End to End Innovation Support Program for Future Internet Web Entrepreneurs

Combination of CP & CSA

Grant Agreement Number 632858

Deliverable D5.4: EU Funding Report

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Main author(s)	Pär Hedberg		
Co-authors	Amelie Furborg		
Reviewers	Stefan Stengel, Youssef Sabbah		
Contributors	Xavier Aubry, Oliver Gajda		
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1. Introduction

SpeedUP! Europe was a disruptive end-to-end acceleration and support program to foster entrepreneurial education, innovation and ramp-Up to finance. SpeedUP! Europe was related to the Future Internet Platform FIWARE, the OpenSource Generic Enablers Building Bricks and works in collaboration with pan-European TrialSites and UseCases.

SpeedUP! Europe targeted entrepreneurs and SME´s in the field of Future Internet and related products and services, covering the entire entrepreneurial journey from idea inception to prototype development and public-private funding.

SpeedUP! Europe provided innovative support actions for team formation, seed funding, coaching, mentoring and training as well as access to CrowdFunding, EU financing and Risk-Finance for project teams developing innovative services based on the FI-WARE generic & specific enablers in the areas of AgriBusiness, SmartCities and CleanTech.

The EU funding activities of SpeedUP! Europe were arranged in order to raise the awareness of entrepreneurs about EU funding via online webinars and physical workshop sessions, raise the awareness of entrepreneurs about EU Funding calls (via a series of online webinars on Horizon 2020, EUREKA and COSME), coach entrepreneurs on how to efficiently apply for these calls (in particular the novel SME instrument of Horizon 2020).

What is the problem?
Young innovative companies all over Europe encounter increasing difficulties in raising finance. This hinders company formation and development and, thus, European growth and employment.

History and market structure
The funding problem for SMEs is nothing new, however, stricter bank regulation enacted in recent years has only further diminished the banks´ propensity to lend to the sector- with far-reaching repercussions. At the same time large parts of the VC industry appear caught in a vicious cycle of having to show unsatisfactory IRRs, enjoying a still challenging exit environment and, therefore, are confronted with difficult fundraising conditions leading to ever decreasing investment activity. Although business angels are active in many European countries the total amounts involved are very far from providing a true alternative funding source for the many SMEs.

EU funding can provide a solution for the funding gap
From within the tension field described above EU funding can be an alternative, providing the finance needed by start-ups.

Goal of this concept
The webinars and workshops were arranged to enable entrepreneurs quickly to decide whether EU funding could help them start up their business, and if so, what type of EU funding instrument would be best suited for them and assist them in getting started with an application. The

webinars and workshops would also provide insights in the evaluation process as well as concrete advice on how to plan the time and efforts when doing an application.

Expected return
By providing a pragmatic navigation guide through the relevant points of EU funding entrepreneurs could take decisions on an informed basis without wasting time and money. If EU funding was an alternative in the individual case, an application could be initiated.

Target group
This information effort was directed towards entrepreneurs in the early phase of starting up a business.

Multi-use architecture
Following is a structure tailor-made for a webinar consisting of 7 topics, based on previous experience and training done by Stockholm Innovation & Growth/ZAZ Ventures[1]. The webinar was operated through free of charge online system to the SpeedUP!Europe entrepreneurs and those of other FIWARE accelerator.

Based on the same outline, two hands on workshops were offered at the Stockholm and Hamburg hubs.

HUBS & Startups involvement
SpeedUP! Europe ran four hubs in Amsterdam, Copenhagen, Hamburg and Stockholm, at which a total of 96 promising entrepreneurs were located to build their business. Each hub was to promote the EU funding webinars to the SpeedUP! Europe startups. Those startups having gone through the webinar, could then decide to sign up to a workshop for deeper knowledge.

[1] ZAZ Ventures are European innovations funding experts, providing a range of services, starting from innovation strategy to specific proposal support. ZAZ Ventures are a well appreciated cooperation partner and service provider to STING. http://www.zazventures.com

2. Roll out

The rollout was aligned with the overall programme for the participants, and placed in time during the second quarter of their participation, that is following their prototype development into the market readiness phase.

The webinars and workshops were communicated to the HUB masters and to the coordinator so that coaches and teams could be made aware and sign up. The webinars and workshops were all listed on the SpeedUp!Europe event registration page (http://www.eventbrite.co.uk/o/speedup-europe-5853198577).

2.1 The webinars

Dates and participants
May 22: 42 participants
May 26: 31 participants

Overview and content
The webinars were a tailor-made introduction to EU funding. They were designed to help the startups evaluate if EU funding may be useful for their project and coach them on how to efficiently apply for these calls.

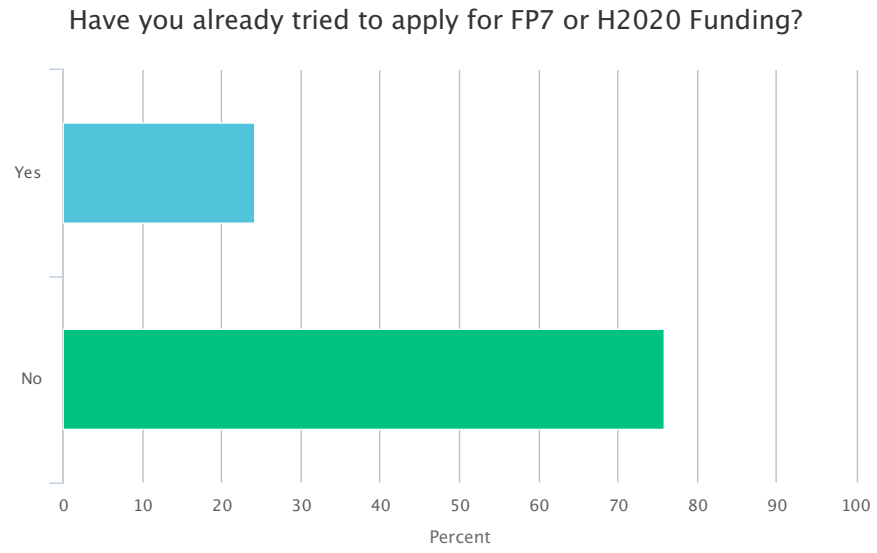
Xavier Aubry, founder of Zaz Ventures, a consultancy firm supporting SMEs to develop their funding project applications, held the webinars.

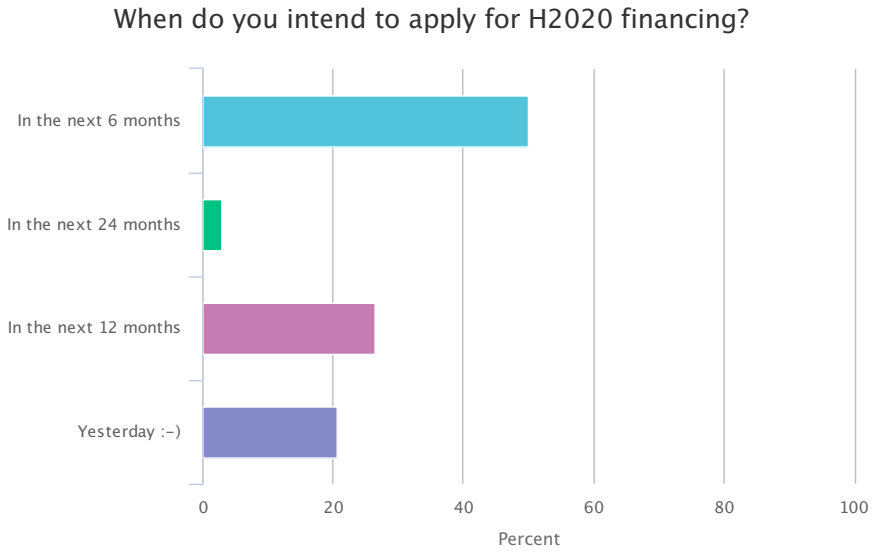
Webinar content:
- Funding alternatives for SMEs (H2020 SME Instrument, H2020 Collaborative Project, EUREKA Eurostars, etc.)
- Instrument overview
- Evaluation process
- Statistics
- Getting started with your application
- Planning your time and efforts
- Should you re-submit after a failed application?

Webinar output:
During the webinar we asked the participants two questions, in order to get to know the audience. We found out that 25-30 % of the participating startups already had applied for EU funding, and that a majority intended to do it within 6 months.

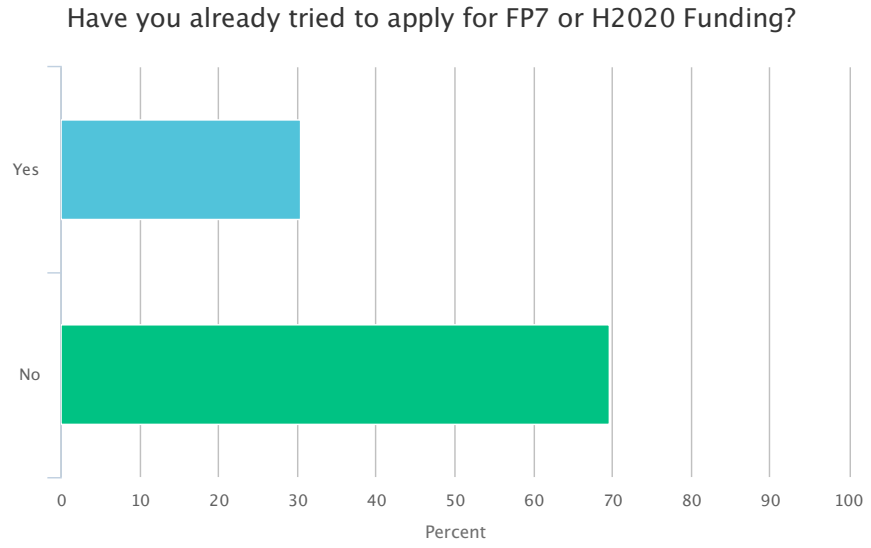
1. Have you already tried to apply for FP7 or H2020 funding?
2. When do you intend to apply for H2020 financing?

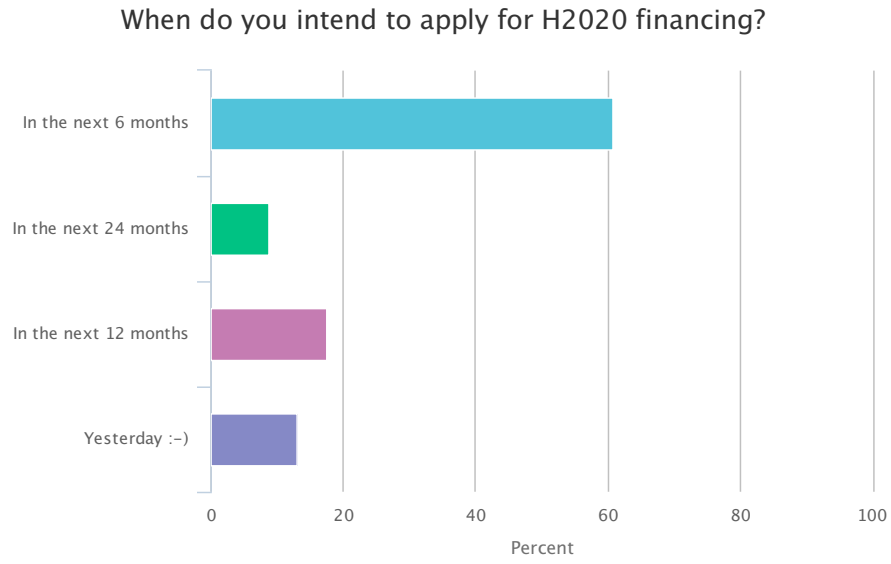
Answers: May 22





Answers: May 26





2.2 The workshops

Dates and participants
August 17, Stockholm: 8 participants
August 27, Hamburg: 31 participants

Overview and content
The differences between Horizon 2020, European Commission's new flagship program, and its predecessor (FP7) are very important to understand. The new strategic focus of Horizon 2020 is challenge- and impact-driven, compared to the topic-oriented FP7. The first strategic programme (2014-2016) focuses on economic recovery and aims to create new jobs by boosting competitiveness through innovation, smart and sustainable growth (and in particular support SMEs).

