Prepared by: Athina Oikonomidou
Bus Dev & Tech Transfer Consultant
EkinisiLab/SEV

SME INSTRUMENT & FAST TRACK TO INNOVATION

03 November 2015
NCPs event on Horizon 2020
"Health, demographic change and well-being"
Outline

- SME Instrument
  - Key Features/Definitions
  - The evaluation process
  - The Good and the Bad
- Fast Track to Innovation
  - Key Features
  - SME Instrument vs FTI
- Conclusions
H2020 Health Programme

* From the Presentation of Antoine Miahle, EU Health Policy Officer
SME Instrument
The SME Instrument Objectives

- 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
The SME instrument
The SME instrument

Phase I

Idea

Concept & Feasibility Assessment

Market
The SME instrument

Phase I

Concept & Feasibility Assessment

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

Idea → Market
The SME instrument

Phases:

1. Idea: Concept & Feasibility Assessment
   - Feasibility of concept
   - Risk assessment
   - IP regime
   - Partner search
   - Design study
   - € 50,000
   - ~6 months

2. Market
The SME instrument

Phase I
- Concept & Feasibility Assessment

Phase II
- Demonstration, Market Replication, R&D

- Feasibility of concept
- Risk assessment
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- Design study

€ 50.000
~ 6 months
The SME instrument

Phase I

- Concept & Feasibility Assessment
  - Feasibility of concept
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Phase II

- Demonstration, Market Replication, R&D
  - Clinical trials
  - Development, prototyping
  - Miniaturisation, design
  - Etc.

€ 50,000
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The SME instrument

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- € 50,000
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Market

- € 0.5 to 2.5 million (1 to 5)
- Up to 36 months
- 70% funding (100%
SMEIns-05)
The SME instrument

**Phase I**
- Concept & Feasibility Assessment
  - Feasibility of concept
  - Risk assessment
  - IP regime
  - Partner search
  - Design study

- € 50,000
- ~ 6 months

**Phase II**
- Demonstration, Market Replication, R&D
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- € 0.5 to 2.5 million (1 to 5)
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**Phase III**
- Commercialization
The SME instrument

Phase I: Concept & Feasibility Assessment
- Feasibility of concept
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- IP regime
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- € 50,000
  ~ 6 months

Phase II: Demonstration, Market Replication, R&D
- Clinical trials
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Phase III: Commercialization
- Facilitate access to private finance
- Support via
  networking, training, coaching, knowledge sharing, dissemination

Market
The SME instrument

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- Concept & Feasibility Assessment
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Phase III
- Commercialization
  - Facilitate access to private finance
  - Support via
    - networking
    - training
    - coaching
    - knowledge sharing
  - dissemination
  - NO direct funding
Evaluator Guidelines

- 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 can only be a limited part of Phase II
- Costs should be realistic, reasonable and justifiable
## Phase I – Phase II Differences

<table>
<thead>
<tr>
<th>Pre-financing</th>
<th>40% of the Lump sum.</th>
<th>Fixed individually at the grant preparation level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Annex</td>
<td>Technical annex 1-3 (10 pages)</td>
<td>Technical annex 1-3 (30 pages)</td>
</tr>
<tr>
<td>Evaluation thresholds</td>
<td>Impact = 4 Excellence = 4 Quality &amp; efficiency of implementation = 4 Total = 13</td>
<td>Impact = 4 Excellence = 3 Quality &amp; efficiency of implementation = 3 Total = 12</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>The applicant shall declare the tasks to subcontract. The subcontract is not included in the technical annex 2.</td>
<td>Subcontracting may cover only a limited part of the action. <strong>Can certain tasks of a clinical trial be subcontracted?</strong> 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.</td>
</tr>
<tr>
<td>Costs</td>
<td>It is not necessary to detail the estimated costs.</td>
<td>To check if costs are realistic, reasonable and justifiable.</td>
</tr>
</tbody>
</table>
Some Advice…

- 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

- 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

- 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

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.
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 consortia 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

- Focus on the application
- Learn the market
- 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
athikonomidou@gmail.com