



# Workshop on investment Vehicles and Financial Instruments for Technology Transfer and Innovation Belgrade, 1 March 2017

## European Commission initiatives on technology transfer and SMEs

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DG Research and Innovation, Unit B3 "SMEs, Financial Instruments and State aid"

A graphic for "HORIZON 2020" featuring a globe in the center of the word "HORIZON", with a blue and white background showing a horizon over the Earth.

HORIZON 2020

# Workshop on Investment vehicles and financial instruments for technology transfer

*InnovFin Technology Transfer*

*Technology Transfer capacity Building*

*SME instrument*



# **Workshop on Investment vehicles and financial instruments for technology transfer**

*InnovFin Technology Transfer*

# InnovFin – product overview

Early-stage Enterprises		SMEs		Midcaps	Large Caps	Thematic Finance	Advisory
<b>InnovFin</b> Technology Transfer	<b>InnovFin</b> SME Guarantee	<b>InnovFin</b> MidCap Guarantee	<b>InnovFin</b> Large Projects	<b>InnovFin</b> Energy Demo Projects	<b>InnovFin</b> Advisory		
<b>InnovFin</b> Business Angels		<b>InnovFin</b> MidCap Growth Finance		<b>InnovFin</b> Infectious Diseases			
<b>InnovFin</b> Venture Capital							
<b>InnovFin</b> Fund-of-Funds							
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees	Midcaps < 3 000 Employees	Large Caps Typically > 3 000 Employees	SPV, Midcaps and Large Caps	Public and Private Sector Promoters		
Intermediated Equity Financing	Intermediated Debt Financing	Intermediated and/or Direct Corporate Lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory		

Direct products
  Indirect products

## ➤ **InnovFin Technology Transfer: Rationale and scope**

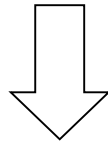
- **Lack of (private) finance for technology transfer** (through creation of companies or licensing); technology transfer is high-risk business
- **Facilitate transfer of R&D results with a high commercial potential** from PROs and HEIs to market
- **Support both PoC and very early stage** of new companies before conventional Venture Capital would be available
- InnovFin Technology Transfer part of the **InnovFin Equity financial instruments** supported by Horizon 2020 ('Access to risk finance' programme)

## ➤ **InnovFin Technology Transfer: What and How**

- **Demonstrate scope and scale of demand** for TT finance and precise stages at which finance is needed
- Create a network of TT funds in which TTFF has invested
- InnovFin Technology Transfer to invest **on pari-passu terms through co-investor/TT fund**
- **Decentralized approach: InnovFin Technology Transfer** invests in accredited TT funds
- Selection of TT funds through **call for expression of interest**

# TTFF Concept

Equity  
Instrument



TT fund/ TTO

## Licensing route

## Company creation route

Optional  
Proof of  
Concept

Further Proof of  
Concept

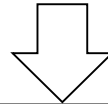
Seed stage: development  
and demonstration

Licensing

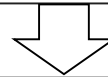
Start-up stage: market  
development and  
commercialisation

## TTF Concept

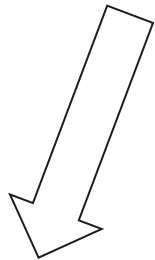
**Proof of Concept phase (pre-company stage): up to EUR 100,000**  
Explore the technological feasibility and commercial viability of translating R&D results into new innovative applications  
**Activities:** Feasibility and market studies; IPR management; partner search, risk assessment



**If creation of a spin-off company (legal entity):**



**Investment phase: up to EUR 1,5 m**  
**Demonstration and commercialization**  
**(1) Seed stage (up to EUR 500,000):** development and demonstration **Activities:** Piloting, design studies, prototyping  
**(2) Start-up stage:** market development and commercialization  
**Activities:** further product development, scaling-up, commercial applications and first sales