In this context, the European Commission has formulated objectives and lines of activities, which are explicitly detailed in the work programmes. Proposers therefore need to make themselves familiar with those strategies and initiatives underlying Horizon 2020, such as Europe 2020, the Innovation Union, the Digital Agenda for Europe as well as the ETPs and PPPs related to their target areas.

The session covered various funding schemes within Horizon 2020 and provided hands-on training on which instruments and topics to target, and how to prepare strong applications, based on lessons learned from the fist 18 months. Draft work programmes for the 2016-2017 period were provided in attachment for preparation reading prior to the event. At lunchtime, the participants had an opportunity to brainstorm on a concept application targeting the topic of their choice (from the draft programmes) and receive customized feedback.

Detailed agenda
8h30-9h00: Registration
9h00-10h00: H2020 instrument overview
10h00-11h00: Keys to preparing a successful proposal
11h00-11h15: Coffee break
11h15-12h15: Reading through the upcoming work programme (2016-2017)
12h15-13h30: Working lunch (we will split in teams targeting various upcoming calls)
13h30-14h30: Team presentations and feedback 1/2 (SME instruments)
14h30-15h30: Team presentations and feedback 2/2 (collaborative projects)
15h30-15h45: Coffee break
15h45-16h45: Conclusion and wrap up

The Stockholm workshop was held by Xavier Aubry, founder of Zaz Ventures. The Hamburg workshop was held by Stephan Decher, Principal Consultant at ZAZ Ventures.

3. Annex 1: Webinar structure

ZAS VENTURES
European Innovation Funding Experts

SME Funding Seminar

SPEED UP! EUROPE

Agenda

- Funding alternatives for SMEs
- Instrument overview
- Evaluation process
- Statistics
- Getting started with your application
- Planning your time and efforts
- Should you re-submit after a failed application?

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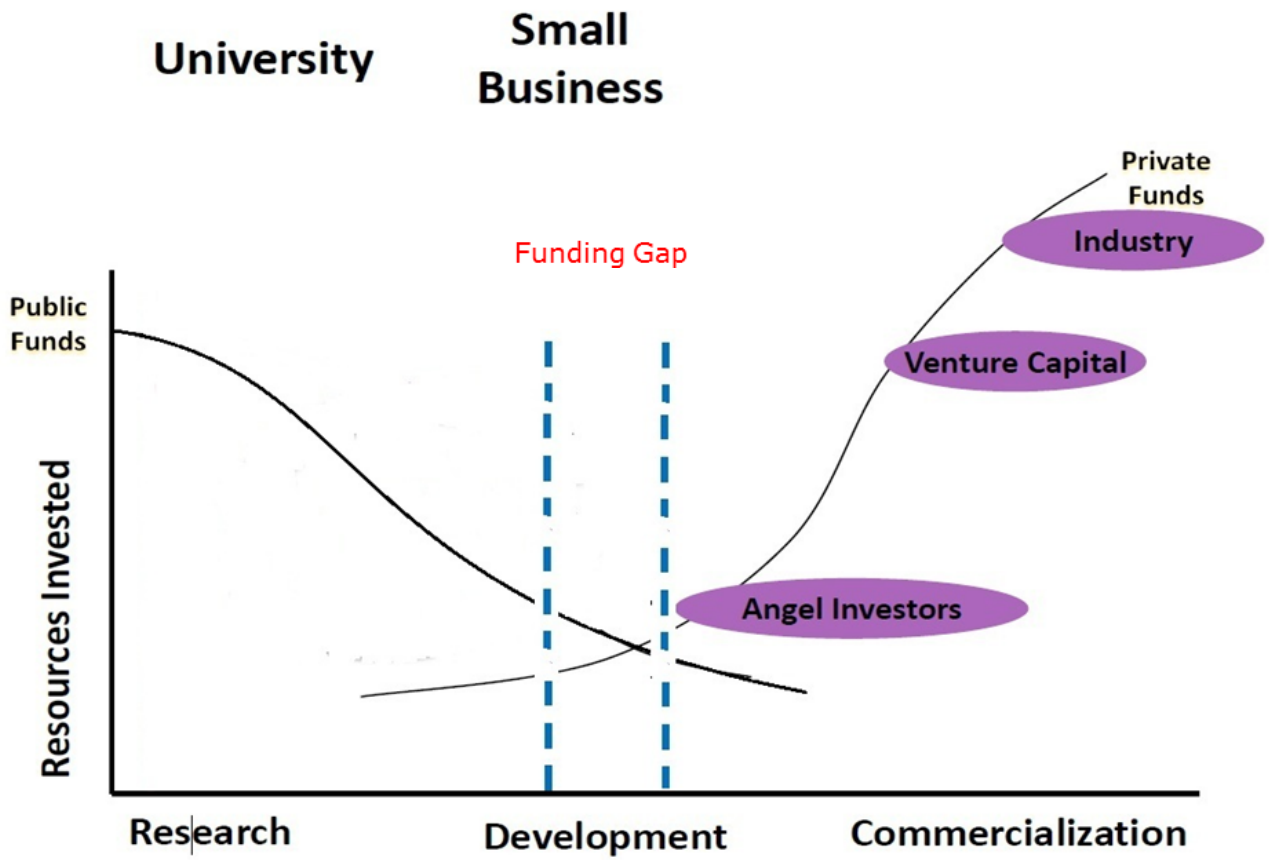
Research vs Innovation



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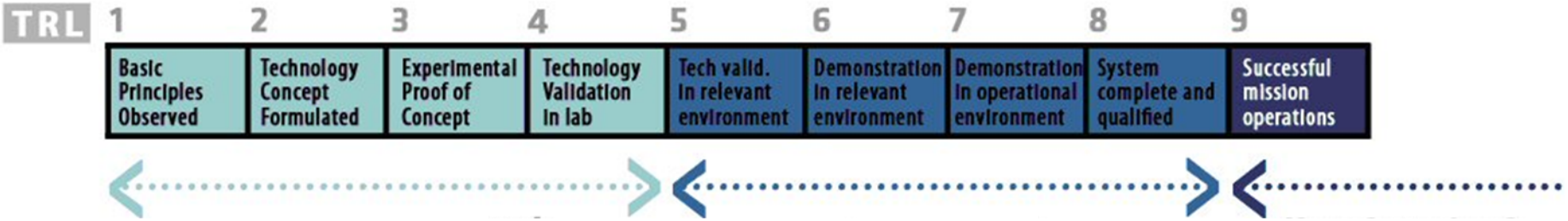
SME Funding Alternatives

New SME Instrument €2.5Bn

Research & Innovation
Funding level = 100%

Innovation
Funding level = 70%



EUREKA
eurostars™
CATRENE
Celtic-Plus
EURIPIDES
ITEA 2
eurogia+
Manufuture Industry
ACQUEA

Innovation
Funding level = 50-80%

COSME
Programme for the Competitiveness of Enterprises and SMEs
2014-2020

Market Replication
Funding level = 50%

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Instrument Comparison

H2020 Collaborative Project	H2020 SME Instrument	H2020 Fast Track to Innovation	EUREKA Eurostars
Small or large consortium Industral or academic research driven	Single applicant (phase 1) Single applicant or SME consortium (phase 2)	Small industry-driven consortium (max 5 organizations)	Small SME-driven consortium, industry and academia permitted, average 3-4 participants
SMEs encouraged SMEs requested in specific calls	SMEs required	SMEs encouraged	Project leader must be an R&D performing SME
Non prescriptive budget range indicated in the call text	50k Euros (phase 1) 0.5-2.5M Euros (phase 2) (5M Euros for PHC)	3M Euros max	1.4M Euros average project costs, max funding specific to each country
Specific challenge, scope and expected impact, all indicated in the call text	Broad scope per topic (except PHC = clinical biomarkers & diagnostic devices)	Broad scope: any topic related to LEIT or Societal Challenges	Broad scope: innovative products, processes and services
Single stage or two stage deadlines	Continuous submission 4 annual cut-offs	Continuous submission 3 annual cut-offs	Continuous submission 2 annual cut-offs
100% for RIAs and CSAs 70% for IAs	Typically 70% (100% for PHC)	Typically 70%	50-80% (depending on each country)

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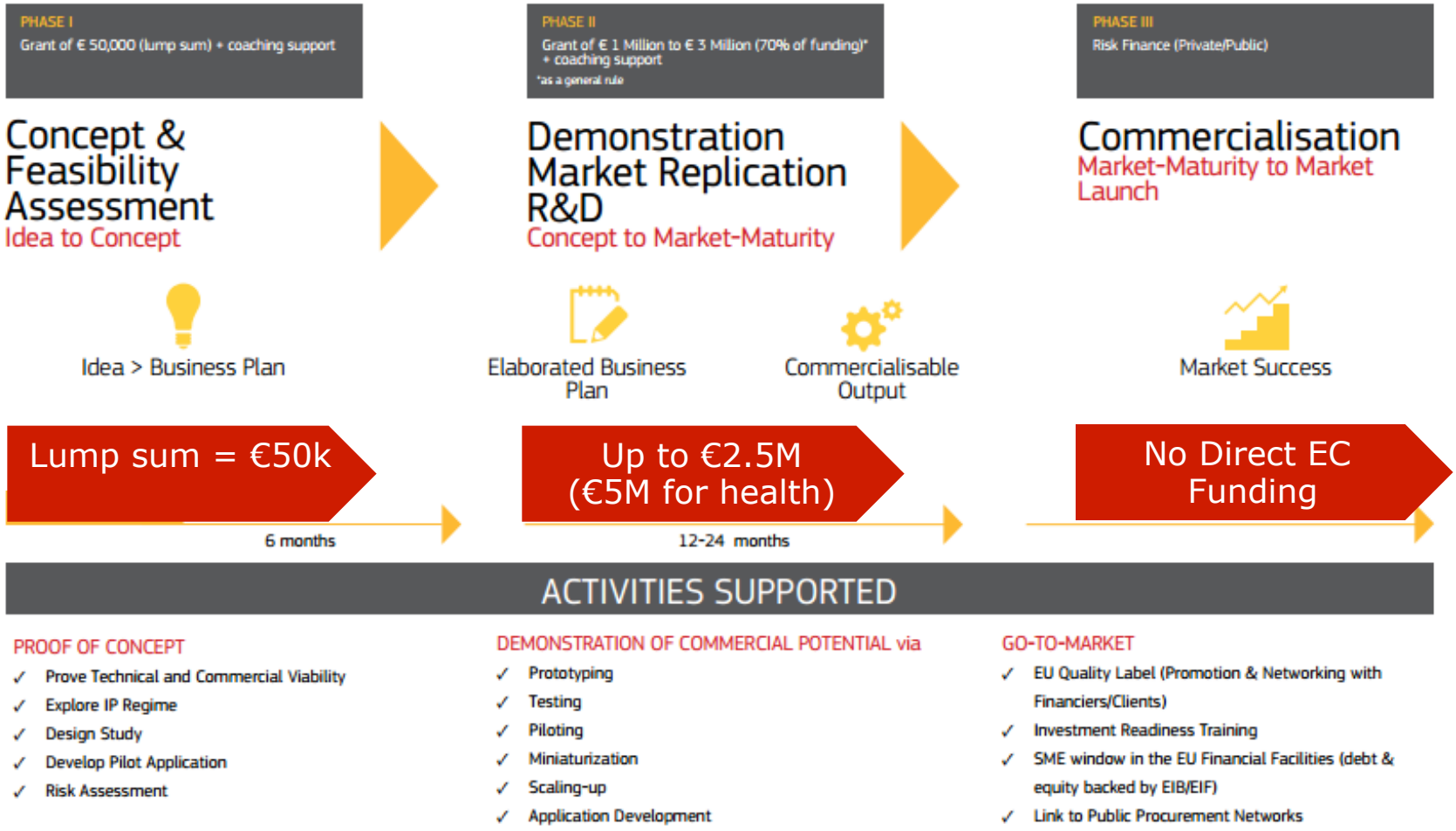
SME Instrument - Overview



