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SME support under Horizon 2020 & Enterprise Europe Network



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Business Support on Your Doorstep



- 1. H2020 & SMEs
- 2. SME instrument
- 3. Access to Risk Finance
- 4. Enterprise Europe Network
- 5. Q & A





H2020 & SMEs: Why?

Impact assessment in previous EU R&I Programmes

- Less than 50% of industrial partners use publicly funded research projects strategically
- **Only 22%** of SMEs in EU research programmes are strategic innovators
- Most academics engage with industry to further their research rather than to commercialise their knowledge
- Results not exploited because projects not designed for exploitation
- The information environment of (European) R&D programmes is unattractive and repelling to SMEs





H2020 & SMEs: Why?

Known pitfalls

- In case of interesting research results, SMEs cannot benefit from them due to missing IPR strategy in the beginning of the project
- Projects are "front-loaded" (=R&D centred), insufficient resources planned for exploitation phase
- SMEs are not encouraged to take the project leadership, but public (R&D) organisations lack the entrepreneurial expertise





SME support: integrated approach

Collaborative projects 13%

SME instrument 7%

20 % budgetary SC target in LEITs & SC

Innovation in SMEs Eurostars II Enhancing Innovation Capacity Market-driven Innovation

Access to Risk Finance





H2020 & SMEs: Integrated approach

- Strong participation by SMEs: all forms of R&D, innovation, towards exploitation & commercialization
- Integrated approach around 20% of the total budget for Societal Challenges and LEITs to go to SMEs
- SME participation in collaborative projects (13% budget from SCs & LEITs)
- SME instrument (7% budget of combined budget SC & LEIT)
- Simplification of particular benefit to SMEs (e.g. single entry point)





Priority 2 – Industrial Leadership

- Strategic investments in key technologies (e.g. advanced manufacturing, micro-electronics) underpin innovation across existing and emerging sectors
- Europe needs to attract more private investment in research & innovation
- Europe needs more innovative SMEs to create growth and jobs

Leadership in enabling and industrial technologies (LEITs) (ICT, nanotechnologies, materials, biotechnology, manufacturing, space)	~13.8 Bio€
Access to risk finance Leveraging private finance and venture capital for research & innovation	~ 3.5 Bio €
Innovation in SMEs Fostering all forms of innovation in all types of SMEs	 ~ 619 Mio € complemented by expected 20% of societal challenges + LEIT & 'Access to risk finance' with strong SME focus





SME Instrument

- Proposed budget: ~3 Billion € (7% combined budget SCs & LEIT)
- Target group: Innovative SMEs / only SMEs allowed to apply for funding (other organisations subcontracting)
- Single company support possible
- Bottom-up while addressing societal challenges &/or key enabling technologies
- Grant-based staged funding, Impact on growth & job creation
- Evaluation: Market-oriented, EU dimension
- Starting date: early 2014, Implementation: EASME





Phase 1: Concept & Feasibility Assessment

- 10% budget of SME instrument (~5200 funded projects-10% success rate)
- Funding: **lump sum 50.000 €**, Duration:~ 6 months
- Target group: Innovative SMEs
 Single company support possible, Other organisations subcontracting
- Input: Idea/concept Business Plan 1 (~10 pages)
- Activities: Feasibility of concept; Risk assessment; IP regime;

Partner search; Design study; Pilot application....

- Output: elaborated "Business Plan 2"
- Call: always open with 4 cut-off dates/year

(first cut-off dates for Phase 1 around June 2014- 18/06/2013)

• Evaluation: 2 evaluators, remote, quality threshold



Time to(TT) contract: 8-12 weeks



Phase 2: R&D, demonstration, market replication

- 90% budget of SMEs instruments (~1700 proposals of 1,5 Mio. € ; success rate ~30 to 50%)
- Funding: 0,5 to 2,5 Meuro (5 Meuro exc.), Duration: 12-24 months
- Target group: Innovative SMEs
 Single company support possible / Other organisations subcontracting
- Input: business plan 2 + description of activities under phase 2 (~30 pages)
- Activities: Development; Prototyping; Testing, Piloting; Miniaturisation, scaling-up, market replication, research
- Output: "Investor-ready Business plan 3"
- Call: always open with 4 cut-off dates/year (first cut-off for P2: 24/09/2014)
- Evaluation: 3 evaluators, remote, quality threshold
- TT contract: 150 days

