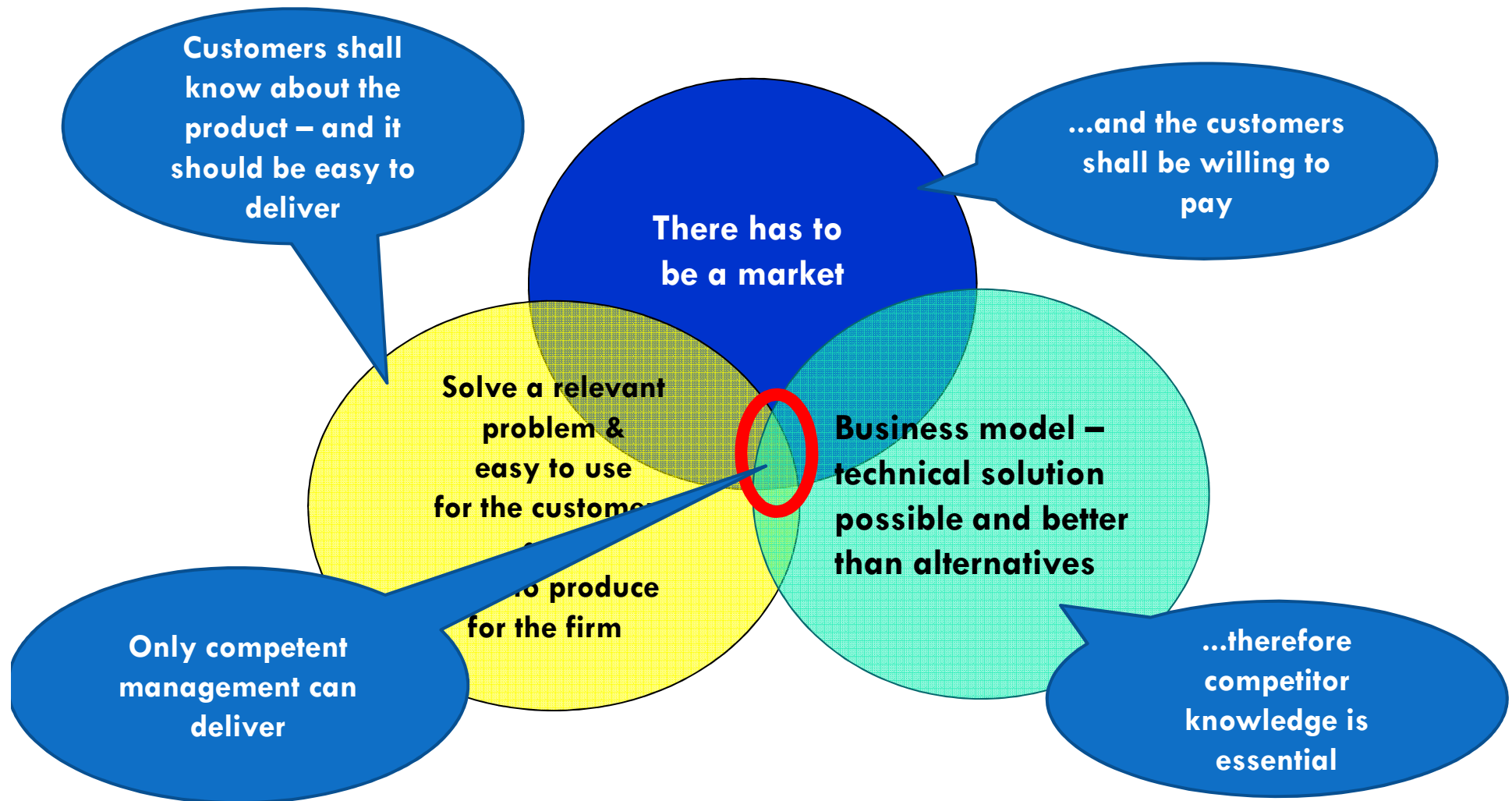
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# The three reality checks



# The three reality checks



# Phase I – Phase II Differences

<b>Pre-financing</b>	<b>40% of the Lump sum.</b>	<b>Fixed individually</b> at the grant preparation level.
<b>Technical Annex</b>	<b>Technical annex 1-3 (10 pages)</b>	<b>Technical annex 1-3 (30 pages)</b>
<b>Evaluation thresholds</b>	Impact = 4 Excellence = 4 Quality & efficiency of implementation = 4 Total = <b>13</b>	Impact = 4 Excellence = 3 Quality & efficiency of implementation = 3 Total = <b>12</b>
<b>Subcontracting</b>	The applicant shall declare the tasks to subcontract.  The subcontract is not included in the technical annex 2.	Subcontracting may cover only a limited part of the action.  <b>Can certain tasks of a clinical trial be subcontracted?</b> Specialised services (pharmacokinetics, regulatory assistance etc.) might be indispensable for the implementation of the clinical trial. 'Academic providers' exist (e.g. the ECRIN network), but most of the suppliers are for-profit and the Commission will consider accepting subcontracting in these cases. If clinical trial just a small part of the action, it might even be subcontracted in its entirety.
<b>Costs</b>	It is not necessary to detail the estimated costs.	To check if costs are realistic, reasonable and justifiable.

# Some Advice...

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- Don't start a company just to make use of the SME Instrument
- Have a clear vision of what you want to do
- Describe what you plan to do with the money and what you will achieve
- Make sure you know what other people are doing
- Be concise, use the 10 (or 30) pages wisely...
- Collaborations can be key



# Fast Track to Innovation

# Key Features

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- Allows consortia of min. 3, max. 5 members — mandatory industry involvement
- •Proposals shall include a business plan (market development strategy)
- •Impact criterion has higher weighting in evaluations
- •One common call, permanently open, 3 cut-offs per year
- •Time-to-grant 6 months
- •Funds innovation actions (70%), grant up to €3 M

# The Objectives

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- Reduce time from idea to market – Give that last push...
- Increase participation of industry, first-time applicants, SMEs
- Stimulate private sector investment in R&I

# Industry Involvement

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Industry-intensive consortia from EU or Associated Countries meaning:

- ▣ •Either 2 out of 3-4 partners are “industry” (= private for profit)
- ▣ •Or 3 out of 5 partners are private for profit
- ▣ •Or 60% of the budget (= total estimated eligible costs) is to be allocated to consortium partner(s) from industry

SMEs and first-time industry applicants particularly welcome.

# Conclusions

# FTI Pilot vs SME Instrument

- **Target:** FTI Pilot does not target SMEs exclusively nor does it allow single applicants to submit proposals. Industry intensive consortia is mandatory
- **•Theme/topics:** Only FTI is fully bottom-up; does not support specific topics and that applicants themselves can set the topic within the “Societal Challenges” and the “LEITs”
- **•Both instruments offer close-to-market support to speed up market delivery of innovation, but in the case of the FTI, the goal is the delivery of an innovation onto the market within a period of **36 months****
- **•Subcontracting:** general rules under H2020 apply to FTI: Subcontracting in the case of FTI Pilot is allowed but the core action must be in the partners
- A **one-stage scheme** helping industry-driven consortiums to mature and deliver advanced innovation concepts onto the market; no phases no coaching provided under this Pilot action.
- **70% funding** vs 100% for Phase II PHC12 proposals

# General Recommendations

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- Focus on the application
- Learn the **market**
- Choose a proper **Business Model**
- Think big
- Choose your **partners** wisely
- Take time - Review your proposal
- Use external experts wherever possible



## **Hoping more Greek companies take Advantage of the new Funding Tools**

For any further clarifications  
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