HORIZON 2020

Programme Committee for specific programme

in configuration

SMEs & Access to Risk Finance

15th meeting
Brussels, 23 June 2017

WELCOME
Towards an EIC
Recap of policy context: New focus on importance of innovative firms scaling up for growth and jobs

"To improve innovation support, the Commission intends to make changes for the remaining period of Horizon 2020 to provide bottom-up support targeting breakthrough innovation projects with the potential for scaling up, and will consider reinforcing this approach in future through a European Innovation Council."

(Commission communication: Europe's next leaders: the Start-up and Scale-up Initiative, 2016)
EIC: General Developments (1)

- The **Horizon2020 Interim Evaluation** found that, "while Horizon 2020 demonstrates potential in terms of supporting breakthrough, market-creating innovation, such support needs to be strengthened substantially".

- In May, the **High Level Group of Innovators** (see next slide) published a **statement of intent**, declaring its readiness to support the Commission in developing the EIC to help Europe lead the next wave of innovation.

- During a lunch debate at the **May Competitiveness Council**, Member States expressed **broad support** for the creation of an EIC and emphasised the importance of **innovation-friendly regulation** to create an enabling ecosystem.
EIC High Level Group of Innovators

Nicklas Bergman  Martin Bruncko  Paddy Cosgrave  Gráinne Dwyer  Hermann Hauser

Marjolein Helder  Taavet Hinrikus  Ingmar Hoerr  Bindi Karia  Jana Kolar

Carlos Oliveira  Jim Hagemann Snabe  Kinga Stanisławska  Constantijn van Oranje  Roxanne Varza
EIC: General Developments (2)

• On 06 June, Commissioner Moedas met with 11 innovation agencies from across Europe to share best practice in support for market-creating innovation.

• On 15 June, Commissioner Moedas launched a special announcement inviting experts in innovation to register as evaluators for EIC Pilot.

• HLG second meeting took place in Copenhagen on 20 June. Hermann Hauser was confirmed as Chair at its second meeting held on 20 June.

• The report of the High Level Group on maximising impact of EU Research and Innovation Programmes ("Lamy Group") to be published on 3 July. The Lamy Group is in contact with the EIC High-Level Group.
Scope of EIC pilot (WP 2018-20)

Package of 4 instruments with potential to support breakthrough, market-creating innovation:

- **SME Instrument:** Close-to-market and scale-up projects of a single SME or a consortium of SMEs established in EU Member States or Horizon 2020 associated countries.

- **Fast Track to Innovation (FTI):** Close-to-market projects of consortia with three to five entities from at least three different EU Member States or Horizon 2020 associated countries. Industry must participate. Interdisciplinary approaches encouraged.

- **FET Open:** Early-stage, science and technology research by consortia exploring novel ideas for radically new future technologies that challenge current paradigms and venture into the unknown. Open to research into any area of technology. Aims to attract new, high-potential research and innovation players.

- **Horizon Prizes:** Prizes boost breakthrough innovation by fostering solutions to challenges which bring major benefits to society.

**Cross-cutting:** coaching, mentoring (for SME beneficiaries), monitoring progress with innovation radar
SME instrument: what's new

- **Fully bottom-up**, no predefined topics, so innovative projects that cut across sectors/technologies become eligible for support
- **Single budget line**, maintaining budgetary contributions from Societal challenge and LEIT
- **Larger pool of evaluators** with relevant technological/scientific expertise as well as financial/commercial backgrounds
- **Evaluation criteria phase 2 revised** to better target the scaling up of SMEs with the greatest potential for breakthrough, market-creating innovation (business capacity, international growth ambition)
- **Interviews** in phase 2
- **Coaching** for SMEs (available across SMEi, FTI and FET-open)
- **Mentoring** introduced
- **Monitoring** of thematic coverage
SME instrument phase 2: evaluation criteria

- **Excellence (25%)**: high risk and potential? Steps to market? Beyond state-of-the-art? Feasibility?
- **Implementation (25%)**: team? Resources? Implementation plan and time frame?
- Interview step will concentrate on commercial strategy, feasibility, quality of the team
SME instrument phase 2: interviews for the best of the best

Two-step evaluation

1. Remote evaluation:
   - 4 evaluators per proposal
   - Threshold 13 points overall (4 per criterion)
   - Above threshold but below 2 x budget: rejected (Seal of Exc)

2. Interviews for 2 x budget
   - 30 mins
   - Panel of experts
   - To assess quality and ambition of the team
   - Decide on to be funded/not funded

Expected TTG remains 27 weeks
Fast Track to Innovation (FTI)

- Assessment 2016: "FTI is a useful addition to the portfolio of instruments available to Horizon 2020", recommends continued support. FTI...
  - demonstrates the high demand for a bottom-up approach (success rates < 5%)
  - is highly attractive to industry including SMEs (75% of the participants)
  - bridges the commercialisation valley of death
  - accelerates the expected scale-up of industry

- FTI's attractiveness to industry building on a bottom-up and market-driven approach makes the scheme a natural fit within the remit of a European Innovation Council.