**Licensing**



➤ **InnovFin Technology Transfer Accompanying measure**

- **Capacity Building action** launched in January 2015
- **Goal:** Improve the investor readiness of projects, research teams and TTOs, also includes mentoring, not about patenting or licencing
- **Timeline:** Q1/2015 - Q3/4 2017
- **Expected results:** 60 TTOs to benefit, more TT investments

# Workshop on Investment vehicles and financial instruments for technology transfer

*Technology Transfer capacity Building*



# InnovFin Technology Transfer capacity Building

PROGRESS-TT Consortium awarded the contract



# Progress-TT

Share the experience of leading PROs with those PROs with the greatest potential to commercialise their research results by:

- Identifying best practice and case studies
- Leveraging them to build tools and courses
- Mentoring from Key Experts and experienced PROs

# Progress-TT

**Strategy** – Capacity Building Strategy, self –assessment tool and Critical Areas of Focus

**Development** –Formulate and Validate training solutions

**Implementation** – One-to many and one-to-one support

**Legacy** - sustainable legacy

## Progress-TT Critical areas of Focus (CAF)

**CAF 1** – Idea Harvesting - Scouting ideas and technologies and incentivising disclosures

**CAF 2** – Idea Validation, Business Development, Assessing IP potential, validating technologies

**CAF 3** –Investor Relationships, Access to finance and interaction with investors.

**CAF 4** – Securing TTO skills and organising the TTO for growth

# Workshop on Investment vehicles and financial instruments for technology transfer

*SME instrument*

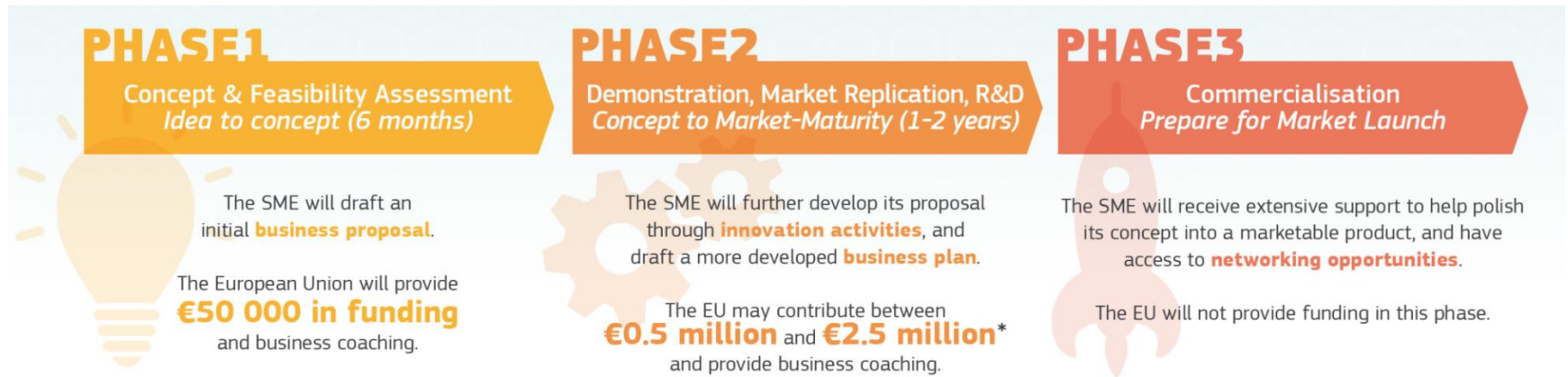
# SME instrument

**Needed a new approach to 'Innovation in SMEs' *Observations on experience FP7***  
***'Research for the benefit of SMEs'***

- **Obligatory cooperation with 'research providers' had put the Research organisation in 'driver's seat' – hardly any real integration of **clients****
- **Incremental innovation **not radical** (let alone disruptive) innovation**
- **Focus on product and process innovation – not much on **business model** innovation**
- **Few **young companies** as beneficiaries**



