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Business Tampere

Yrityksen kasvun sparraus –sarja:

PK-yritysten TKI-aktivointi ja EU-hankeohjelmat

Content

- I. EIC Accelerator and other EISMEA programs for SME companies
- II. Evaluation and audit processes
- III. Opportunities in consortium projects

Definition of an SME in EU Context

- These ceilings apply to the figures for individual firms only. A firm that is part of a larger group may need to include staff headcount/turnover/balance sheet data from that group too.

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

- SMEs generally have:
 - wider access to innovation programs that could otherwise be banned as unfair government support
 - fewer requirements for EU administrative compliance
- SME self-assessment tool:
 - <http://ec.europa.eu/growth/tools-databases/SME-Wizard/>

EU Programs for 2021-2027

Horizon Europe
(research and
innovation funding)

95,5 B €

Digital Europe
(deployment of digital
technologies)

7,6 B €

**Connecting Europe
Facility CEF2**
(transp., energy, digital)

28,7 B €

InvestEU Fund
(loans, guarantees,
capital)

26,2 B € in guarantees

LIFE Programme
(environment and
climate action)

5,4 B €

EU4Health
(strengthens health
security)

5,1 B €

**Recovery and
Resilience Facility RRF**
(NextGenerationEU)

750 B €

- Horizon 2020: 2014-2020, 77 B €

EISMEA

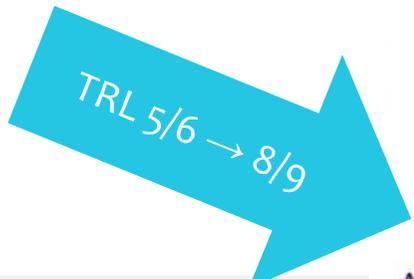
- European Innovation Council and SMEs Executive Agency
- Under Horizon Europe umbrella
- 10 B€ program for 2021-2027, to identify, develop and scale-up breakthrough technologies and disruptive innovations in Europe
- For SMEs, with one exception: small Mid-cap companies (headcount below 500) can apply for equity funding for market scale-up purposes
- Ultimate target to find and grow future unicorns – companies with 1 B USD valuation
 - So far, one EIC-funded company has reached that: Cellink AB, Sweden – creator of bioprinting technologies for pharmaceuticals and drug development



TRL Levels

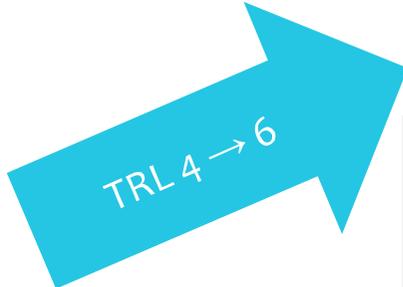
- TRL1 - basic principles observed
- TRL2 - technology concept formulated
- TRL3 - experimental proof of concept
- TRL4 - technology validated in lab
- TRL5 - technology validated in relevant environment
- TRL6 - technology demonstrated in relevant environment
- TRL7 - system prototype demonstration in operational environment
- TRL8 - system complete and qualified
- TRL9 - actual system proven in operational environment

