

BUSINESS
FINLAND

RESEARCH TO BUSINESS Funding

For research organizations
to prepare the
commercialization of their
research idea



RESEARCH TO BUSINESS FUNDING

For whom?

- Funding is intended for public research groups and researchers in public research organizations, who want to build new business based on their research and make it real by commercializing their idea.

For what purpose?

- With the funding public research organization can prepare the commercialization of a research idea and carry out applied research which support the preparation of commercialization.
- The funding is for exploring different paths for commercialization.
- The funding can be used e.g. for exploring the novelty, customer value and functionality of technology or know-how as well as the underlying assumptions of the business.

RESEARCH TO BUSINESS FUNDING

When?

- The team has already shown somehow that the idea is working and a hypothesis how to commercialize the idea.
- The innovation services unit in the research organization has evaluated the novelty and commercial potential of the idea and supports the funding of the project.
- The new business pursued is estimated to be big.
- The research organization has adequate exploitation rights for the background and emerging results for commercialization and also desire to disclose the rights to the commercializing entity.



HOW DOES RESEARCH TO BUSINESS WORK?

- The project duration is normally 12-24 months
- The funding is 70% of eligible project costs
- At least 40% of the project costs must be used for the preparation of commercialization.
- Project funding can be divided into two phases.
- The funded projects will be set 3-5 concrete milestones and final goals (concerning e.g. team, development of the idea, markets, finance and IPR).
- The project must have an accountable project leader who is in charge of the scientific and research aspects of the project.
- The project steering group has to monitor that the project is implemented in accordance with the approved plan and goals and that at least 40% of the project costs are used for the commercialization preparations.
- A report must be submitted 3 times annually (January, May and September) via online services. The report includes a report on the progress and a cost statement on the costs.
- Project teams are offered some events e.g. Science Startup Day and services e.g. DealFlow Finland tool which support the preparation of commercialization.
- If the project does not progress as planned, the project will be suspended.

EVALUATION OF RESEARCH TO BUSINESS FUNDING APPLICATIONS

- Project team's experience and skills level especially in commercialization but also in research related to the field of the idea
- Team's commitment to the commercialization of the idea
- Scalability of the business
- Size of the targeted business
- The impact of the project on the development of significant international business and on the society
- The novelty value and challenging nature of the technology or competence to be developed in the research project
- The commercialization path and its realism in the project plan; measures, resourcing, milestones and final goals
- The composition and competence of the steering group



HOW TO APPLY FOR RESEARCH TO BUSINESS FUNDING?

First prepare to answer the following questions:

NEED

- For what problem is your idea a solution?
- What is the market potential for your solution?
- How does your solution scale in business?

SOLUTION

- What is your solution to the problem?
- How does this project help to develop the solution and solve the problem?

BENEFITS

- What are the benefits for the customer?
- What new information is developed in the project?
- What are the primary commercialization routes for the idea?

COMPETITION

- How does your solution differ from competing solutions?

COMPETENCIES

- What competence do you have in your team and steering group?
- How does the project benefit from competences?
- What other competencies do you need for the project?

INTELLECTUAL PROPERTY RIGHTS

- On what IPR does the project base on?
- Who owns the IPR for the solution?
- Does your solution infringe someone's rights?
- Are the results going to be protected with IPR?

PROJECT GOALS

- What concrete milestones and final goals can be set for the commercialization preparations in your project?



HOW TO APPLY FOR RESEARCH TO BUSINESS FUNDING?

- Contact your innovation services team / commercialization unit in your research organization. They will help you to evaluate if Research to Business funding is suitable for your project. They will also assist you with the applying process.
- The applying process includes a project pitch to Business Finland advisors before submitting application.
- Submit your funding application via Business Finland's online services.
- Prepare to discuss about your application with Business Finland advisor also after submitting the application.
- Research to Business funding calls are published twice a year, in spring and fall.