- Evaluation criteria revised for sharper focus on scale-up potential, high novelty, high chance of success or failure
FET-Open

- FET-Open supports high-risk/interdisciplinary collaborations to explore radically new technologies that may become future game-changers
- Offers an Innovation Launchpad (CSA) to propel promising results forward and explore their market potential
- Participants will get access to the assistance, networking and financing possibilities offered by EIC
- Corresponding texts in EIC and FET Open WP parts.
- Scope, orientation and governance of FET-Open remain unchanged (interdisciplinary, high-risk, radically new, future technologies, TRL 1-3 for FET-Open)
- Evaluation criteria revised: attention for the future market-creating potential
Horizon Prizes

• New approach in this WP:
  • Opportunity to create greater impact, public awareness
  • Reach out to a variety of new talents and innovators
  • Incentivise breakthrough market creating innovation

• Topics identified through collaboration across the Commission using following criteria:
  • Response to some of our most pressing societal issues
  • Transformative in line with the EIC concept
  • Feasible yet ambitious targets/implementable within the timeframe
  • Easy to communicate
  • Leverage effect > increasing private investment
  • Expected result not achievable with other existing instruments
  • Reaching new innovators
EIC Horizon Prizes

1. Innovative Batteries for eVehicles (€10 million)

2. Fuel from the Sun: Artificial Photosynthesis (€5 million)

3. Early Warning for Epidemics (€5 million)

4. Blockchains for Social Good (€5 million)

5. Low-Cost Space Launch (€10 million)

6. Affordable High-Tech for Humanitarian Aid (€5 million)
Coaching and mentoring

Coaching
• Covers business and organisational development, cooperation, financing
• Available to SMEs receiving grants from SMEi, FTI or FET-Open
• Max 3 days in phase 1, max 12 days in phase 2
• Facilitated by the Enterprise Europe Network (EEN)

Mentoring
• Aims to develop leadership skills – resilience, tenacity and strategic insight
• Available to SMEs receiving grant from SMEi, FTI or FET-Open
• Individual founders, CEOs and leaders are eligible
• One-to-one meetings with mentors (CEOs of scale ups)
• Initially mentors to be drawn from pool of SMEi Phase 2 clients acting pro bono
Blending public finance

• Studies into
  • blending grants with loans and/or equity
  • crowd-funding
  • both targeting breakthrough, market-creating innovation

• Exploring new financial instruments
Wanted: proposal evaluators from business and finance

- About 500 new innovation evaluators needed, especially from business and finance, for the remote evaluation of FET Open, FTI and SMEi and for the interviews for SMEi phase 2 (now, about 1,500 in the database)

- Interview panel: seasoned entrepreneurs, innovators and investors. Names will be published.

- Wanted: experts to evaluate market-creating innovation (special announcement on the Participant Portal, proactive communication with business community, multipliers (e.g. NCPs, EEN, BusinessEurope, EBAN, EVCA etc)

- Experts registration (EMPP) will be simplified

- Special announcement launched on 15 June
Monitoring progress and results

- Close monitoring of progress and results
  - Regular reporting by projects in the Participant Portal
  - Outside experts will assess projects' progress, using the Innovation Radar

- Focus on
  - Outcomes of the projects
  - Identifying early indications of breakthrough market-creating innovation
  - Level of private investment attracted, eg venture capital and loans
  - Companies' performance, eg jobs/turnover
EIC in the Innovation Ecosystem

- Commission acknowledges importance of interaction with other key players in the innovation landscape, including Eureka, EIT/KICs, etc.

- That is why EIC is being developed in an open and inclusive manner.

- Important to identify complementarities and synergies and to avoid unnecessary overlaps/duplication (e.g. Eurostars and revamped SME instrument have different objectives and modalities).

- One possible approach would be a Memorandum of Understanding (or similar).