EIC Programs



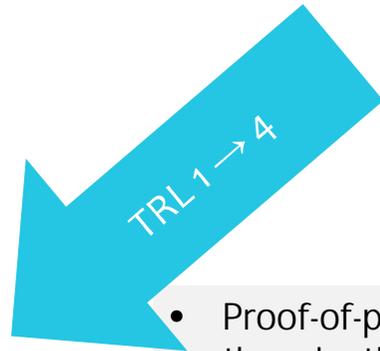
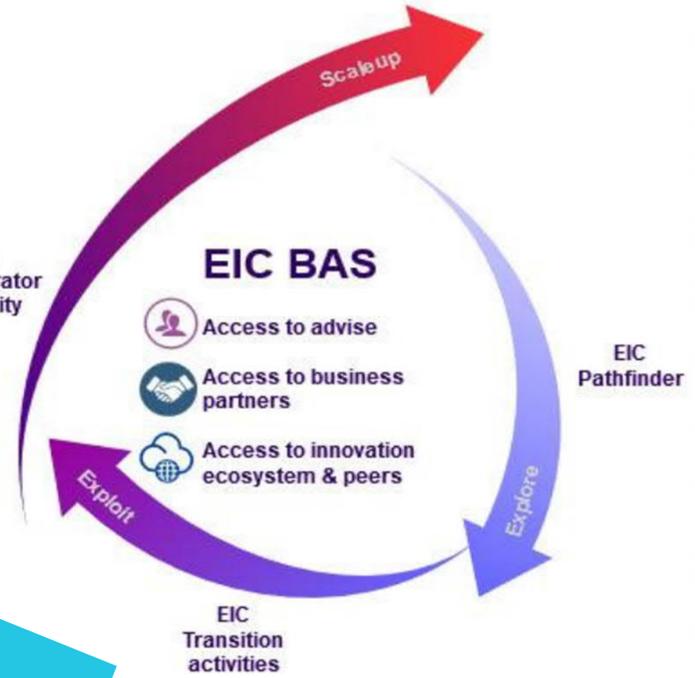
- All things to reach market readiness: RTD, prototyping, pilots, business model, supply-side etc.
- Scale-up
- Single legal entity

2021 budget:
1,1 B€



- Proof-of-concept, validation and demonstration in application-relevant environment
- Single legal entity or consortium of 2-5 partners (SMEs, LEs, research)

2021 budget:
100 M€



- Proof-of-principle, validation of the scientific basis
- Vision of a radically new deep-tech
- Pathfinder Open: Consortia of min. 3 participants from 3 different eligible countries
- Pathfinder Challenge: also single applicants eligible

2021 budget:
300 M€

EIC Accelerator is ...

Looking for...

Start-ups and SMEs seeking to **scale up** high impact innovations with the **potential to create new markets** or disrupt existing ones

Innovations building on **radical innovation, scientific discovery** or technological breakthroughs ('**deep tech**')

Innovations where **significant funding** is needed over a **long timeframe** and are **too risky** for private investors alone

Offers ...

Agile funding

- For innovation projects ready to scale-up
- Technology Readiness Level 5/6 and above
- Budget for 2021: over 1.1 billion Euro

Access to ecosystems & communities

- Coaches, mentors & experts
- Guidance of EIC Programme Managers
- Crowding-in other private investors

EIC Accelerator Funding

Investment component

- minimum EUR 0.5 million and maximum EUR 15 million
- usually in the form of direct equity or quasi-equity
- maximum 25% of the voting shares of the company
- “patient capital” principle (7-10 years perspective on average).

Grant component

- maximum EUR 2.5 million
- eligible costs are reimbursed up to a maximum of 70%
- innovation activities should be completed within 24 months
- small mid-caps are not eligible for grant (but can apply for investment only).

EIC Accelerator Proposal, Step 1

Answers to a series of questions
(questionnaire) describing the
idea



10-slide pitch deck



Video pitch of 3 minutes
presenting the innovation and
the team



EIC Accelerator – Process, Step 1

- Step 1:
 - Four evaluators
 - if at least two verdict a “GO”, then proceed to Step 2
 - If “NO-GO” verdicted, the applicant can decide to resubmit, but is expected to make significant improvements
 - 1st resubmit anytime
 - 2nd resubmit possible after a year, with a new or significantly improved idea
 - Applicant receives written feedback

EIC Accelerator Step 1 Proposal / Ideation

- What type of solution do you have in mind?
 - Describe your solution
 - What are the existing solutions and what are their limits?
 - What is the problem you're trying to solve?
 - Is it an idea or a technology-based innovation?
 - Why it is new compared to the existing solutions?
 - Why do you think it will be successful?
 - Why now?
- Max. 1000 character replies to each question

EIC Accelerator Step 1 Proposal / Development

- What is your targeted market?
- Who cares about your innovation?
- Will your innovation have broader societal, economic, environmental or climate impacts?
- Please list and describe them (pre-filled from previous step)
- What are the payoffs for your company in case of success?
- How do you see your company in 5 years?