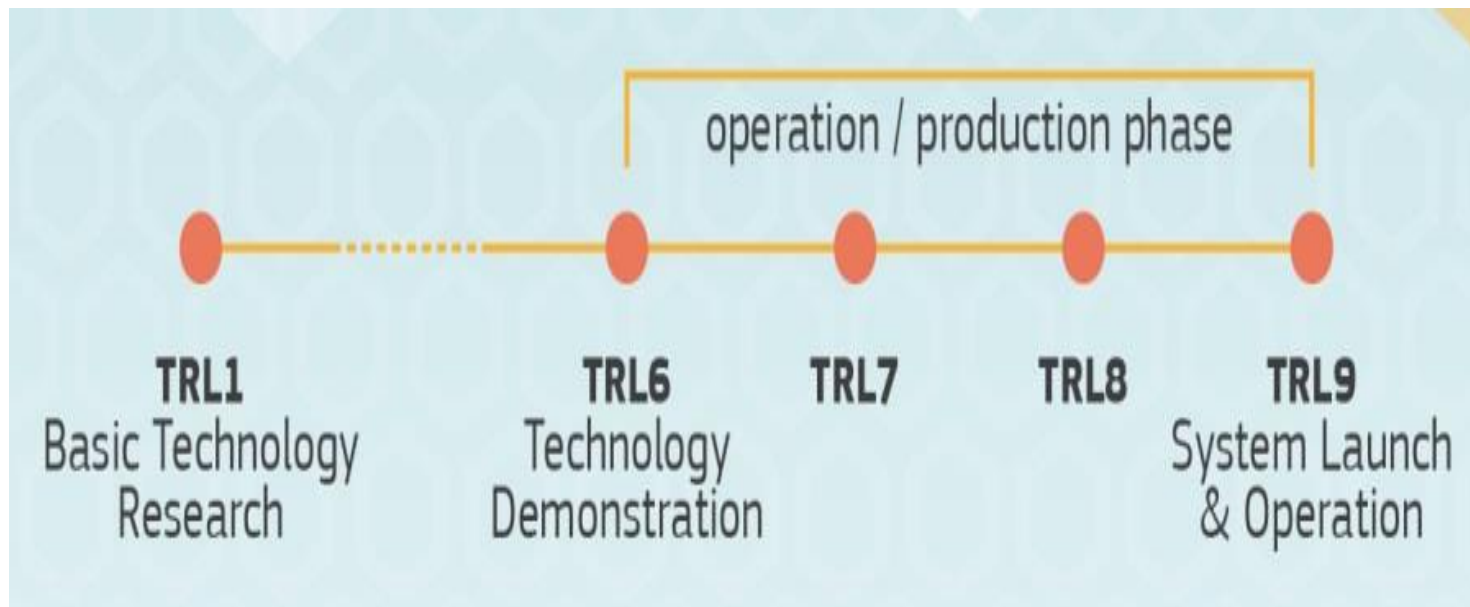
# SME instrument - overview



## SME instrument – design features

- Support provided in stages or phases, not necessarily sequential)
- Only SMEs can apply - but can work with others as needed (not as partners within the consortium)
- Technology readiness level 6 or higher – closer to the market
- The business idea and the new market to be shaped is the 'excellence' criterion
- Single companies can be supported – but have to demonstrate 'European added value'
- 70% of funding (as a general rule)

