



Open Disruptive Innovation- SME Instrument



The SME Instrument

SEAMLESS BUSINESS INNOVATION SUPPORT FROM IDEA TO MARKET...



...YOUR HIGHWAY TO DELIVER INNOVATION ON THE MARKET!



ACTIVITIES SUPPORTED

PROOF OF CONCEPT

- ✓ Prove Technical and Commercial Viability
- ✓ Explore IP Regime
- ✓ Design Study
- ✓ Develop Pilot Application
- ✓ Risk Assessment

DEMONSTRATION OF COMMERCIAL POTENTIAL via

- ✓ Prototyping
- ✓ Testing
- ✓ Piloting
- ✓ Miniaturization
- ✓ Scaling-up
- ✓ Application Development

GO-TO-MARKET

- ✓ EU Quality Label (Promotion & Networking with Financiers/Clients)
- ✓ Investment Readiness Training
- ✓ SME window in the EU Financial Facilities (debt & equity backed by EIB/EIF)
- ✓ Link to Public Procurement Networks



European
Commission



8 cut-offs
/year


**Easy to
plan**

*Call planning 2016
SME instrument*

Phase 1:
7 Sept, 9 Nov

Phase 2:
15 June, 13 Oct

Rapid

Ph1
results
in 1M



High
threshold

**Compe
titive**

Execu
Agency





SME Instrument – ICT 2016-17

Relevant topics (739 M€ overall)

- **Open Disruptive Innovation Scheme (126 M€)**
- Accelerating the uptake of nanotechnologies advanced materials or advanced manufacturing and processing technologies by SMEs (67 M€)
- **Accelerating market introduction of ICT solutions for eHealth and Ageing (30,5 M€)**
- Stimulating the innovation potential of SMEs for a low carbon and efficient energy system (96 M€)
- Small business innovation research for Transport and Smart Cities Mobility (119 M€)
- New business models for inclusive, innovative and reflective societies (22 M€)
- Engaging SMEs in security research and development (30 M€)

SMEinst-01-2016-2017 – Open Disruptive Innovation Scheme

- To provide support to a large set of high risk innovative Start-ups and SMEs in the ICT sector. Focus will be on companies proposing **disruptive ICT concepts**, products and services applying new sets of rules, values and models which **ultimately create new markets (e.g. by tackling non consumption)** or disrupt existing markets.
- Proposed projects should have a potential for disruptive innovation and fast market up-take. The action is **particularly well suited for start-up and young innovative SMEs** offering a swift support to their innovative ideas



- SME Instrument Phase I (2014-2016)
 - Proposals 16,480; Above threshold: 2,449; Funded 1,300 (7.8%)
- SME Instrument Phase II (2014-2016)
 - Proposals 5,388; Above threshold 1,905; Funded 325 (6%)
- ODI SMEI phase I (2014 – 2016)
 - Proposals 4707; Above threshold 559; Funded 245 (5.2%)
- ODI SMEI phase I (2014 – 2016)
 - Proposals 1496; Above threshold 481; Funded 58 (3.9%)
- **Last ODI call the percentages of funded projects**
Phase I :7% funded; Phase II: 7% funded
- **First ICT Call on Health, Well-Being and Ageing Well:**
Phase I : 204 Proposals; 8 Funded (4%)
Phase II: 37 Proposals; 3 Funded (8%)



Submission outcomes:

- **Open Disruptive Innovation, is the most popular topic within the SME instrument**, attracting 28.3% of applications well above the share of ICT budget (18%) throughout all cut-off-dates
- Similar **patterns** in all CoDs so far, in terms of level of submission, topic & country coverage
- The general **evolution** of ODI submissions is improving, with a slightly lower number of submissions to the benefit of better quality proposals

Unsuccessful Proposals:

- Still much focus on technology rather than business opportunity
- Not enough info on USP (Unique Selling Proposition)
- Missing market analysis to assess competition
- Innovation dimension still rather incremental improvement
- Not enough emphasis on commercialisation

Fast Track to Innovation Pilot - concept in a nutshell



- ***ONLY fully bottom-up measure in H2020***
- ***Promoting close-to-the-market innovation activities***
- ***Open to all types of participants***

Main policy drivers behind the scheme...



European
Commission

- Reduce time from idea to market ('last push')
- Increase participation of industry, first-time applicants, SMEs
- Stimulate private sector investment in R&I



Why participate to the FTI Pilot?



- *Proof of your market potential*
- *Visibility at the European level / increased chances for market success*
- *Important support to close-to-market innovation activities*
- *Building of new value chains / other networking opportunities*
- *Be one of the first to test a new type of scheme (be it a pilot):*
 - **Faster funding**
 - **Business-driven approach**
 - **Maximum emphasis on impact**



Who are we looking for?



- Consortia of a limited size: min. 3, max. 5 partners
- All of the partners should be legally established in the EU or Associated country from at least three different eligible countries
- Consortia must be industry-intensive:
 - **either 2 out of 3/4 partners = private-for-profit**
 - **or 3 out of 5 partners = private-for-profit**
 - **or 60% of the budget of the proposal (=total estimated eligible costs) is to be allocated to private-for-profit entities**
- ... but can be composed of partners of any type of legal entity (industry, SMEs, first-time applicants...)
- EU funding sought cannot exceed EUR 3 million; 70% of funding for private-for-profit entities (//innovation actions)



- ***Consortia of a limited size: min. 3, max. 5 partners***
- ***All of the partners should be legally established in the EU or Associated country from at least three different eligible countries***
- ***Time-to-market: 36 months or less***
- ***Level of development ~ TRL 6 (for technological innovations), and similar level of maturity for the non-technological ones***
- ***Further development (up to TRL 9 or equivalent for non-technological innovations) possible in a relatively limited amount of time, and underpinned by a technical and a commercial planning***
- ***Ultimate objective: significant value creation at the EU level (and beyond) to impact the market***

FTIPilot-1-2015	Cut-off date 1 - 29/4/2015	Cut-off date 2 - 1/9/2015	Cut-off date 3 - 1/12/2015	YEAR TOTAL / ICT SECTOR
Number of proposals submitted:	269	231	403	903/172 (19%)
Number of above-threshold proposals:	48	51	83	182 (20.15%)/ 46 (27%)
Number of retained proposals:	16	15	15	46 (25.27%)/ 13 (28%)
Number of projected beneficiaries	69	67	68	204/59
Number of SME beneficiaries	32 (46%)	35 (52%)	28 (41%)	95 (46.5%)/ 35 (60%)
Number of SME project coordinators	9 (56%)	11 (73%)	7(46%)	27 (58.7%)/ 8 (62%)
Total EC contribution requested for submitted proposals:	€507.485.223	€427.022.233	€729.520.163	€ 1.664.027.619/ 283.850.250 (17%)
EU budget contribution to retained proposals:	€ 35.6 million	€32. 7 million	€30. 4 million	€98.7 million/€22.4 million (22%)



June 1, 2016

Intermediary call deadline / cut-off #5

July 2016

Outcome of assessment (study) on first response to the call

October 25, 2016

Intermediary call deadline / cut-off #6

First semester 2017

Full evaluation of FTI >> decision on future of FTI