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SME Instrument Timeline

- Cut off dates (phase 1)
  - 2014-06-18 +17:00:00 (Brussels local time)
  - 2014-09-24
  - 2014-12-17
  - 2015-03-18
  - 2015-06-17
  - 2015-09-17
  - 2015-12-16

Only 1 application (phase 1 or phase 2) per SME allowed

- Cut off dates (phase 2)
  - 2014-10-09 +17:00:00 (Brussels local time)
  - 2014-12-17
  - 2015-03-18
  - 2015-06-17
  - 2015-09-17
  - 2015-12-16

SME can apply directly in phase 2 (success in phase 1 is not a requirement)

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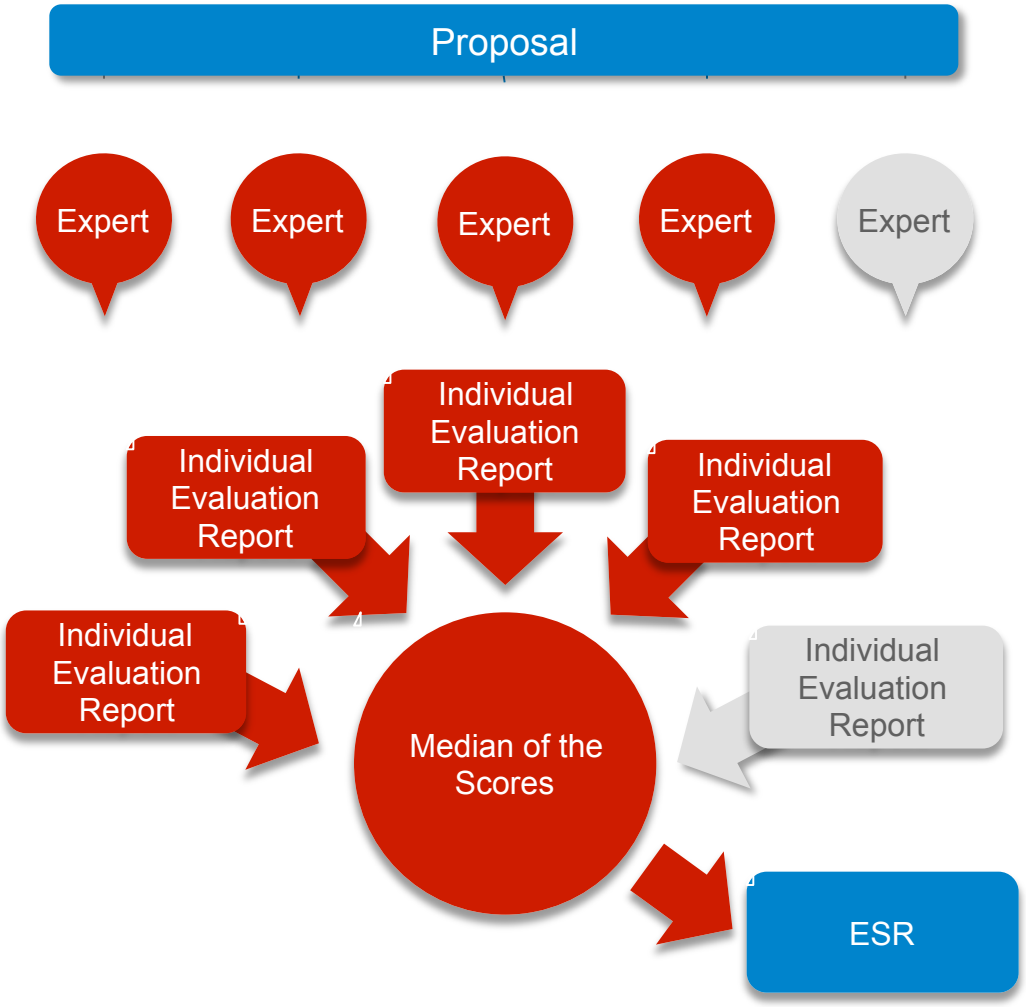
Evaluation Process



- Eligible proposal
- Minimum 4 expert, 1 additional expert called for “ties”
- Individual evaluation
- Final score = median of the expert scores

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Evaluation Process

- Main criteria
  - Impact (out of 5) x1.5
  - Scientific & Technological Excellence (out of 5) x1
  - Implementation (out of 5) x1

- Evaluation process
  - Proposals are evaluated individually when they arrive
  - Proposals are ranked after the respective cut-off dates
  - **Phase 1 overall threshold = 13**
  - **Phase 2 overall threshold = 12**
  - Score = **median** of the individual scores of the individual evaluators
  - Evaluation Summary Report (ESR) contains limited information

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ESR Example

Proposal Evaluation Form

EUROPEAN COMMISSION

Horizon 2020 - Research and Innovation Framework Programme

Evaluation Summary Report

Call:	H2020-SMEINST-2-2014
Funding scheme:	SME instrument phase 2
Proposal number:	666438
Proposal acronym:	DoReMIR
Duration (months):	18
Proposal title:	Automatic music transcription of polyphonic audio
Activity:	ICT-37-2014

N.	Proposer name	Country	Total Cost	%	Grant Requested	%
1	Doremir Music Research AB	SE	2,980,375		2,086,263	
	Total:		2,980,375		2,086,263	

Abstract:

DoReMIR Music Research has already launched several successful products for music analysis and composition and has a current user base of 450 000 users of monophonic audio analysis worldwide. The project builds on and extends a product suite called ScoreCloud with the focus on easy creation and distribution of music notation. The ScoreCloud is concept is technically built on mobile and desktop apps connected with a full cloud based back-end. The product enables users to notate music directly from performance: a Google Translate for Music! The project will develop a low-cost, cloud-based, polyphonic audio transcription solution based on an interdisciplinary approach (musicology, acoustics, audio engineering, cognitive science and computing) and a user-driven design (agile iterative solution development with end-user participation in the context of music teaching and music recording). In order to circumvent the limitations of current automated transcription methods, the project uses a novel approach to musical and music signal analysis, by modelling and using high-level musical knowledge (about stylistic conventions, music cognition, etc.) and machine learning techniques. In addition to finding better solutions to certain analysis problems, the resulting systems will also be able to communicate their results in musically meaningful, high-level terms. The solution will be piloted with1000 users over 2 demonstrators in Sweden and Latvia. The commercialization plan targets a 600M Euros market growing at 5% per year.

Evaluation Summary Report

Evaluation Result

Total score: 13.94 (Threshold: 12.00)

- Project Budget
- Public Abstract
- Total Score (out of 15)

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ESR Example

Form information

Operational Capacity

Status: Operational Capacity: Yes

If NO, please indicate the partner(s) concerned, and provide a short explanation. In any case, evaluate the full proposal, taking into account all partners and activities.

Not provided

Criterion 1 - Impact

Score: 4.64 (Threshold: 4.00/5.00 , Weight: 100.00%)

Note: Where appropriate, the application should make reference to the successfully finalised Phase 1 project.
The proposal indicates in a convincing way that there will be demand/market (willing to pay) for the innovation when the product /solution is introduced into the market
Excellent

The targeted users or user groups of the final product/application, and their needs, are well described and the proposal provides a realistic description of why the identified groups will have an interest in using/buying the product/application, compared to current solutions available
Excellent

The proposal provides a realistic and relevant analysis of market conditions, total available market size and growth rate, competitors and competitive solutions and key stakeholders, clear opportunities for market introduction
Excellent

It is described in a realistic and relevant way how the innovation has the potential to boost the growth of the applying company
Excellent

The proposal demonstrates the alignment with the overall strategy of the participating SME(s) and the need for commercial and management experience, including understanding of the financial and organisational requirements for commercial exploitation as well as key third parties needed
Excellent

The innovation /solution has a clear European dimension both with respect to commercialisation and with respect to competitor / competition evaluation
Excellent

The strategy plan for commercialisation is described in a realistic and relevant way, including approximate time to market/deployment. Activities to be further developed after phase 2, including additional dissemination measures, are well outlined
Excellent

Measures to ensure "freedom to operate" (possibility of commercial exploitation) are realistic and there is a convincing strategy of knowledge protection, including current IPR filing status, IPR ownership and licensing issues. Regulatory and/or standard requirements are well addressed
Excellent

Overall perception including other pertinent factors (e.g. communication) not covered by the above questions (25% weight in the assessment)

Evaluation report does not provide details (only describes specific criteria as “excellent”, “very good”, “good”, “average”)

Criterion 2 - Excellence

Score: 4.64 (Threshold: 3.00/5.00 , Weight: 100.00%)

The innovation aims new market opportunities addressing EU/global challenges
Excellent

The included feasibility assessment demonstrates the technological/practical/economic viability of the innovation.
Excellent

The proposal provides a realistic description of the current stage of development (TRL 6 - see note 1- or similar for non-technological innovations) and added value of its innovation as well as very good understanding of the competing solutions. Includes good comparison with state-of-the-art, known commercial solutions, including costs, environmental benefits, gender dimension- see note 2-, ease-of-use and other features.
Note1: Technology Readiness level (TRL) is a measure used to assess the maturity of evolving technologies. Please see part G of the General Annexes.
Note 2: In relation to the project content, e.g. gender studies, clinical trials, etc.
Excellent

The objectives for the project as well as the approach and activities to be developed are consistent with the expected impact (commercialisation/deployment). Specifications for the outcome of the project and criteria for success are well defined
Excellent

The expected performances of the innovation are convincing and have the potential to be relevant from a commercial point of view (Value for money). It is potentially better than alternatives
Excellent

The proposal reflects a very good understanding of both risks and opportunities related to a successful market introduction of the innovation, both from a technical, commercial point of view.
Excellent

Overall perception including other pertinent factors not covered by the above questions (25% weight in the assessment)
Excellent

Criterion 3 - Quality and efficiency of implementation

Score: 4.66 (Threshold: 3.00/5.00 , Weight: 100.00%)

The proposal demonstrates that the project has the relevant resources (personal, facilities, networks, etc.) to develop its activities in the most suitable conditions. If relevant, describes in a realistic way how key stakeholders / partners / subcontractors could be involved. (Where relevant/) Participants in a consortium are complementary
Excellent

The team has relevant technical/scientific knowledge/management experience, and a very good understanding of the relevant market aspects for the particular innovation. If relevant the proposal includes a plan to acquire missing competences
Excellent