# SME Instrument - target population



# SME Instrument - in a nutshell

Investing in the most promising European disruptive SMEs

More than 1400 companies were selected

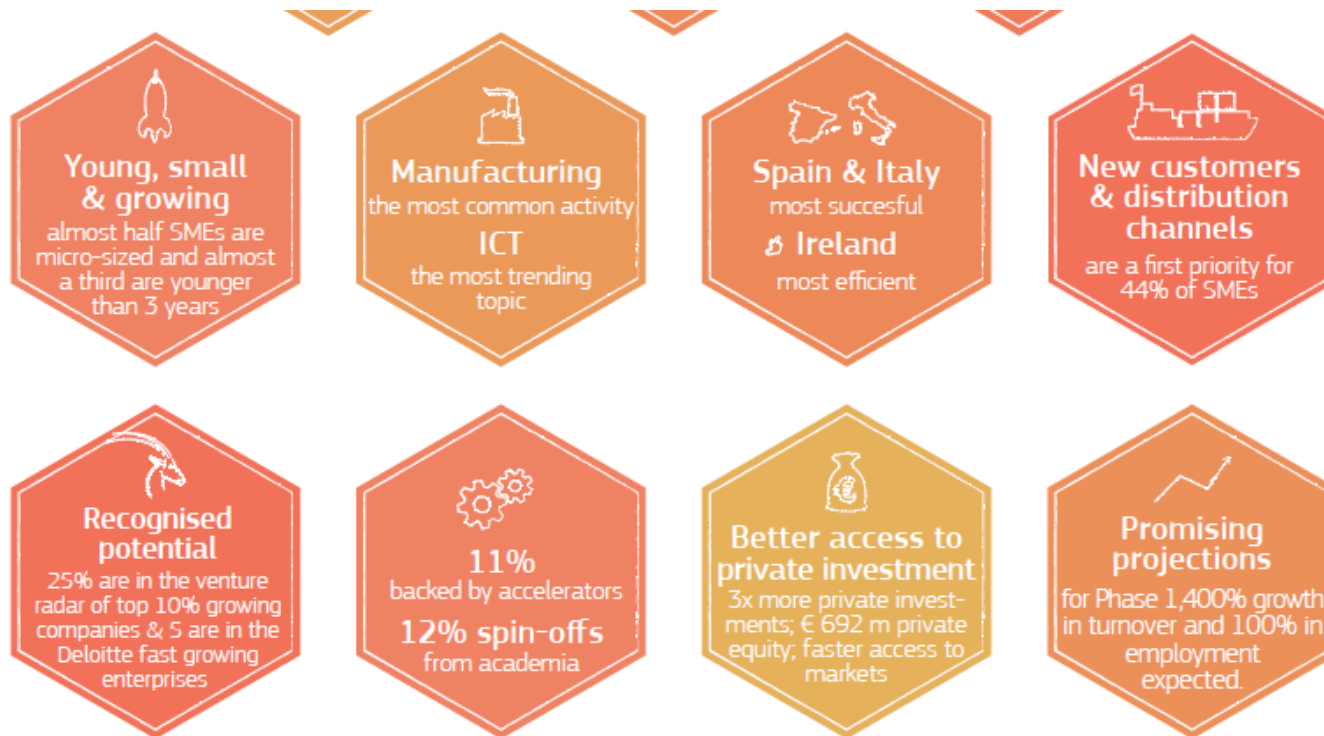
Instrument tailored to innovative SME needs

Not only about money, also a range of services such as business coaching, opportunities to network with potential investors