- Commission sees this as a start of a process, open to new ideas. Clear potential to engage national innovation agencies and promotional banks in delivering scale up finance.
Improved navigation and outreach to new participants

- An IT tool (questions and answers) to guide users to the best fitting instrument

- Revamped website

- Intensive and targeted communication via social media, intermediaries and high-profile events
Thank you!
Information on SME-Instrument Phase 3 Commercialisation and Support Services
Services for Market Success

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<td>Oversea Trade Fairs</td>
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<td>Matching to corporates</td>
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<td>Matching to investors</td>
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<td>Access to procureres</td>
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</table>
# Services for Market Success

## Oversea Trade Fairs
- Matching to corporates
- Matching to investors
- Access to procureres

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The Overseas Trade Fairs Programme

SME Instrument companies
Up to 15 Phase 1 and Phase 2 SME Instrument beneficiaries with a signed grant agreement will be selected for each fair.

International Trade Fairs
Major global exhibitions with a sectorial or cross-sectorial focus, in line with the SME Instrument topics.

Extra-EU Markets
USA, Chile, Nigeria, South Africa, UEA, India, Malaysia, Singapore, Thailand, Japan, China.

Supported by Deloitte
Outcome of the first trade fairs:

- **FOE (Japan):** 9 SMEs; 113 meetings
- **Mihas (Malaysia):** 9 SMEs; 164 meetings
- **IE Expo (China):** 15 SMEs; 1,188 meetings
- **BIO US (USA):** 15 SMEs
Phase 3 Commercialisation Support

Service Provider

- 200+ SME and start-up coaching
- SME Community Building
- Access to Coaches
- VC and M&A
- GLOBALSCOPE network of 500 investment professionals in 37 countries
- 250+ investments
- 2000+ IT projects
- Development of Coach-Com and matchINVEST
- Managed 25+ collaborative SME-networks with corporates
- 800+ international SME customer
- Brand Building
- Large Events
- Several EU Projects
- Business creation specialists
- Training 6,000+ companies
- 200+ SME and start-up coaching
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Phase 3 Commercialisation Support

**Empowering the SMEs**
- Co-operation coaching
- Finance coaching
- Academy

**Mobilising business partners**
- Recruiting & preparing business partners
- Preparing SMEI beneficiaries

**Matching**
- IT support
- Physical meetings

**Doing Business**
- Events + match making with Investors and Corporates
- Partner network of project consortium
Services for Market Success

- Academy
  - Matching to corporates
  - Matching to investors
  - Access to procurers

- Events
# Academy

<table>
<thead>
<tr>
<th>Examples of early topics</th>
<th>Delivery Mode</th>
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<tbody>
<tr>
<td>• Business Architecture</td>
<td>Peer-Focussed</td>
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<td>• Market segmentation, sales planning and financial plans</td>
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<tr>
<td>• IP strategy &amp; cooperation building</td>
<td>Online</td>
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<tr>
<td>• Organisation and resource planning for expansion stages</td>
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<tr>
<td>• Branding &amp; communication</td>
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<tr>
<td>• Distribution, contracts, negotiations (exclusivity issues)</td>
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<tr>
<td>• Make or buy decisions &amp; supply management</td>
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<tr>
<td>• Company valuation</td>
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<tr>
<td>• Investor search strategy (including certification)</td>
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<tr>
<td>• Management &amp; leadership</td>
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<tr>
<td>• Value chain to markets (specific events for target markets)</td>
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</tbody>
</table>
Contrary to training, “action learning” aims to develop competences based on a combination of actions and access to knowledge and know-how.

It enables a knowledge transfer through a blend of learning activities, such as:

• stored knowledge objects (case and / or reference knowledge)
• dedicated training-modules
• Classroom
• Web based
• Peer-to-peer interaction and knowledge exchange
• lessons-learnt workshops
• coaching, mentoring
• Web conferences etc.

Blended learning is an on-going process, with the action place (e.g. a business process) at the heart of the system.
Services for Market Success

- Academy
  - Matching to corporates
  - Matching to investors
  - Access to procurerers
  - Connection to Coaches and KAMs
- Events
Structure of Matchmaking Events

**Ratio SME/Industry**
- High: 5-10 SME per large company
- Low: 10-15 SMEs and 100-200 large companies

**3 month**
- **Company Day**: technology oriented creativity workshop with one large, multi-national company and 5-10 selected SME. Total: 30-60 participants.

**1 year**
- **1-to-1 Meeting**: combination of product sale and technology co-development bringing together one SME and one company. Total: 3-6 participants
- **Symposium**: 10-30 SMEs networking with 10-20 corporates, debating challenges and opportunities of topic, with 1-to-1 business meetings
- **Typical sales conference**: 10-15 SMEs presenting their products and technology to large number of potential customers. Total: 200-300 participants.

**2 year**
- **Solutions creation workshop**: with typically 10 SMEs and several representatives of 5-15 companies. Total: 40-60 participants.