FREQUENTLY ASKED QUESTIONS

How long can the Research to Business project last?

- Research to Business projects typically vary in duration to 12-24 months, depending on the project's industry and idea readiness. After the project you should know, what is the best way to commercialize the idea.

Can I include basic research in the Research to Business project?

- The objective of Research to Business funding is to prepare the commercialization of research idea after basic research, so basic research is not allowed in this project. Before Research to Business project you should have some evidence, that the idea works. Applied research can be carried out according to the approved project plan to support the preparation of commercialization.

Can I write a business plan in the project?

- No. However, you can acquire information (customer surveys, market surveys etc.) that you need for your business plan.

FREQUENTLY ASKED QUESTIONS

Can I contact potential customers in the project?

- Yes. When you are preparing your research idea for commercialization, it is important to find out, what problems or needs your potential customers have and does your solution solve the problem. You can do it e.g. by interviewing the potential customers or by running proof of concept tests in the customer interface.

Can I make product development in the project?

- No. You can do proof of concept tests in the customer interface to verify the functionality of your research idea. However, ready-to-sell products cannot be made.

What should I do, if my research organization does not have any innovation/commercialization unit?

- Contact the person in your organization, who is in charge of research and /or Business Finland.

FREQUENTLY ASKED QUESTIONS

Can we set up a start-up before the Research to Business project ends?

- The goal of the Research to Business project is to prepare the commercialization of the research idea. If the startup is set up to commercialize the idea, the project's goals have been achieved and the funding will be discontinued.

What role does steering group have in the project?

- The Research to Business project steering group is an advisory body. The steering group monitors that the project is implemented in accordance with the approved plan and goals and that at least 40% of the project costs are used for the commercialization preparations.

What is the benefit of dividing the project funding in phases?

- Research to Business funding is intended to determine whether it is possible to build international business based on the research idea. Evaluation of the project results with milestones is important in order to see if the project's final goals are achievable, i.e. the possibility of doing business still exists. Phased projects typically involve significant risks and uncertainties, which we try to manage with milestones. If the project does not reach the goals or the business opportunity looks poor, the funding will be discontinued.

FREQUENTLY ASKED QUESTIONS

Can an accountable project leader raise salary for the project?

- The responsibility of the accountable project leader is to lead the project. The project leader cannot allocate the direct costs of management to the project. If it is necessary for the person appointed as accountable project leader to also act as a researcher in the project, the direct costs of the researcher's work can be allocated to the project. Our recommendation is that the accountable project leader should not act as a researcher in the project.

How do we share the tasks and costs in a joint project?

- In a joint project the research organizations have common project plan, where they show the benefits of the joint project, common goals and the tasks and resources of both organizations. Both organizations have to make their own application. The cost allocation for commercialization preparations (minimum 40%) can be a common target in the joint project. If either of the research organizations does not follow the project plan or reach the goals, the funding will be discontinued from both parties.

FREQUENTLY ASKED QUESTIONS

What should be taken into account when making procurements for the project?

- Procurements made for the project are governed by provisions on public contracts and any instructions issued by the beneficiary's administration. Ask for instructions on innovation services or tendering services in your own organization. If a procurement has been made in violation of the procurement provisions, the procurement price is not an eligible project cost.

What communication costs can be eligible for a project?

- Communication costs that are necessary and reasonable for the implementation of the project can be eligible for the project in accordance with the funding conditions set out in the project plan. Communication costs may relate to the dissemination of research results, e.g. in a scientific conference or article in which they are the costs of applied research, or they may relate to the preparation of commercialization when communication of the project and its results aims to networking and finding potential customers and investors. In this case, the costs eligible for the project may include, for example videos, webpages, even podcasts, when they are not general communications of the organization. Ineligible costs include the cost of economic activities, brand building, marketing materials (e.g. letter templates, logos, clothing, pens, etc.). All project communication should always mention Business Finland as a financier.

MORE INFORMATION

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