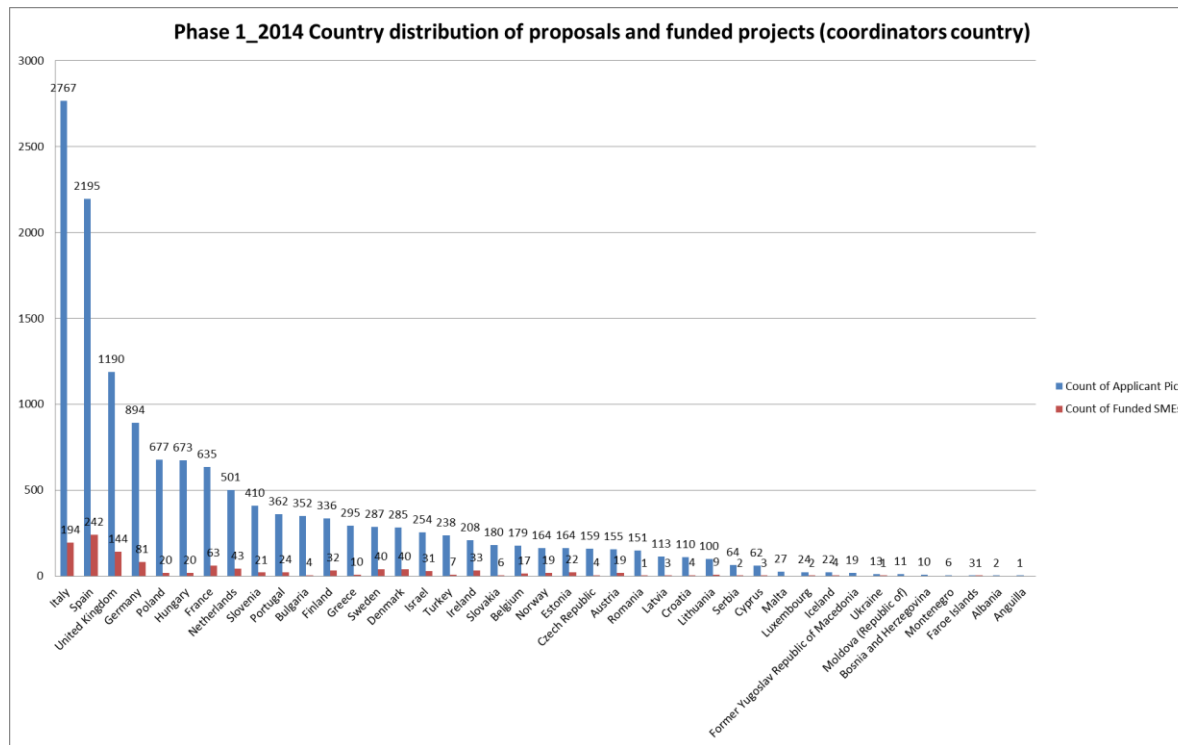
In 2015, one of our companies went public, several successfully closed series A and B rounds, as well as equity crowdfunding campaigns

SMEI companies develop strategic partnerships with key business players

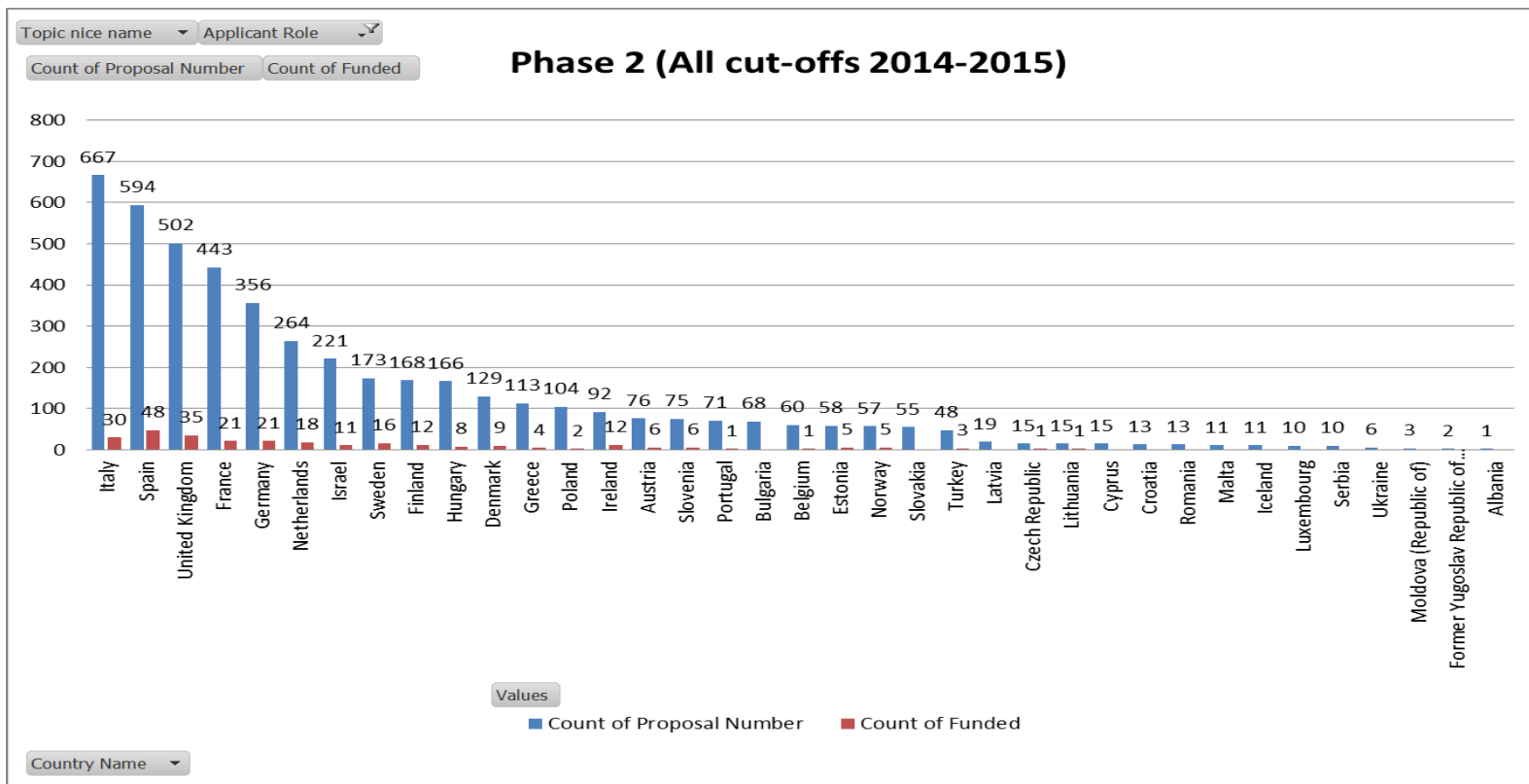
# SME instrument beneficiaries - some fun facts



