

# CHALLENGE COMPETITION FOR LEADING COMPANIES 2020

Business Finland has launched a challenge competition for leading companies. The goal is to activate particularly large companies to significantly increase their research, development and innovation activities and create billion-euro ecosystems for new business in Finland.

<b>For whom?</b>	<ul style="list-style-type: none"> <li>For leading companies of company networks with international operations and plans to significantly expand research, development and innovation activities in Finland</li> </ul>
<b>What is funded?</b>	<ul style="list-style-type: none"> <li>Development of solutions with significant impact on global competitiveness in collaboration with an ecosystem</li> <li>Clear and challenging missions, the realization of which require several sub-projects, partners and long-term efforts</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>Grants for leading companies for research-based projects</li> <li>Duration 3 to 5 years. Up to EUR 20 million per company and 50% of expenses</li> <li>No requirement on parallel projects or purchased services, but notable spillover and effects on the ecosystem must be demonstrated (particularly on SMEs and research organizations).</li> <li>Total funding for the competition is EUR 60 million, to be allocated to between 3 to 6 of the best and most impactful projects.</li> </ul>
<b>How?</b>	<ul style="list-style-type: none"> <li>Two-staged competition. The best ideas progress from the initial concept stage. Business Finland's jury selects the winners and the projects to receive funding.</li> <li>Impact targets include increases in R&amp;D&amp;I activities and investments in Finland by the leading company and ecosystem, other additional R&amp;D&amp;I investments, activities that increase project impact, and other socio-economic impacts.</li> <li>Funding is granted and a follow-up project greenlit only if the mutually agreed targets have been reached.</li> </ul>

## 1. Object of the competition

Project proposals by leading companies participating in the competition must offer solutions to significant future challenges, either **so-called missions or significant technological challenges**, and have a substantive positive impact on Finnish expertise, competitiveness and R&D&I investments. Examples of European Commission reports on mission-oriented R&D&I: [Mazzucato - A problem-solving approach to fuel innovation-led growth](#) and [Mission-Oriented Research and Innovation Policy](#).

The competition is not restricted to any specific theme or field of technology. The funding and its monitoring pay particular attention on direct effects on new **R&D&I investments and jobs in Finland**, as well as the forming of partnerships between SMEs and research organizations. The winning projects are selected based on



these metrics, and funding is paid according to their realization and actual costs incurred. The selection also takes into account impacts on public economy and society and the generation of new knowledge and expertise. While Business Finland monitors the realization of these last mentioned goals, they will not affect funding or the project's continuation.

In 2020, a total of 60 million euros have been set aside for the competition as a one-time experiment. The maximum available funding is EUR 20 million per leading company, and the total sum is estimated to be sufficient for 3 to 6 impactful projects. Based on the experiences gained, Business Finland will assess whether further mission-oriented competitions will be organized in 2021.

The funding must also have spillover effects on other operators in the ecosystem. Business Finland may be prepared to fund other members of each ecosystem based on separate applications and a shared roadmap. Leading companies participating in the competition are expected to estimate the amount of other public funding needed for other parties in the ecosystem. The estimate is expected to cover at least Business Finland's share of funding. Projections may also be presented for potential funding by EU research programs, the Academy of Finland and other sources.

The leading company receiving funding undertakes to produce communication materials for use by Business Finland and other parties in their communications.

## **2. Funding principles**

### **2.1. Business Finland funding for leading companies**

The maximum amount of funding is EUR 20 million per leading company and project. For research-based projects consisting entirely of industrial research, the amount of funding is up to 50% of costs. For projects consisting mainly of industrial research, the maximum share of funding is 40%. The competition uses [Business Finland's standard funding criteria](#), with the exception that large corporations are not required to purchase services from research organizations or SMEs. Leading companies may use the funding for their internal R&D&I costs.

Applicants are required to carry out measurable and significant cooperation with research organizations and/or SMEs. Funding granted to leading companies need not be used to purchase services from research organizations or SMEs, but the leading company must support and encourage research organizations and/or SMEs to take part in solving the mission by means of parallel projects and create concrete links with flagship projects of the Academy of Finland or other comparable national or international collaborations with higher education institutions or research organizations. The leading company must draw up a roadmap for cooperation and actively promote the networks already in the application phase. If the planned additional R&D&I investments and cooperation are not realized, funding may be suspended.

The leading company receiving funding commits to increasing its R&D&I activities in Finland during the project by at least twice the amount of funding granted by Business Finland. As a commitment is regarded the concern's R&D&I activities in Finland that are funded by the leading company itself, the EU, Business Finland, and so on, not just the share funded by Business Finland. The greater the increase in R&D&I in absolute terms, the more competitive the project.