**Short term**
- Low

**Impact on participating SME**
- Innovative aspects of the collaboration SME-Industry

**long term**
- High
### Example: Corporate Event

<table>
<thead>
<tr>
<th>Type of action</th>
<th>Participation of SMEs</th>
<th>Participation of corporates/investors</th>
<th>Content and agenda of matching action</th>
<th>Expected Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Solutions creating workshop”</td>
<td>- 8-12 SMEs that may provide a solution to industry challenges.</td>
<td>- 4-6 large companies.</td>
<td>- Identify future challenges that may be solved through cooperation with SMEs.</td>
<td>- Concrete pitching of challenges from the corporates</td>
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<tr>
<td></td>
<td></td>
<td>- Companies should not be competing</td>
<td>- Selected SMES to a 1-2 day workshop, to develop new solutions.</td>
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<tr>
<td></td>
<td></td>
<td>- E.g. Airbus + large Airbus TIER1 suppliers.</td>
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<tr>
<td>Incentives for participati</td>
<td>- Connect with other SMEs and</td>
<td>- Group of focussed potential</td>
<td></td>
<td>- Concrete solution proposals from 1 or a group of SMEs</td>
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Contact with Corporates

2-STEP PROCESS; THAT ENSURES THAT ALL SUITABLE CORPORATES ARE CONTACTED
Matchmaking Events at SME-I Key Locations
## Services for Market Success

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<tr>
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</table>
Example: Investors event

- 50-120 participants
- SMEs present their business ideas in front of strategic investors, Venture Capital and Business Angels
- Companies receive input by experienced investors and meet possible investors for their companies
- First ideas on locations: Munich: Lifescience and Medtech, Berlin: Internet, Media and Games, Luxemburg: Biotech, Vienna: Hightech & Lifescience, London: Hightech & Internet
<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>Venture Lounge – Life Sciences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date</strong></td>
<td>18 October 2017</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Merck Innovation Centre, Darmstadt, Germany</td>
</tr>
<tr>
<td><strong>Primary targets</strong></td>
<td>SMEs from the Life Sciences sector</td>
</tr>
<tr>
<td><strong>Event format</strong></td>
<td>Pitching and networking event</td>
</tr>
<tr>
<td><strong>Guests</strong></td>
<td>SMEs, investors, corporates, sector experts, people of relevance in the Life Science sector</td>
</tr>
<tr>
<td><strong>Goal</strong></td>
<td>Give SMEs the chance to pitch in front of investors and to network with peers, corporates and investors</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td>At the Venture Lounge 4 SMEI beneficiaries will be selected to present their business case in front of a group of investors. 4 SMEs from the Merck Accelerator programme will also present their case. The best three will be selected by a Jury of investors and corporates, receive an award and be mentioned in a press release. After a panel discussion about sector relevant topics between selected investors (strategic and financial), there is time for networking with food and drinks. We will recommend SMEs not selected for the pitching session to join the event for networking reasons and industry knowledge.</td>
</tr>
</tbody>
</table>
Recruiting & preparing business partners

Preparing SMEI beneficiaries

Preparation

Matching & Negotiation

Market place - Matching
IT support
Physical meetings

Deal

Investor relations

Validation

Monitoring
Services for Market Success

- Academy
- Matching to corporates
- Matching to investors
- Access to procureres
- Connection to Coaches and KAMs
- Events
Access to Procurers

Plugin to existing innovative procurement initiatives*, where the most innovative procurers in Europe are already identified:

1. Realize active contact with the initiatives and identify relevant tenders based on the needs of the SMEIs.
2. Contact SMEIs that may be interested in specific procurement programs directly or respective KAM
3. Hold focused workshops on a case-by-case basis

*Currently identified procurement initiatives are: 5SC, InnProBio, FIRED-uP, smart@fire, INNOCAT, HAPPI, EcoQUIP, StopandGo, SILVER, Decipher PCP, Thalea, Nympha-MD, Unwired Health, inspire, Transform, C4BI, eafip, IMAILE, Cloud for Europe, PreForma, PICSE, PRACE, Syncro, P4ITS, TIDE, CHARM, V-Con, WaterPipp, PPIWaste
IT Support

Social Media | ME Internet | SME Dashboard | Investors, Corporates Dashboard

Success Stories

Online Community | Academy e-Learning | SME 2 Investors and Corporates match

Case-Tracker | Coach-match
Vision 2018

THE international ecosystem enhancing commercialization of the champions league of innovative European SMEs

SMEI – Family and Friends

SMEI – Beneficiaries

4000 active ecosystem members consisting of: SMEs, corporates, investors, procurers, intermediaries, coaches, KAMs

Measureable positive business impact on ecosystem members (subjective and objective indicators)

Business acceleration impact
Thank you