Taking the project's ambition and objectives into account, the proposal includes a realistic time frame and a comprehensive implementation description
Excellent

The work package descriptions and major deliverables and milestones are realistic and relevant, including appropriateness of the allocation of tasks and resources, risk and innovation management
Excellent

Overall perception including other pertinent factors not covered by the above questions (25% weight in the assessment of this criterion)
Excellent

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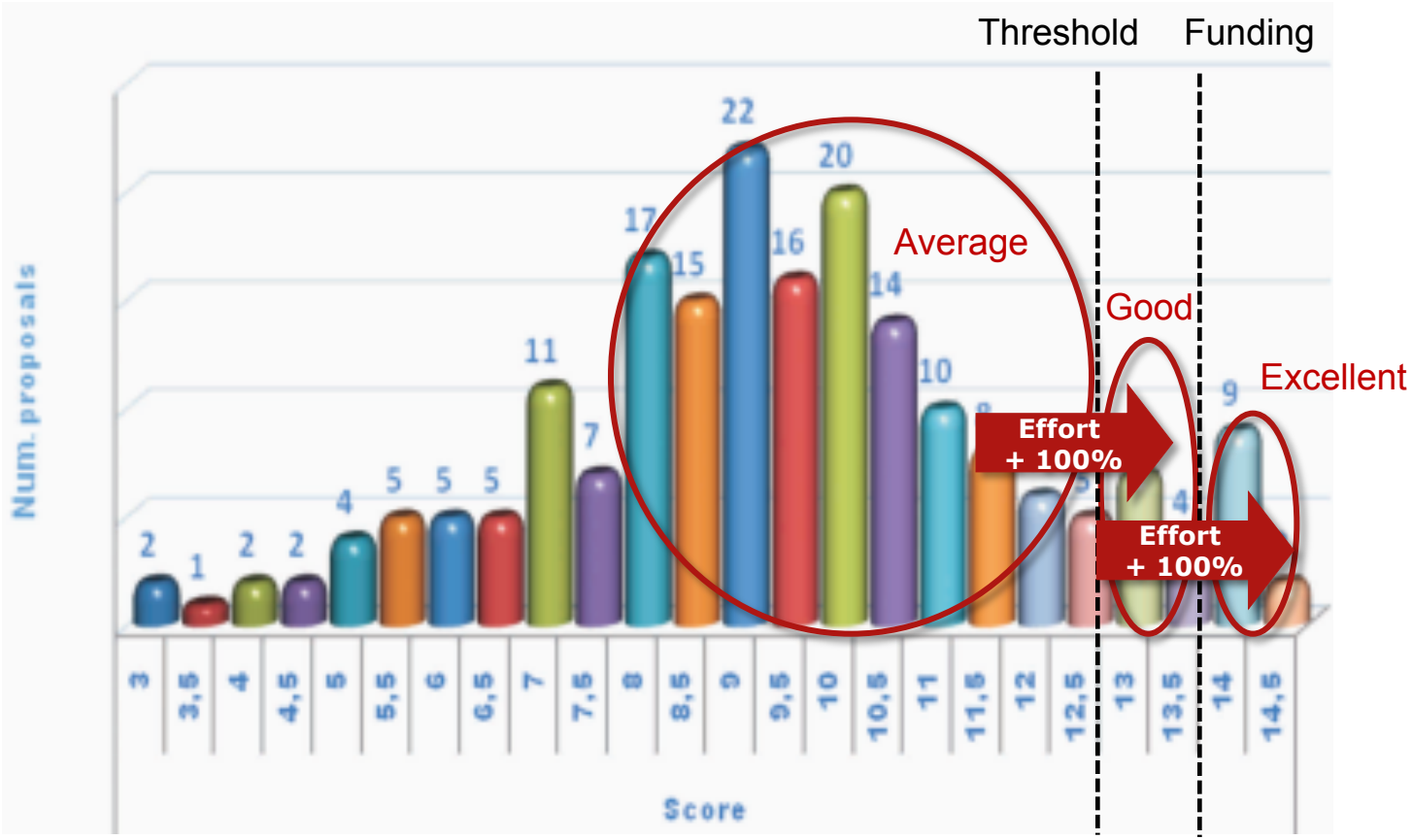
Evaluation Outcome (Phase 1)



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Statistics

Call	Number of applications submitted	Number of applications funded	Average success rate	Our success rate
SMEINST-1-2014 (cut-off 1)	2666	155	5.8%	28%
SMEINST-1-2014 (cut-off 2)	1944	155	7.9%	33%
SMEINST-1-2014 (cut-off 3)	2362	155 (e)	6.6%	
SMEINST-2-2014 (cut-off 1)	N/A	N/A	N/A	
SMEINST-2-2014 (cut-off 2)	580	60	10.3%	60%
SMEINST-2-2014 (cut-off 3)	629	60 (e)	9.5%	

(e) = estimates

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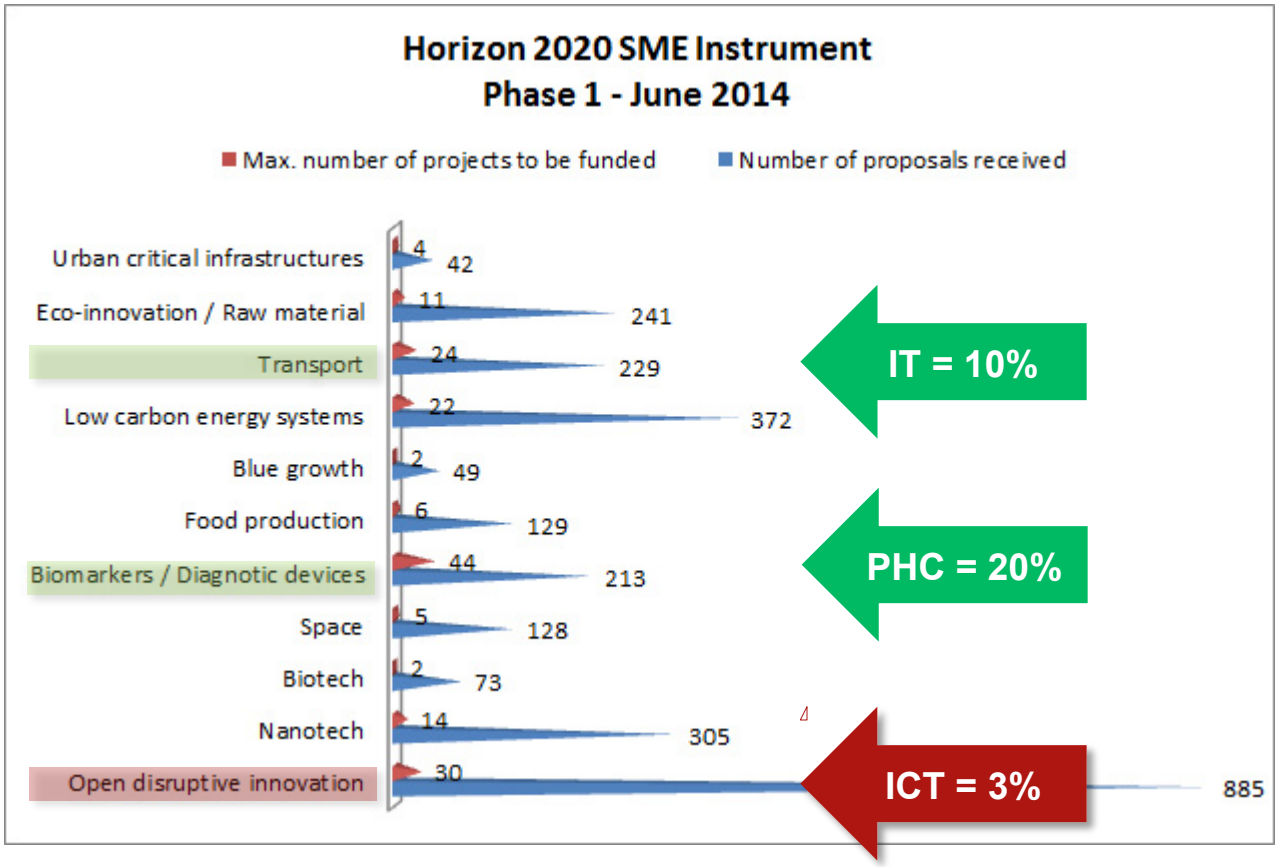
First Cut-off Statistics



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Is the SME instrument for you?

SME Instrument	Check list
Funding at T+3 months (phase 1) or T+8 months (phase 2)	Can I wait 3-8 months before starting the project?
Bottom-up topics but aligned with EC societal challenges (ex: PHC, ICT)	Does my technology fits within the innovation priorities of the EC?
TRL level above 6	Do I have a system prototype that has been tested?
Funding 70% (except PHC)	Can I co-fund 30% of the efforts?

If you have answered ”no” to any of these 4 questions, then the SME instrument is not for you (yet)

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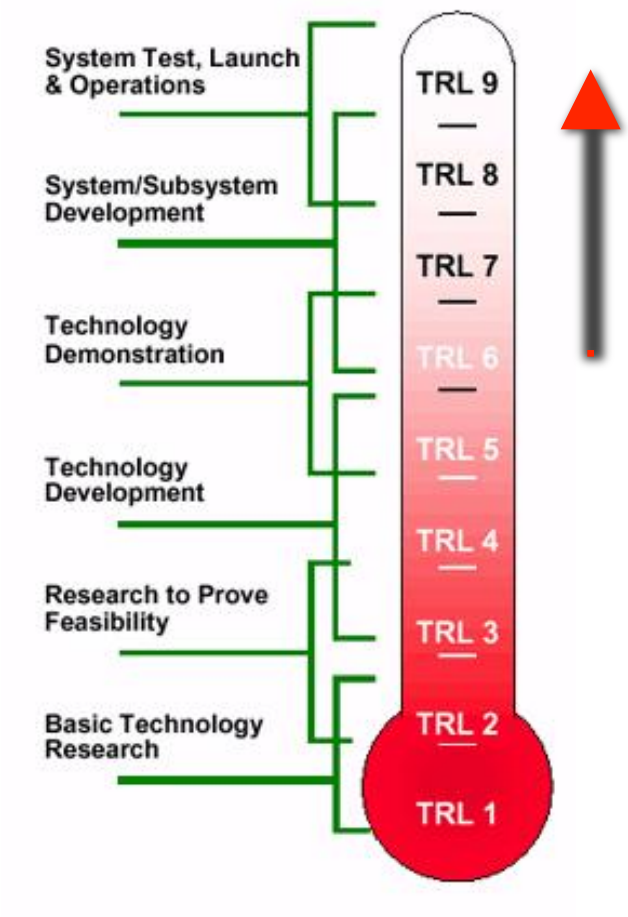
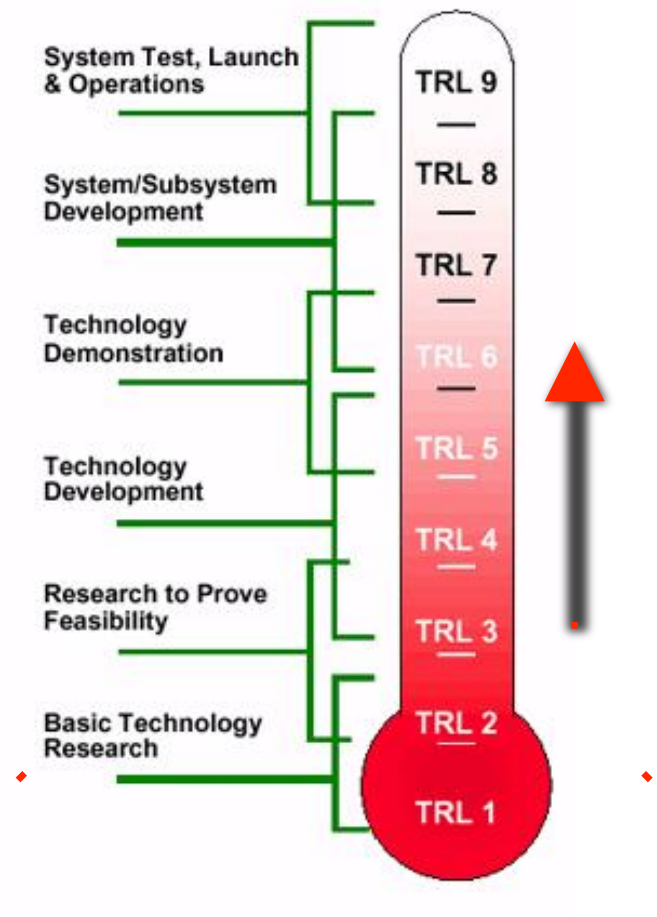
Watch the TRL!