EIC Accelerator Step 1 Proposal / Go2Market

- Do you have the team you need to implement the action?
- Will you need cooperation with other stakeholders of your value chain (research and innovation, industrial, financial, suppliers, distributors, ...) to implement the action?
- What are the risks of failure?
- Why can't you do it without the EIC?
- Why not other funding sources including National/Regional public programmes?
- How much will it cost to develop your idea?
- How much grant do you need from the EIC?
- How much investment do you need from the EIC?

EIC Accelerator – General Criteria in Step 1

Excellence

Does the innovation have a high **degree of novelty** compared to existing products, services and business models with the potential to **create** or significantly **disrupt markets**?

Is the **timing** right for this innovation in terms of market, user, societal or scientific or technological trends and developments?

Impact

Does the innovation have **potential to scale-up**?
Are the associated **financial needs** well assessed and realistic?

Will the innovation, if successfully commercialised achieve **broader societal, economic, environmental or climate impacts**?

Level of risk, implementation and need for Union support

Does the **team** have the **capability and motivation** to implement the innovation proposal and bring it to the market?
Is there a **plan to acquire** any critical competencies which are currently missing?

EIC Accelerator – Process, Step 2 and Interview

- Step 2:
 - Full proposal for Step 2 developed with help by EIC Business Acceleration Services
 - Announced cutoff dates in 2021: June 16, Oct 6
 - Three evaluators, written feedback
 - If “NO-GO”, right to resubmit once; a second “NO-GO” takes back to Step 1 for a new or significantly improved proposal
 - If “GO”, then invited for live pitching of the innovation in front of EIC Jury Members
- If selected from the pitching, then
 - Grant only: sign the Grant Agreement
 - Equity or blended funding: enter due diligence process and compliance check, targeting for an Investment Agreement
- If rejected at the pitching, resubmit option may be granted to Step 2 or directly to a second-chance pitching

II

Specific EIC Accelerator Step 2 Aspects: Excellence / Disruptive Potential

- High-risk, high-potential – not an incremental step
- Disruption at the market by alternate ways, like:
 - Breakthrough innovation or novel deep-tech
 - New business model, “game-changer”
 - New price level
 - Potential for new market creation
 - Totally new application for a mature technology
- Can be highlighted with attached LOI letters from interested partners or investors

II

Specific EIC Accelerator Step 2 Aspects: Excellence / TRL, Roadmap

- EIC Accelerator is meant to take a concept from TRL 5-6 to TRL 8-9
- It is essential to justify the reached starting TRL:
 - Proof-of-concept documentation
 - Prototypes in action
 - User testimonials, initial impacts
- Realistic roadmap ahead towards market entry

Specific EIC Accelerator Step 2 Aspects: Excellence / State-of-the-Art Analysis

- Objective description of current SotA
- How this concept would compare with existing alternatives, and go beyond the current SotA
- Quantified comparison on features such as:
 - Performance, other obvious features
 - Costs (CapEx, OpEx)
 - Ease of use
 - Comparable broader impacts such as societal, environmental, climate-related
 - If applicable: gender dimension

Specific EIC Accelerator Step 2 Aspects: Excellence / Risks and Opportunities

- Shall cover all applicable types of risks: technology, production, use cases, market barriers, competition, regulatory
- Objective and detailed risk definitions
 - Quantify!
 - Severity and likelihood
- SWOT model is one alternative
- Mitigation planning aiming sufficiently high
 - If not possible to mitigate, plan a workaround
- Risk management plan included in project management planning

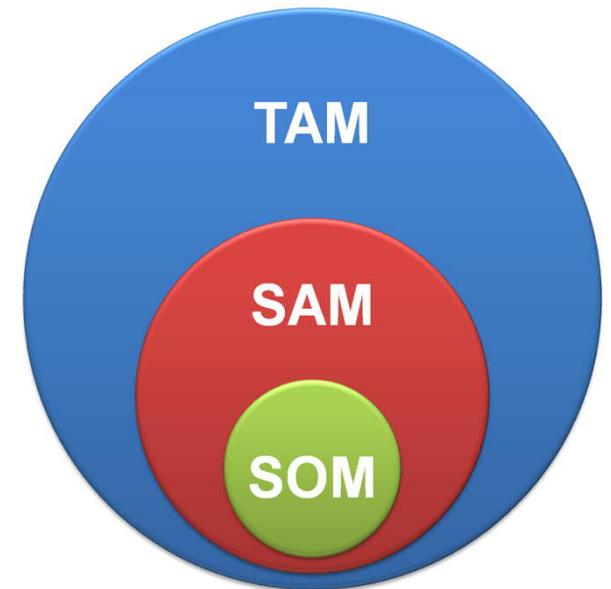
Specific EIC Accelerator Step 2 Aspects: Excellence / Objectives