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Phase 3: Commercialisation & Coaching

- 2% budget of SME instrument
- No direct funding
- Promote instrument as quality label for successful projects
- Objective: Provide support and facilitate access to private finance
- EU financing instruments (debt & equity facility)
- Networking, training, information addressing IP management, knowledge sharing, dissemination...
- Connection to public procurement activities
- Key account Management will be carried out by EENs & coaching by external specialists





Access to Risk Finance

- Assisting companies/other organisations engaged in research and innovation (R&I) to gain easier access, via financial instruments, to loans, guarantees, counter-guarantees and hybrid, mezzanine and equity finance
- Tools such as: Risk-Sharing Finance Facility (RSFF), Risk-Sharing Instrument for SMEs (RSI), GIF-1/early-stage part of the High-Growth & Innovative SMEs Facility, etc.
- 2 OPEN CALLS (deadline: 15/04/2014)
- 15 more calls will follow during the period 2014-2015 for loan services, joint guarantee instruments, equity facility, technology transfer, etc.





Access to Risk Finance

CBTT-1-2014: CAPACITY-BUILDING IN TECHNOLOGY TRANSFER

- Building capacity of research teams & TTO to attract finance to commercialize research results
- Comprising strategy and implementation plan (including best practice exchange)
- Proposal submitted by single proposer or consortium (Technology Transfer Officers, Universities, public research organizations)
- Budget: 2,5 Meuro (one or more proposals funded), duration will be judged in the context and framework of the proposal put forward.
- Deadline: 15 April 2014





Access to Risk Finance

BIR-1-2014: BOOSTING THE INVESTMENT-READINESS OF SMES AND SMALL MIDCAPS

- Facilitating the interaction of potential investors with innovative SMEs and small midcaps participating in H2020
- Training investors to better understand technologies/applications developed through FP7/H2020 projects to make sounder decisions about their commercialisation potential
- Budget: 2,5 Meuro (one or more proposals funded), duration will be judged in the context and framework of the proposal put forward
- Deadline: 15 April 2014





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Business Support on





One-stop shop for European SMEs

Practical help from local organisations

Listening to SMEs











Since its launch, the Network has:

• Helped 7 000 companies to sign business, technology or research partnerships

- Brought 90,000 companies to international brokerage events and company missions
- Answered **375,000** questions on EU issues
- Attracted more than 1 million people to events





How do I find a new market abroad?

How do I get European funding?

I need a business partner in another country...



How can I sell my innovative ideas and technology?

What does this EU law mean for my business?



Range of Services

Information, feedback and international business cooperation services

Innovation, Technology and knowledge transfer services

Encouraging SME participation to Framework Programmes for Research and Technological Development





1. Information, feedback & international business cooperation services

- **Raising awareness** and informing SMEs on EU policy (EU programmes, funding opportunities, etc.)
 - Information on EU Law & Standards
 - Public procurement
 - IPR
 - Local Business culture and Legislation
 - EU calls and tenders
- International business cooperation services to clients (matchmaking)
- Consultation with SMEs and provision of feedback to the EC on legislative and policy-making issues





2. Innovation & Technology Transfer

- Awareness and information on innovation and transnational technology transfer legislation and programmes
- Dissemination and exploitation of research results
- Technology Transfer Brokerage services
- Innovation stimulation to SMEs



Linkage to other Innovation services (finance, IPR, innovation management)





3. Encouraging SME participation in H2020

- FP RTD programmes information and awareness services
- Assistance in RTD proposal preparation and coordination
- Detection of needs and goals of SMEs in RTD issues and search for companies for participation in research proposals





How does the Network help SMEs*?

- Close to 55% of companies have gained access to new markets
- More than half have developed a new product, service or implemented a new business process
- Some 48.5% have reported an impact on their turnover
- Close to 45% have improved their technology
- More than 40% have started a new business project
- Some 99.7% of companies would recommend the services of the Network







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