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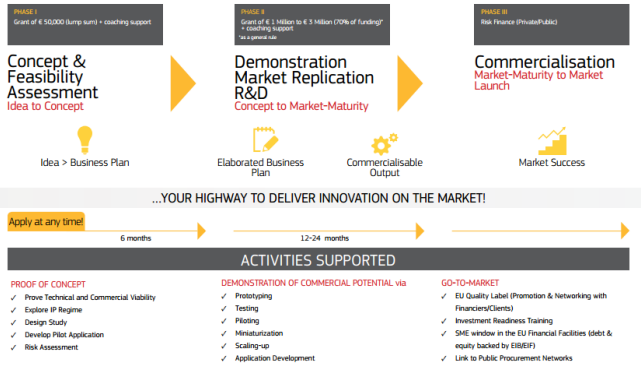
Which phase should you apply to?

- Look at the maturity of your business plan
  - Early draft = phase 1
  - Elaborated = phase 2
  - Ready for VC pitch = phase 2 or phase 3



- But it is not only about a business-plan!
  - Section 2 = impact = business plan
  - Section 1 = innovation
  - Section 3 = implementation plan

- A typical catch 22
  - Section 2 has the most weight in your score, but a weak section 1 will lead the expert to question your impact, i.e. lower your score in section 2
  - All sections are crucial (given the level of competition) but section 1 remains the most important because that is what establishes the reader's early interest
  - The maturity of your section 1 (innovation) is therefore an important driver to decide if you should go for phase 1 or phase 2

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Do your Homework!

- Most proposals fail because of the lack of preparation
  - Poor prior art review → unclear innovation beyond state of the art
  - Poor patent analysis → fuzzy 'freedom to operate' position
  - Poor market and industry analysis → Impact not concrete enough
  - Limited market research → unclear dissemination and exploitation strategy
  - Poorly structured GANTT and PERT charts → execution capability seems low
  - Last minute "panic" writing 1 week before the cut-off → poor writing quality

Time spent Writing the proposal	With homework	Without homework
Phase 1	40 hours	100 hours
Phase 2	80 hours	200 hours

Be prepared for a significant effort

(1 person full time for a month, with technical writing and business capabilities)

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Recruit a dedicated execution Team

- As manager of the company, your time is better spent on operations
- It is very unlikely you will have the time and focus to spend on a thorough application preparation
- Seek advice from NCPs and SMEinst coaches but keep in mind
  - They are not here to write your proposal
  - They don't evaluate proposals as experts
  - They can be wrong too!
- **Allocate a specific resource or recruit an external consultant**

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Should you re-submit?

- You may have already tried to submit a proposal and ended up close to the threshold (i.e.13 for phase 1 or 12 for phase 2)
- You may think that a incremental upgrade of your proposal will earn you the few decimals required to get funded
- However...
  - The funding cut-off might be much higher than the EC threshold (for example, you need around 13.7 to get funded in ICT-37 phase 1)
  - An “improved” application can receive a lower score than during its first evaluation (due to the fact that the evaluation are done by different expert panels, who may have different views on your application)
- In other words
  - Only re-submit if you have made MAJOR improvements to your application
  - Ask for external help to rewrite your application from scratch

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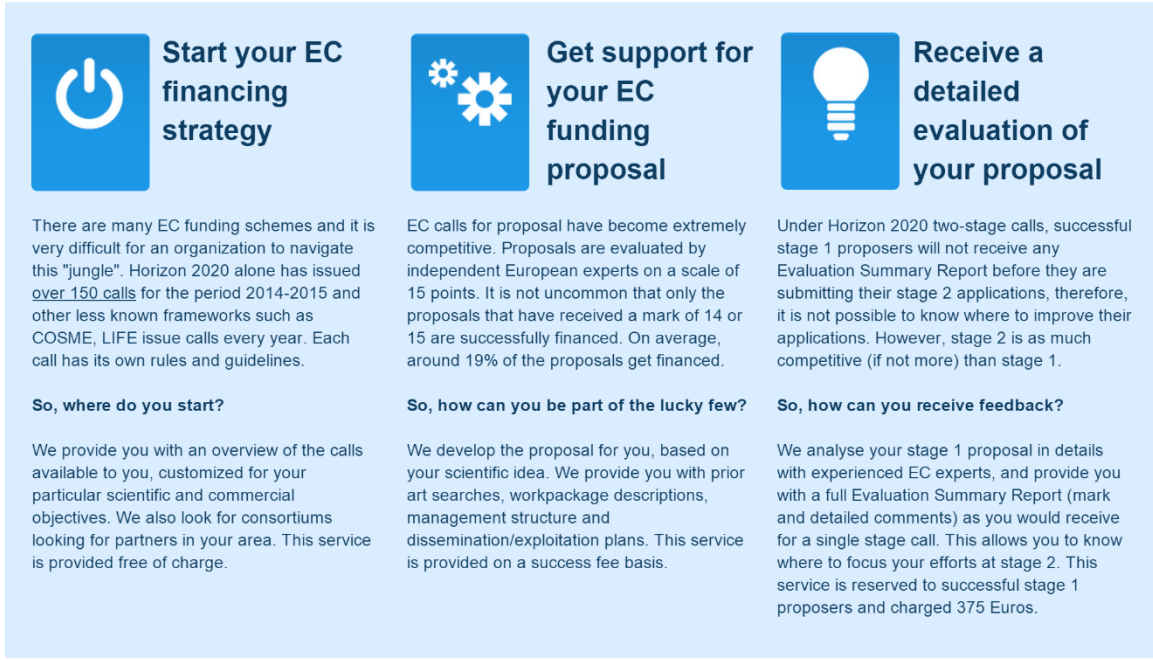

Start your EC financing strategy

There are many EC funding schemes and it is very difficult for an organization to navigate this "jungle". Horizon 2020 alone has issued over 150 calls for the period 2014-2015 and other less known frameworks such as COSME, LIFE issue calls every year. Each call has its own rules and guidelines.

So, where do you start?

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4. Annex 2: Workshop structure

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EC Funding Seminar

SPEED UP! EUROPE

Agenda

- Funding instrument overview
- Evaluation process
- Keys to a successful proposal
- Upcoming work programme
- Exercises

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Instrument Overview

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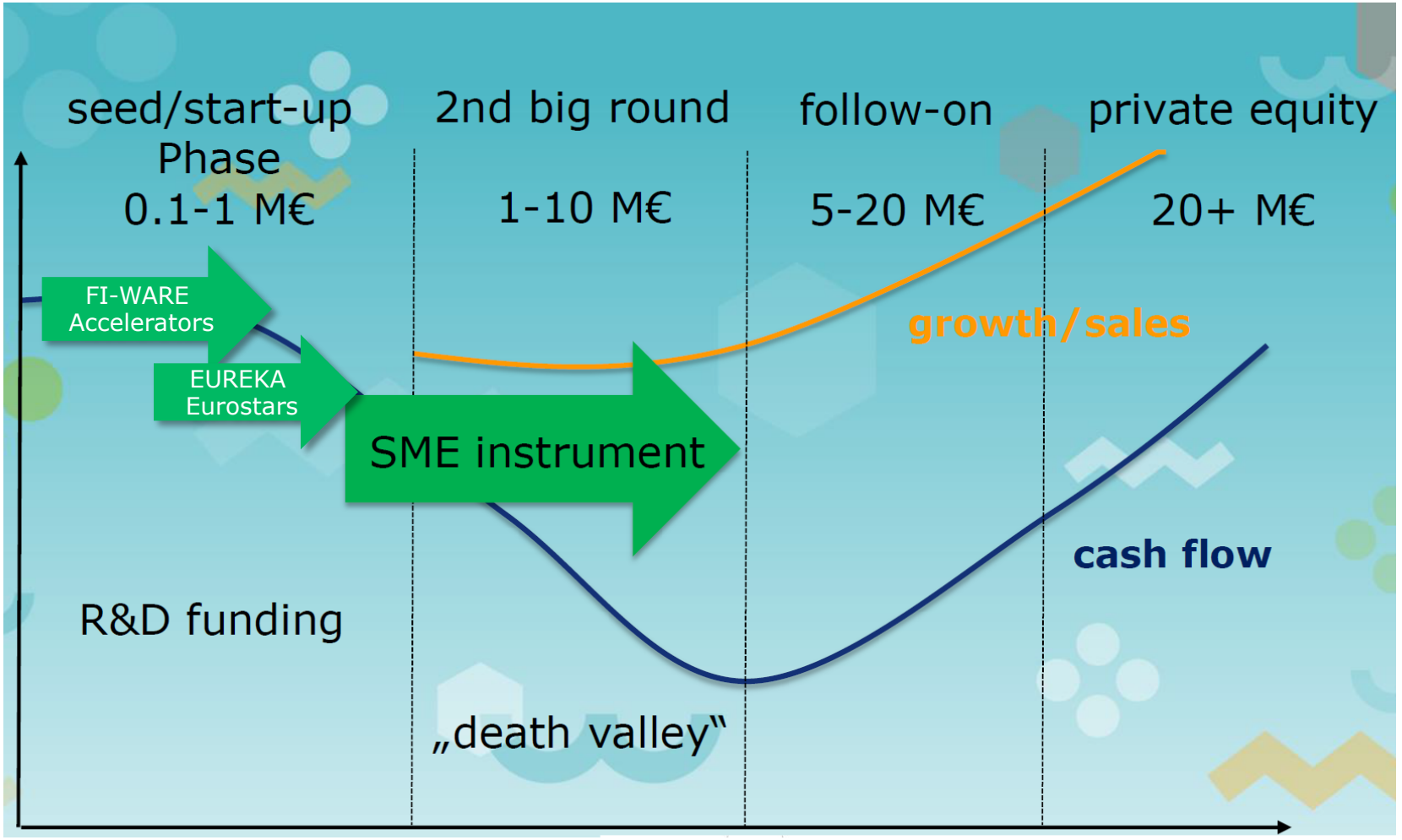
Funding Roadmap