# SME instrument – participation phase 1



# SME instrument – participation phase 2



# SME Instrument - participation

## The Horizon 2020 Participant Portal:

[http://ec.europa.eu/research/participants/portal/desktop/en/funding/sme\\_participation.html](http://ec.europa.eu/research/participants/portal/desktop/en/funding/sme_participation.html)

- Calls for proposal
- Horizon 2020 documents
- Support services
- Evaluation experts



# SME Instrument – SME participation

HOME | FUNDING OPPORTUNITIES | HOW TO PARTICIPATE | EXPERTS | SUPPORT ▾ | LOGIN | REGISTER

H2020 Online Manual  
Reference Documents  
Beneficiary Register  
Financial Capacity Self-Check  
SME Participation

## SME Participation

### SME Instrument

The SME instrument has been designed specifically for **single or groups of highly innovative SMEs** with international ambitions, determined to turn strong, innovative business ideas into winners on the market. The instrument provides **full-cycle business innovation support** from the stage of business idea conception and planning (phase I) over business plan execution and demonstration (phase II) to commercialisation (phase III). Participants will be able to call on business innovation coaching for the duration of their project.

- **Phase I (proof-of-concept):** Explore the scientific or technical feasibility and commercial potential of your new idea in order to develop an innovation project, with the help of a € 50,000 grant, and receive more support in case of a positive outcome!
- **Phase II (development & demonstration):** Develop your sound, ground-breaking business idea further with the help of a grant in the order of € 500,000 to 2,5 million into a market-ready product, service or process!
- **Phase III (go-to-market):** Take advantage of additional EU support to enter the market successfully (no grants).

[APPLY](#)

### Collaborative Projects (SME + partners)

Work with at least 2 international **partners** (separate legal entities) from different EU countries (at least 3 in total) and request EU project support! To find partners, you can use the assistance of various [partner search services](#).

[APPLY](#)

### Access to Debt and Equity Financing

Discover where and how the EU can help your company to **access finance** for further business development.

For more information, please see the Work Programme part [Access to Risk Finance](#).

[APPLY](#)

### Support to SME

Get personalized advice and guidance on how to apply from two support networks who understand your local and

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