Leading company funding may also be applied for by a group of companies seeking to solve the same major challenge from their own standpoints. The amount of funding may be up to 20 million euros per leading company.

### **2.2. Business Finland funding for other ecosystem members**

Business Finland is prepared to fund the ecosystem formed around the leading company on the basis of a shared roadmap. The amount of funding reserved for other ecosystem members is up to EUR 50 million

over 5 years. It is the leading company's duty to engage projects and partners in order to solve a mutual challenge.

Business Finland funds individual organizations or joint projects according to its [normal funding criteria](#)

### **2.3. EU and Nordic funding for leading companies and ecosystem members**

Business Finland requires that in funding the overall project, applicants make the fullest use of European and other international sources of funding and cooperation networks.

Examples of funding sources and networks:

- [European funding programs and networks](#) (Horizon 2020/Europe, Eureka, Eurostars, ESA)
- [EU Innovation Fund](#) for the demonstration of low-carbon technologies. The ultimate size of the fund depends on the market prices of emission rights, but its size is estimated at around 10 billion euros.
- [European Investment Bank](#) (EIB, EIF)
- Nordic cooperation ([Nordic Innovation](#), [Nordforsk](#), [Nordic Energy Research](#), Council of Ministers)

## **3. Two-stage competition - participation and selection of winners**

The competition uses a two-stage application process. In the first competition round, applicants present the idea or mission and the solution's impacts to Finland, as well as the main outlines of the proposed solutions and core members of the potential ecosystem.

Applicants are invited to present their ideas verbally to a jury chosen by Business Finland. The jury selects the proposals to be invited for follow-up talks based on written applications and the verbal presentation or pitch. In the follow-up talks, the idea and the implementation plan are reviewed in further detail. After this, the best projects are asked to submit a final application.

### **3.1. Submitting proposals in the first round of competition**

All participants in the competition must use the template in Annex I. Proposals (in Finnish, English or Swedish) submitted in the first round are not funding applications but simply a participation in the competition for ideas.

Proposals (including written description + preferably also preliminary pitchdeck) for the first competition round must be delivered to Business Finland **by 4 March 2020 at 23:59**.

We ask that proposals be submitted primarily by email to the address [kirjaamo@businessfinland.fi](mailto:kirjaamo@businessfinland.fi) or by secure email to <https://secure.businessfinland.fi/suojaposti>.

When submitting proposals, participants should observe the following:

- The proposer's name and the case identifier must be clearly written on the address field of the email or on the envelope. "Veturiyrittäjien haastekilpailu 2020 – 1. kierroksen ehdotukset 2/331/2020"
- The maximum size of the email with attachments is 9 Mt. The files can be sent in zipped form (Winzip) Files should be primarily submitted as .pdf and .tif files. Files may also be submitted as .rtf files as well as .doc and .docx Word files, .xls and .xlsx Excel files, and .ppt and .pptx Powerpoint files.
- Proposals and attachments sent by email are considered to have been delivered to Business Finland when the message/s and their attachments are available for use in readable format in the email of Business Finland record office.

Proposals can also be delivered by mail, or by bringing them in a closed envelope to Business Finland's reception desk at the address:

Business Finland/Kirjaamo  
P. O. Box 69 (Porkkalankatu 1)  
FI-00101 Helsinki

### 3.2. Verbal presentation (pitch)

As a rule, all participants in the first round of the competition are invited to pitch the key points of the proposal. However, Business Finland may decide not to invite participants that clearly do not meet the competition's goals.

The time allotted for presentations is 20 minutes + at least 20 minutes or interviews. When submitting the proposal, applicants should select three suitable dates and times for giving the pitch. Available dates:

	Fri, 13 March	Mon, 16 March	Tue, 17 March	Wed, 18 March	Thu, 19 March	Fri, 20 March	Mon, 23 March
Morning							
Afternoon							

### 3.3. Selection to the second competition round and the negotiation stage

A jury chosen by Business Finland scores all proposals and pitches based on the selection criteria listed in section 3.5. Proposals with the highest score are invited to follow-up negotiations. All participants in the competition receive an evaluation and feedback. Proposals submitted to the competition and any evaluations are confidential. At this stage, Business Finland will announce the competition only on a general level and refrain from publishing the names of participants or winners of the first round.