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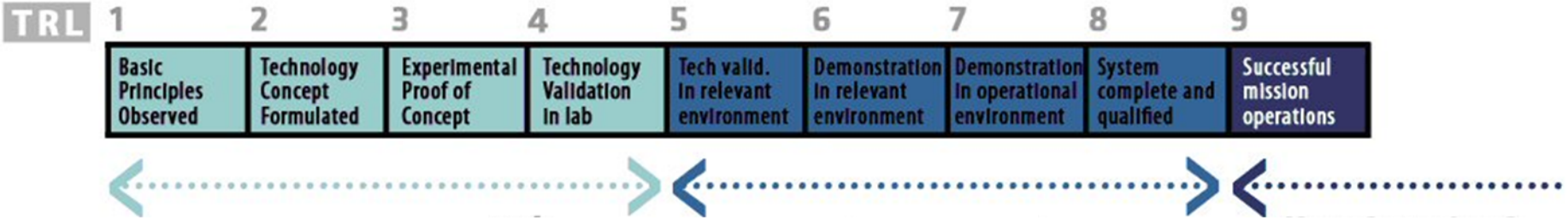
SME Funding Alternatives

New SME Instrument €2.5Bn

Research & Innovation
Funding level = 100%

Innovation
Funding level = 70%



EUREKA
eurostars™
CATRENE
Celtic-Plus
EURIPIDES
ITEA 2
eurogia+
Manufuture Industry
ACQUEA

Innovation
Funding level = 50-80%

COSME
Programme for the Competitiveness of Enterprises and SMEs
2014-2020

Market Replication
Funding level = 50%

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Instrument Comparison

H2020 Collaborative Project	H2020 SME Instrument	H2020 Fast Track to Innovation	EUREKA Eurostars
Small or large consortium Industrial or academic research driven	Single applicant (phase 1) Single applicant or SME consortium (phase 2)	Small industry-driven consortium (max 5 organizations)	Small SME-driven consortium, industry and academia permitted, average 3-4 participants
SMEs encouraged SMEs requested in specific calls	SMEs only	SMEs encouraged	Project leader must be an R&D performing SME
Non prescriptive funding range indicated in the call text	€50k (phase 1) funding €0.5-2.5M (phase 2) funding (€5M for PHC)	€3M max funding	€1.4M average project costs, max funding specific to each country
Specific challenge, scope and expected impact, all indicated in the call text	Broad scope per topic (except PHC = clinical biomarkers & diagnostic devices)	Broad scope: any topic related to LEIT or Societal Challenges	Broad scope: innovative products, processes and services
Single stage or two stage deadlines	Continuous submission 4 annual cut-offs	Continuous submission 3 annual cut-offs	Continuous submission 2 annual cut-offs
100% for RIAs and CSAs 70% for IAs	Typically 70% (100% for PHC)	Typically 70%	50-80% (specific to each country)

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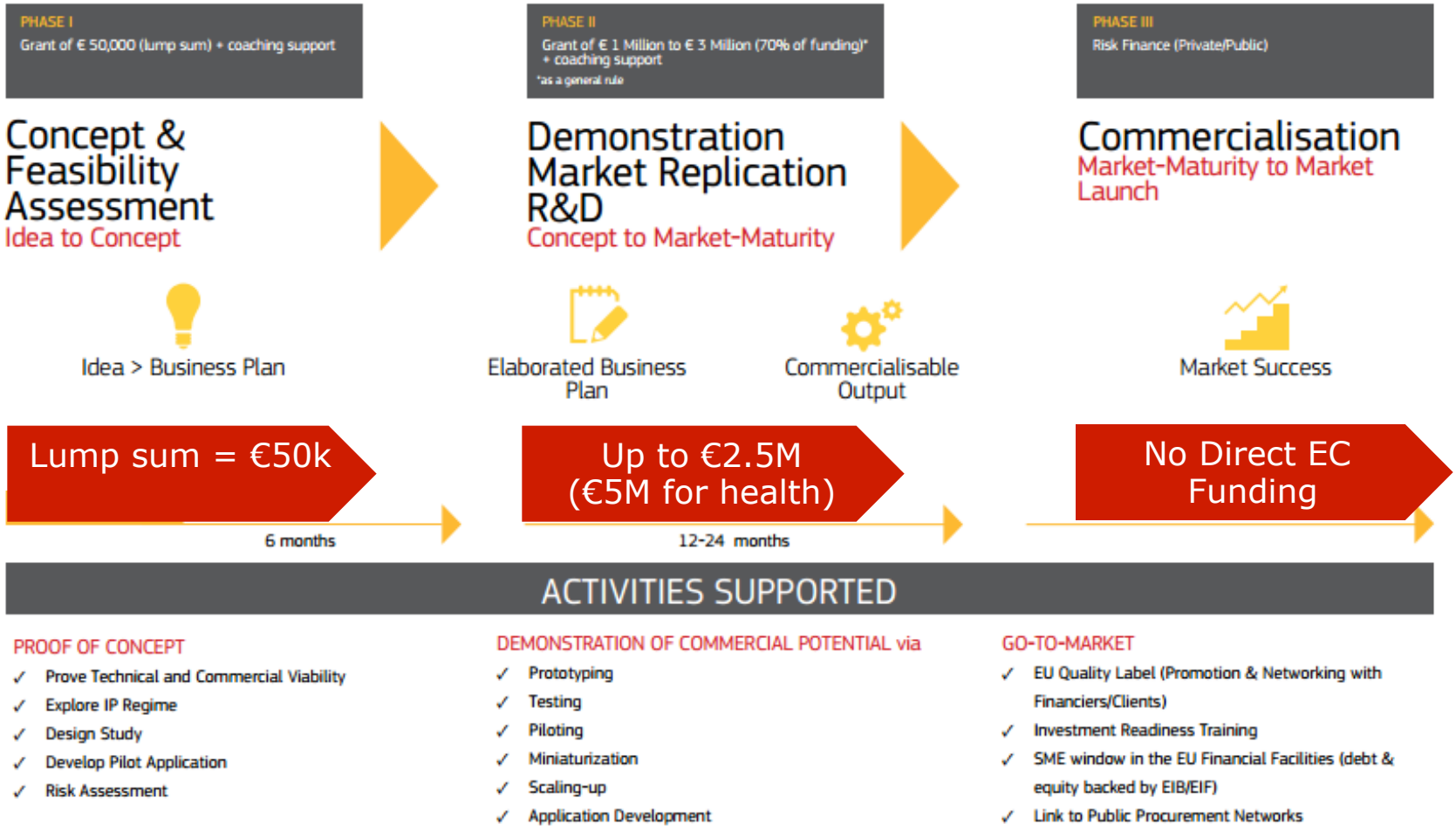
SME Instrument - Overview



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Statistics

Call	Number of applications submitted	Number of applications funded	Average success rate
SMEINST-1-2014 (cut-off 1)	2666	155	5.8%
SMEINST-1-2014 (cut-off 2)	1944	178	9.2%
SMEINST-1-2014 (cut-off 3)	2363	259	11%
SMEINST-1-2015 (cut-off 1)	1569	161	10.3%
SMEINST-2-2015 (cut-off 2)	2029	142	7%

Phase 1

Call	Number of applications submitted	Number of applications funded	Average success rate
SMEINST-2-2014 (cut-off 1)	580	60	10.3%
SMEINST-2-2014 (cut-off 2)	629	74	11.8%
SMEINST-1-2015 (cut-off 1)	614	42	6.8%
SMEINST-2-2015 (cut-off 2)	961	40 (e)	4.2%

Phase 2

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Statistics

Call	2014-1 (a)	2014-2 (a)	2015-1 (a)	2015-2 (e)
ICT-37	8%	7%	3%	2%
NMP-25	8%	13%	6%	3%
Space	29%	18%	11%	13%
PHC-12	14%	10%	4%	3%
SFS-08	10%	13%	13%	7%
BG-12	5%	0%	11%	5%
SIE-01	13%	16%	10%	5%
IT-1	19%	29%	9%	6%
SC5-20	13%	12%	6%	3%
DRS-17	11%	15%	7%	3%
BIOTEC-5a	7%	8%	7%	7%
INSO-9				13%
INSO-10				6%
Total	**10%**	**12%**	**7%**	**4%**

SMEinst
Phase 2

Call	2014-1 (a)	2014-2 (a)	2015-1 (a)
E!	**23%**	**25%**	**36%**

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Eurostars

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Is the SME Instrument the Right One?

Instrument details	Check list
Funding generally starting at T+4 months (SMEINST-1) T+6-8 months (SMEINST-2, FTI)	**Can the company wait 4-8 months before starting the project?**
Bottom-up topics aligned with EC societal challenges (ex: heathcare, energy, etc.)	**Does the technology fit within the innovation priorities of the EC?**
Technology Readiness Level above 6	**Does the company have a system prototype that has been alpha or beta tested?**
Funding rate 70% (except healthcare)	**Can the company co-fund 30% of the efforts?**

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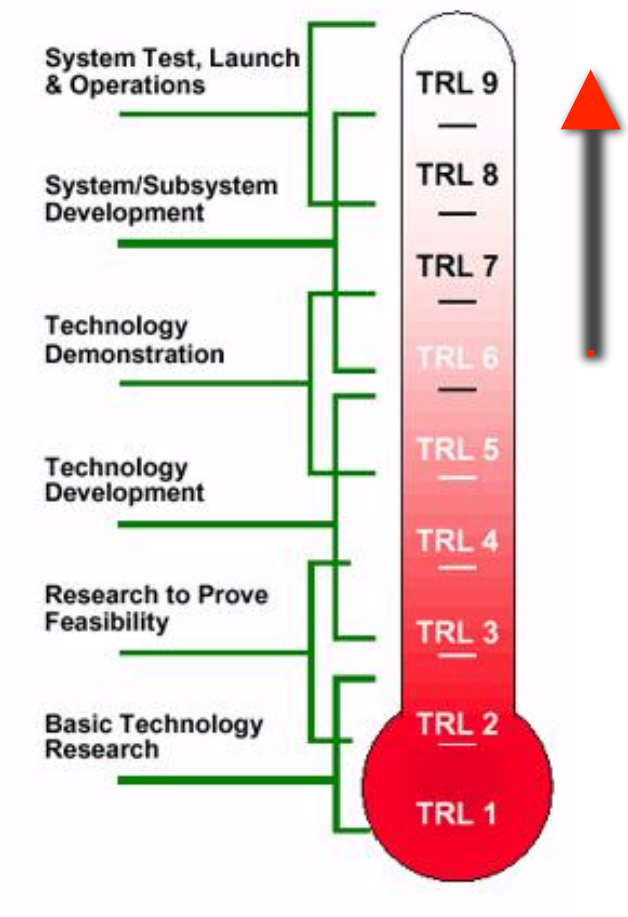
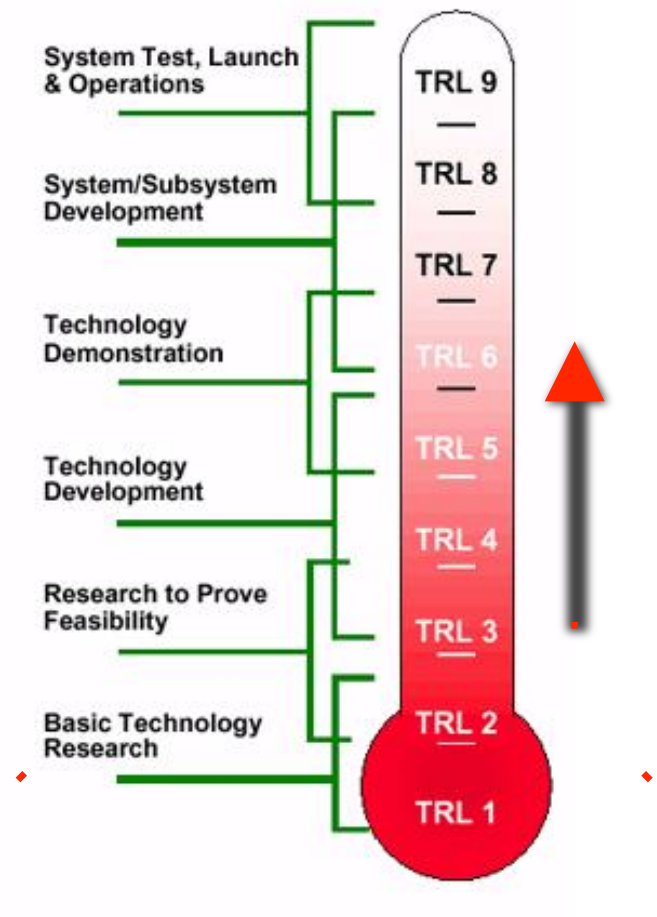
Watch the TRL!