- Clearly defined project objectives for:
 - Technical progress
 - Commercialization
- Aligned with the envisaged impacts and targeted TRL levels
- Appropriate specification provided for the project outcome, with success criteria
 - Quantified performance targets
- Definition of done, success criteria

II

Specific EIC Accelerator Step 2 Aspects: Impact / Market demand

- Revenue-generating demand potential
 - Convincing description of users and use cases, how this concept addresses the demand pattern
- Market size analysis (total addressable, serviceable available, serviceable obtainable)
 - Growth rate CAGR
 - Geographics
- Timely market window
- Outlined value-add partnerships, key stakeholders
 - Both supply-side and deployment, if applicable
 - Opportunities for market creation or disruption via new value chains

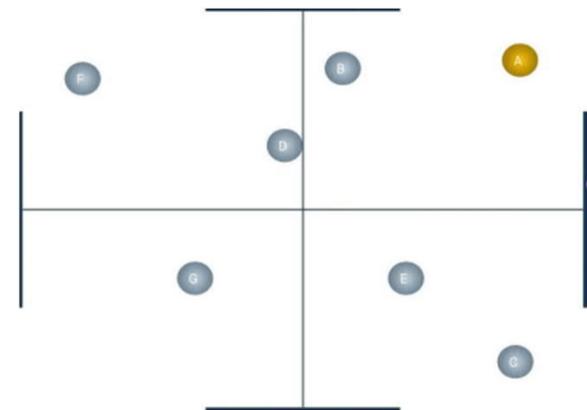


II

Specific EIC Accelerator Step 2 Aspects: Impact / Competitive Landscape

- The unique selling points of this concept at the market
- Positioning at the market – what is the assumed advantage?
- Comparison against direct competition – by which features or aspects?
- Indirect alternatives
- Quantify when applicable!

✓	✗	✗	✓
✓	✗	✗	✓
✗	✗	✗	✓
✗	✗	✗	✓
✓	✓	✓	✓
✗	✓	✓	✓
✗	✗	✗	✓



Specific EIC Accelerator Step 2 Aspects: Impact / Commercialization and Scale-up

- Business model (e.g. using the Business Model Canvas template)
- Quantified business case
 - with objective figures
 - aligned with the market analysis
 - estimate for breakeven
- Timeline and plan for commercialization
- Beyond revenues, other scale-up impacts on the applying company such as technology platform evolution, headcount, other resources, new partnerships, new regions
- Definition of financing needs to enable the growth
- Dissemination of results: publications, trade fairs, input for standardization etc.
- Outline of activities planned after the project, e.g. scale-up

II

Specific EIC Accelerator Step 2 Aspects: Impact / European Dimension

- Clear ownership in Horizon Europe countries
- Export opportunities outside of Europe and/or matching against non-European competing alternatives
- If applicable, contributions to EU initiatives such as Green Deal, or certain directives in the scope

Specific EIC Accelerator Step 2 Aspects: Impact / IPR, Freedom to Operate

- Current IP position? Patents granted or filed? Regional coverage of the patents?
- Patent examination performed? Does that show any risks of infringements?
- Current dependencies to other companies or partners in terms of IP? If yes, are there some licensing arrangements in place?
- Standards to comply with?
- Specific regulatory requirements, if applicable
- (In group projects, shall be combined together with an innovation management plan, with legal terms defined in the Project Consortium Agreement)