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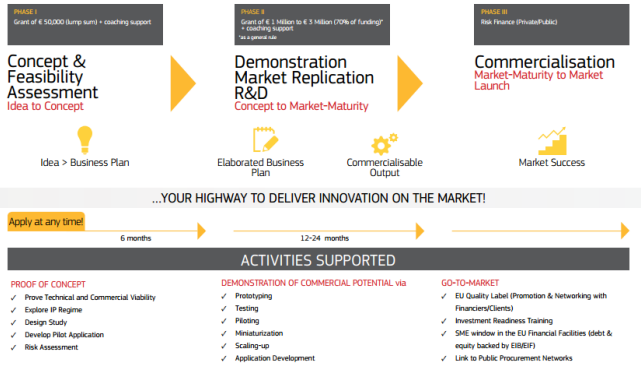
Which phase should you apply to?

- Look at the maturity of your business plan
  - Early draft = phase 1
  - Elaborated = phase 2
  - Ready for VC pitch = phase 2 or phase 3



- But it is not only about a business-plan!
  - Section 2 = impact = business plan
  - Section 1 = innovation
  - Section 3 = implementation plan

- A typical catch 22
  - Section 2 has the most weight in your score, but a weak section 1 will lead the expert to question your impact, i.e. lower your score in section 2
  - All sections are crucial (given the level of competition) but section 1 remains the most important because that is what establishes the reader's early interest
  - The maturity of your section 1 (innovation) is therefore an important driver to decide if you should go for phase 1 or phase 2

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Can a startup apply?

- Yes, they do qualify as SME as long as
  - A legal entity exists
  - The entity is not owned (25% or more) by a non SME

- But, start-ups generally have lower chances
  - Established SMEs for 4 years or more count for more than 70% of the funded project proposals so far.
  - Young startups are at a disadvantage because they lack a track record, revenues, and a convincing implementation team

- Therefore, if you are a startup, you need to address the following
  - Bring in a more mature SME in the consortium that complements you (could be a partner or a customer!)
  - Make sure your key resources (people) are well described
  - Show all the technical and commercial milestones that you have already achieved

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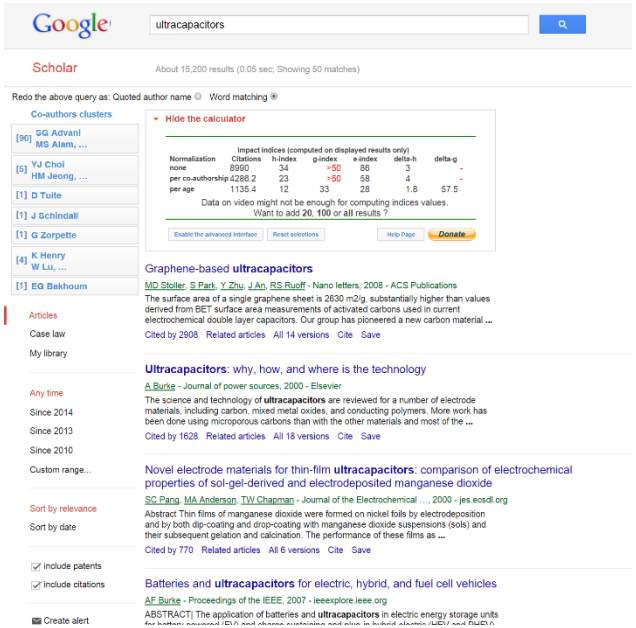
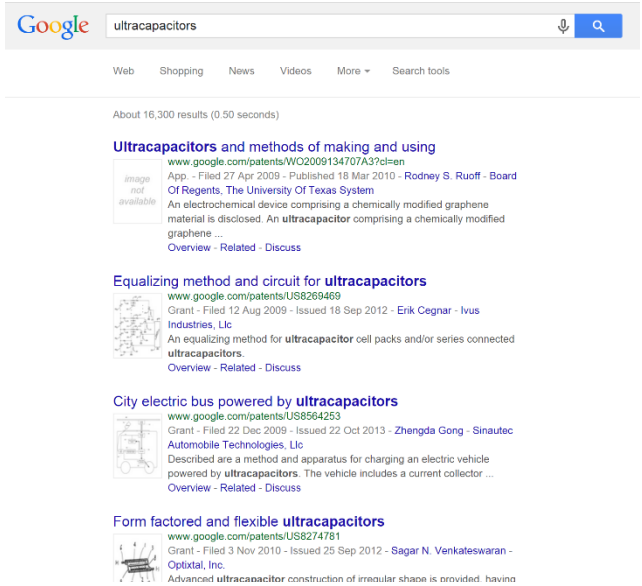
Do your Homework!

- Section 1 homework
  - Thorough litterature search (Google scholar)
  - Patent search (Google patent)

" We are the first and only company to develop XXX "





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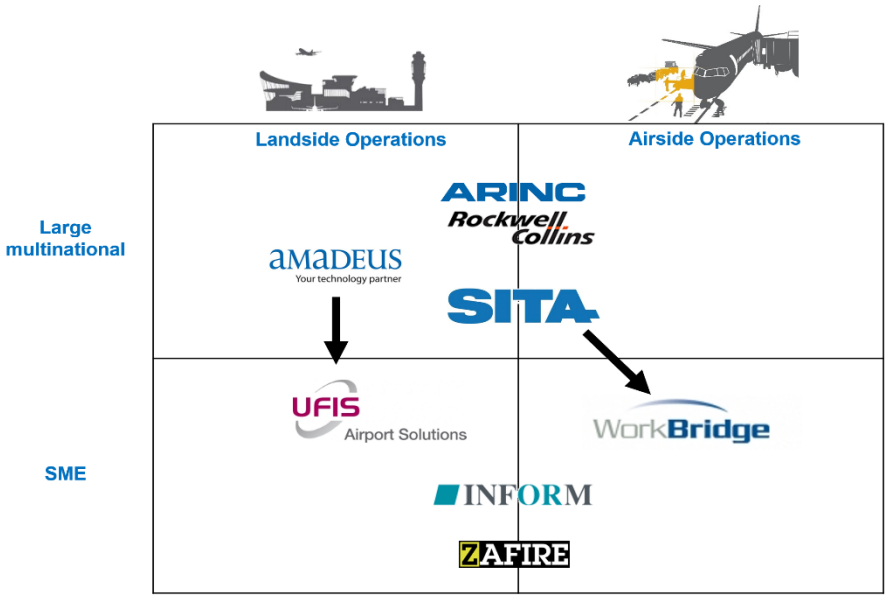
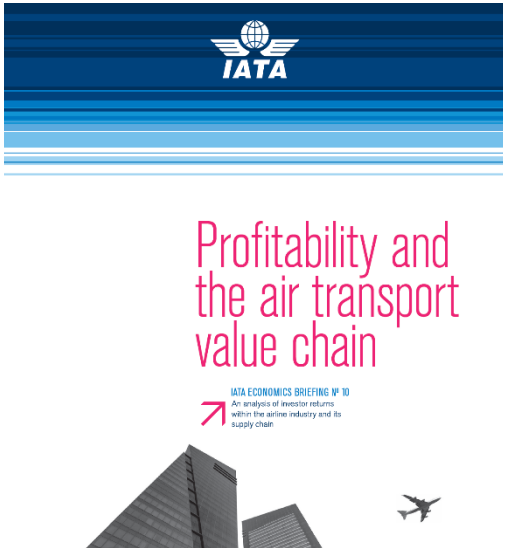
Do your Homework!

- Section 2 homework
  - Market analysis (market reports)
  - Competitive analysis (public websites, presentations, etc.)





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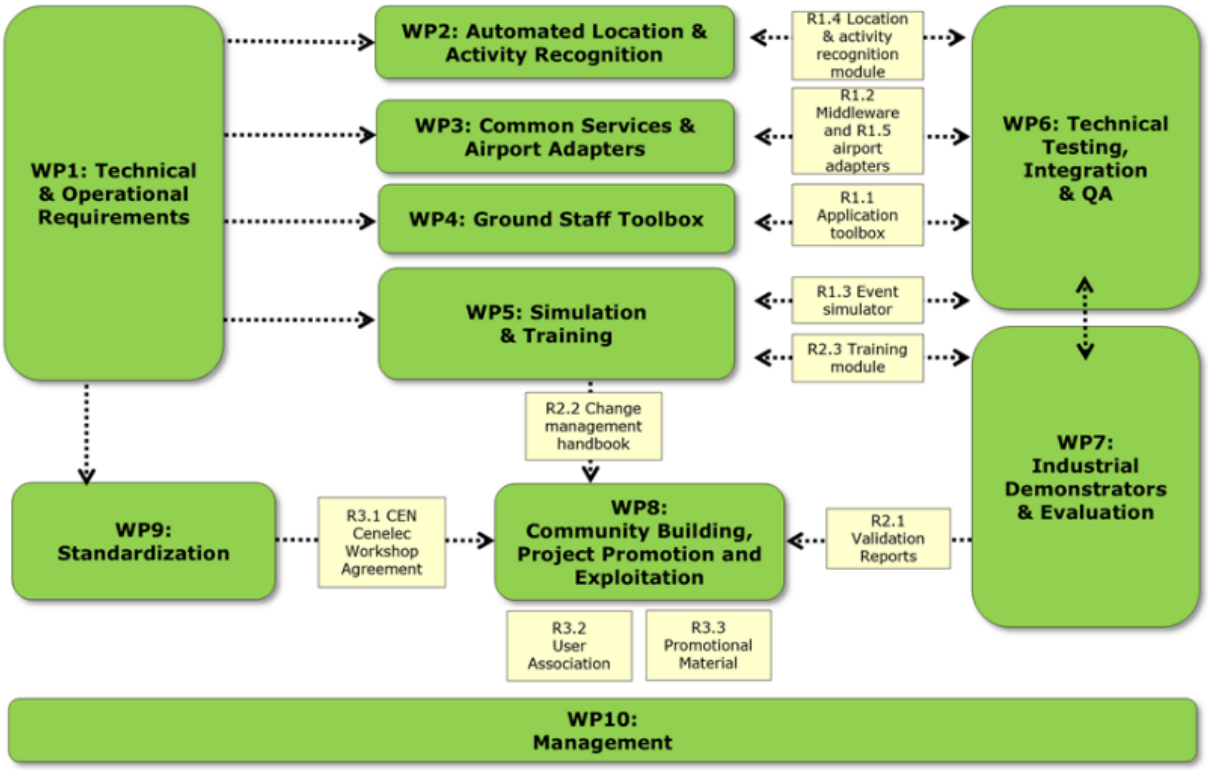
Do your Homework!

- Section 3 homework
  - PERT chart, Gantt chart
  - Budget



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Do your Homework!

- Section 3 homework
  - PERT chart, Gantt chart
  - Budget

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Common Mistakes

- Bad management of space
  - 70 pages for collaborative projects
  - 10 or 30 pages for SME instruments
- Cheating on space
  - Pushing content to section 4
  - Wrong font size
- Waiting until the last minute for admin tasks
  - ECAS registration and PIC number (for all partners)
  - SME validation (SME budget as tie-breaker)
  - Form A (budget)
  - Section 4-5 (section 4 influences section 3 scoring)

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Allocate dedicated resources

- As manager of the company, your time is better spent on operations
- It is very unlikely you will have the time and focus to spend on a thorough application preparation
- Seek advice from NCPs and SMEinst coaches but keep in mind
  - They are not here to write your proposal
  - They don’t evaluate proposals as experts
  - They can be wrong too!
- **Allocate a specific resource or recruit an external consultant**

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Structuring the process

	Timeline	Documents required from customer
Qualification	T -8 weeks	PIC, SME registration and financial viability self-check completed
	T-8 weeks	Company profile (this document) completed All existing documentation **(business plans, company presentations, market research, market studies, scientific papers, project plans, etc.**) saved to Dropbox
	T-8 weeks	Customer commits resource to the project **(25% of the time of one internal expert over six weeks)**
	T -7 weeks	Trial customers and product interest confirmed (LOIs) Freedom to Operate analysis (FTO) provided
	T -6 weeks	Work package structure drafted (PERT), GANTT drafted with task titles, objectives and KPIs predefined
	GO NO-GO DECISION	**Agreement on the target submission date for the project**
Proposal	T -6 weeks	Agreement signed
	T -5 weeks	Data collector completed
	T -3 weeks	Input on v0.5 draft
	T -2 weeks	Input on v0.8 draft
	T -1 week	Input on v0.9 draft
	SUBMISSION	**We submit grant proposals every month (outside of cut-off dates)**
Project Award	T +2-4 months	Evaluation from EC received
	T +4-6 months	Grant agreement signed
	T +5-7 months	Project start + pre-financing received

If not present, these 2 items are major red flags

With support from consultant

Timely input is key

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Should you re-submit?

- You may have already tried to submit a proposal and ended up close to the threshold (i.e.13 for phase 1 or 12 for phase 2)
- You may think that a incremental upgrade of your proposal will earn you the few decimals required to get funded
- However...
  - The funding cut-off might be much higher than the EC threshold (for example, you need 14 or above to get funded in ICT-37 phase 1)
  - An “improved” application can receive a lower score than during its first evaluation (due to the fact that the evaluation are done by different expert panels, who may have different views on your application)
- In other words
  - Only re-submit if you have made MAJOR improvements to your application
  - Ask for external help to rewrite your application from scratch

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WP 2016-2017

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SME Instrument Timeline

- Cut off dates (2015)

Phase 1	Phase 2
17-09-2015	17-09-2015
25-11-2015	25-11-2015

Only 1 application (phase 1 or phase 2) per SME allowed

- Cut off dates (2016-2017)

Phase 1	Phase 2
02-03-2016	03-02-2016
03-05-2016	14-04-2016
01-09-2016	15-06-2016
03-11-2016	13-10-2016

SME can apply directly in phase 2 (success in phase 1 is not a requirement)

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SME Instrument - LEIT

Work Programme	Focus Area (Topic)	Funding Size	Funding %	Timeline
LEIT – Space	Any aspect of the Space WP (with a preference for applications related to the flagship programmes Galileo and Copernicus)		70%	€0.5-2.5M 2014-2015
LEIT – Information and Communication Technologies	ICT-12.1: Open Disruptive Innovation		70%	€0.5-2.5M 2014-2015
LEIT – Nanotechnologies and Biotechnology	NMBP-SME-01: Accelerating the uptake of nanotechnologies, advanced materials or advanced manufacturing and processing technologies by SMEs		70%	€0.5-2.5M 2014-2015
LEIT – Nanotechnologies and Biotechnology	BIOTEC-5b: SME boosting biotechnology-based industrial processes driving competitiveness and sustainability		70%	€0.5-2.5M 2014-2015

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SME Instrument – Societal Challenges

SC2 - Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy	SFS-43: Resource-efficient eco-innovative food production and processing BG-14: Supporting SMEs efforts for the development - deployment and market replication of innovative solutions for blue growth	70% €0.5-2.5M 2014-2015
SC3 - Secure, clean and efficient energy	SIE 1: Stimulating the innovation potential of SMEs for a low carbon energy system	70% €0.5-2.5M 2014-2015
SC4 – Smart, green and integrated transport	IT 1: Small business innovation research for Transport	70% €0.5-2.5M 2014-2015
SC5 - Climate action, environment, resource efficiency and raw materials	SC5-20: Boosting the potential of small businesses for eco-innovation and a sustainable supply of raw materials	70% €0.5-2.5M 2014-2015
SC7 - Secure societies – Protecting freedom and security of Europe and its citizens	SEC-GM2: Protection of urban soft targets and urban critical infrastructures	70% €0.5-2.5M 2014-2015

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SME Instrument – Societal Challenges

SC1 – Health, Demographic Change and Wellbeing	PHC 12: Clinical validation of biomarkers	100% €1-5M 2014-2015
SC6 - Europe in a changing world – inclusive, innovative and reflective Societies	INSO-9-2015: Innovative mobile e-government applications by SMEs INSO-10-2015: SME business model innovation	70% €0.5-2.5M 2015 only

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SME Instrument – New Topics

SC1 – Health, Demographic Change and Wellbeing	PM-12: Cell technology in medical application technologies	2016-2017
SC1 – Health, Demographic Change and Wellbeing	PM-13: Support for eHealth related European SMEs stimulating innovation, investments and growth, including clinical validation of VPH solutions	2016-2017
SC1 – Health, Demographic Change and Wellbeing	PM-14: ICT solutions for Active and Healthy Ageing based on open platforms	2016

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SME Instrument – New Topics

SC2 - Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy	SFS-13: Advancing innovations in Integrated Pest Management	2016-2017
SC2 - Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy	RR-7: Creating added value from waste and by-products generated on farm and along the value-chain	2016-2017
SC2 - Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy	BE-4: WOOD: Intelligent solutions and tools in forest production systems, fostering sustainable supply of quality wood for the growing bioeconomy	2016-2017

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SME Instrument – New Topics

SC7 - Secure societies – Protecting freedom and security of Europe and its citizens	SEC-GM2: Engaging SMEs in security research and development	2016-2017
SC7 - Secure societies – Protecting freedom and security of Europe and its citizens	DS: Innovative European SMEs in cybersecurity	2016

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Draft Work Programmes

ICT

Manufacturing

Security

Health

Energy

Environment

Transport

Food

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Exercises

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Exercise

- Pick your target topic in the WP2016-2017
  - SME instrument (single applicant or consortium of SMEs)
  - Collaborative project (consortium)

- Develop the proposal concept overview
  - Objectives + Results + Short term KPIs
  - Impact + Long term KPIs
  - Activities to be funded
  - Consortium (if applicable)
  - Budget and timeline required

- Write an abstract (1 page) summarizing the above

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More resources

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Part 1/5: What is the right funding instrument for your business?

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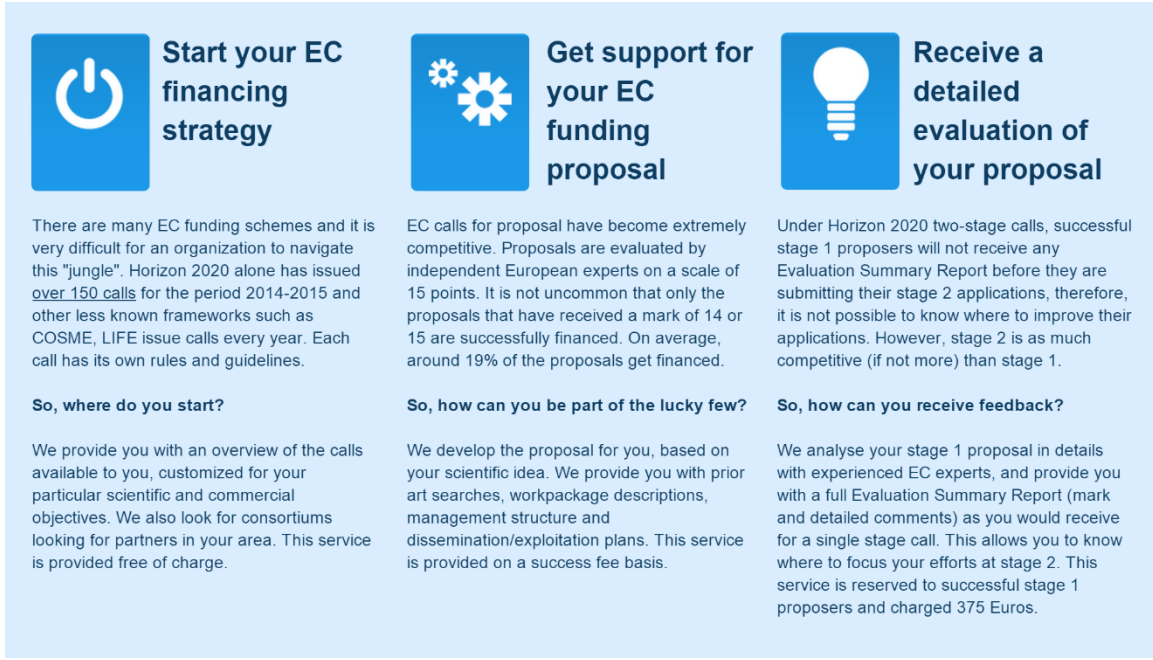

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5. About Speed UP! Europe and Stockholm Innovation & Growth

5.1 Speed UP! Europe

SpeedUP! Europe was a disruptive acceleration program to support entrepreneurial education, innovation and ramp-up to finance. It is supported by the European Commission Future Internet Public Private Partnership and related to the "FI-WARE" Platform. It provided team formation, coaching/mentoring, and finally access to finance to 100 FIWARE startups selected through a public and open call. It was implemented through virtual tools, as well as a series of workshops in Europe where entrepreneurs and investors could network. www.speedupeurope.eu

5.2 Stockholm Innovation & Growth (STING)

STING's vision is to be the best incubator in the world by attracting the best innovators and entrepreneurs, and by contributing clear value to successfully build and develop the high-growth companies of the future. STING supports promising Stockholm-based startups, primarily within ICT, internet/media, cleantech and life science. We evaluate 150-200 projects annually, but based on a tough screening process we accept only 20 companies per year to our incubator and accelerator programs.

STING is the Swedish partner of SpeedUP! Europe and was responsible for raising awareness about FIWARE and SpeedUP! Europe in Sweden. STING have implemented and realised a number of marketing actions, online as well as onsite events. The marketing actions delivered by STING has resulted in raising knowledge about FIWARE and Speed UP! Europe within the Stockholm startup community. In total, 12 Swedish teams applied to the SpeedUP! Europe accelerator program. 10 teams were selected and were contracted to the program in February 2015.

STING was also a resource for the selected Swedish project teams, by offering support and business coaching as well as hosting them at the Stockholm Hub.

STING also supported the SpeedUP! Europe entrepreneurs to identify EU funding.