II

Specific EIC Accelerator Step 2 Aspects: Implementation / Bankability

- Would this initiative be too risky for private investors? Why?
- Justification for the applied EIC funding (grant and/or equity)
 - How can it make a critical difference as an accelerating component?
 - Does it help to gain additional funding from other sources (VC capital, loans)?
- Company risk profile vs. available other funding

Specific EIC Accelerator Step 2 Aspects: Implementation / Team Capabilities

- Technical and business experience of the team, management capacity, assets for growth
- Identified missing competences, plan to fulfil
- Partnerships
- Subcontracting
 - Justification for best value for money
 - Subcontracting can take an essential share of the work done, as long as the applicant maintains concept ownership
 - Must have a detailed plan on the subcontracted tasks, down to Work Package and Task level, with budgeting
 - Subcontractors can be named in the proposal, or alternatively the proposal can contain a plan for bidding
 - Governance and control essential for audit

Specific EIC Accelerator Step 2 Aspects: Implementation / Work Plan

- Work package and task structure
 - aligned with the project objectives and envisaged impacts
 - reasonable work amounts and other spending
 - deliverables, tollgates
- Project management plan
 - right-sized to project complexity
 - risk management
 - innovation management

Seal of Excellence

- After EIC Accelerator Step 2, awarded to non-funded applicants with a “GO” on Excellence and Impact by the pitching jury
- Seal of Excellence companies receive:
 - Access to EIC Business Acceleration Services
 - Support from Enterprise Europe Network to seek other funding
- Also available in EIC Transition



Opportunities in Consortium Projects

- SMEs generally very welcome to consortiums, as many programs have a minimum requirement for the share of SMEs
- Longer cycle in proposal writing, grant, project launch
- Usually longer project duration
- How to find project drafts and consortia:
 - Brokerage events
 - LinkedIn thematic groups
 - Universities, VTT, Business Finland
- ... and, subcontracting is also a way to get involved

Eureka

- Inter-governmental arrangement, not in EU budget, funding by agencies of the member countries
- Now partnering with Horizon Europe
- Includes several countries outside of Europe, e.g. Canada, Japan, South Korea
- <https://www.eurekanetwork.org/countries/finland/>



Eurostars is coming back!

Over the past 13 years of running our Eurostars funding programme, we learnt a thing or two and made some positive changes based on your feedback.

Here's what's new

We're widening the reach of our programme from R&D-performing SMEs, large companies, universities and research organisations to include... **innovative SMEs!**

What does this mean for you?

If you are an SME with no previous R&D experience, but you have the ambition and capabilities to develop new products, processes and services, you will be eligible for funding.

- Lead an international consortium
- Collaborate on market-driven R&D and innovation projects with like-minded partners
- Grow your company

We encourage SMEs to #aimevenhigher by funding and supporting international R&D projects.

Links

Horizon Europe main page	https://ec.europa.eu/info/horizon-europe_en
EIC Accelerator main page, work program	https://eic.ec.europa.eu/eic-funding-opportunities/eic-accelerator_en
Step 2 template	https://accelerator.eisma.eu/staticFiles/EIC_Accelerator_Step2_Template.docx
Event: EU Open for Business – A New Compass for SMEs, May 26-28 REGISTRATION CLOSING	https://ec.europa.eu/info/events/eu-open-business-new-compass-smes-2021-may-26_fi
Horizon Results Platform	https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-results-platform
Horizon Results Booster	https://www.horizonresultsbooster.eu/

Mentorointipalvelun kuvaus

- n. yksi konsultointipäivä, tarvittaessa jaettuna osiin
- NDA kohdeyrityksen kanssa
- tarkoitus analysoida yrityksen strategia ja löytää siitä kokonaisuuksia jotka voisivat olla sopivia aihioita EIC Accelerator -ohjelmaan tai johonkin konsortiohankeohjelmaan
- näitä aihioita työstetään yhdessä tarkemmiksi, kohti sellaisia sisältöjä jotka tarvitaan tavoiteltavaan hankkeeseen osallistumiseen
- varsinaisen projektisuunnitelman tai hankehakemuksen tekeminen jää kuitenkin mentoroinnin ulkopuolelle
- tarkoitus alentaa kynnystä ja nopeuttaa hankkeisiin osallistumista



- Kiitokset!

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