Business Finland will assess the credibility and accuracy of information reported by the applicant. When evaluating proposals, information other than that reported by the participants in the competition may also be used, as well as the views of Business Finland on the accuracy of the information presented, the time span, risks and other factors related to the desired impacts.

### 3.4. Final competition proposal/funding application and funding decision

The follow-up stage usually consists of 2 rounds of discussions and negotiations.

Selected companies still on board in the negotiations are asked to submit a funding application (project plan and cost estimate, along with interim goals and criteria on payment agreed with Business Finland in mutual negotiations)<sup>1</sup>. The application is submitted via Business Finland's online service. The template for the project plan to be included in the funding application will be provided to participants still in the competition. After this, participants should write down the plan and save it as an attachment in the Business Finland online service.

Business Finland may decide on funding for the best proposals participating in the competition and for which a funding application has been submitted. Business Finland grants all funding on a discretionary basis. The funding decision is made on the basis of the selection criteria listed in section 3.5 and Business Finland's standard criteria for R&D&I funding.

The goal is for the first funding decisions to be made by 18 June. After the funding decision, the beneficiary's name, the amount of funding and a summary of the mission to be solved and its impacts are announced to the public. Leading companies themselves are also expected to actively communicate on the topic.

<sup>1</sup> In any event, companies always have the right to apply for funding from Business Finland

### 3.5. Selection criteria

Selection criteria for the stages:

**1. competition stage (elimination round) – emphasis on impact**

- Increases in R&D&I investments in Finland\* and the credibility and time scale of increases
- other impacts
- export potential of the issue to Finland (leading company + ecosystem)
- added value of Business Finland funding

**2. stage, evaluation of funding applications – emphasis on impact and the quality of the project plan**

- criteria used in the 1st round, as well as
- quality and level of detail of the project plan
- planned measures and commitment to developing the ecosystem

\*The goal of the competition is to encourage the generation of new R&D&I investments in Finland. The evaluation focuses particularly on direct impacts on new R&D&I investments by companies (employee costs, purchased services, other operating costs and investment and procurement expenses related to R&D activities), as well as all indirect effects (creation of new competence hubs and expertise, new professorships, patents, theses, extent of the network, new companies, business growth, environmental and health impacts, etc.)

The sections of competition proposals are given a score from 1 to 5 in increments of 0.5 points. The scores range from 1 (wholly insufficient answer) to 2 (poor), 3 (moderate), 4 (good) and 5 (excellent). The final score is determined based on a consensus meeting between all jury members evaluating the proposal. Business Finland invites applicants for follow-up talks and decides on funding based on the scores given by the jury.

## 4. Competition timetable

1. The competition was opened on 30 January 2020
2. Deadline for submitting proposals for the first round is 4 March 2020 at 23:59
3. Verbal presentations/pitches held from 13 March to 23 March 2020
4. Candidates through to the next round selected on 25 March 2020
5. Negotiations & discussion rounds in April. Internal commitment processes in companies
6. Final applications by 11 May 2020
7. First funding decisions published on 18 June 2020

**More information:**

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## **ANNEX I: TEMPLATE FOR PROPOSALS IN THE FIRST COMPETITION ROUND**

Proposal for the first round: cover page + max. 12 pages and a pitch deck.  
Annexes and additional information are permitted, but the jury is obliged to review only the actual 12-page proposal.

In evaluating proposals in the first round, particular attention is given to sections 1 and 2 of the proposals.

### **COVER PAGE**

#### **OVERVIEW**

Name of project:

Name and business ID of participating organization:

Names and contact information of the accountable project leader and contact person (email and phone):

Three suitable dates and times for the pitch:

- 1:
- 2:
- 3:

#### **ABSTRACT (not a public abstract but a summary for the jury)**

Summary of up to 2000 characters.

#### **APPLIED FUNDING (amount range)**

Preliminary cost estimate and amount of Business Finland funding applied by the leading company:

Estimated range of the total amount of funding required by the ecosystem (Business Finland's share)

#### **IMPACT (planned increase in R&D&I activities in Finland for the group as a whole)**

	<b>Reference year 2019</b>	<b>2020</b>	<b>2021</b>	<b>...</b>	<b>...</b>	<b>...*</b>
Group's number of R&D&I personnel in Finland (qty)						
Group's R&D&I expenditures in Finland (EUR millions)						

Other impacts and impact paths should be described in writing in section 2 of the proposal.

\* final project year

**Proposal subheaders/sections (up to 12 pages)****1. Mission and current situation**

- What is the challenge or future need responded to, how is the idea unique, what is its market potential?
- What is the current situation globally and in Finland, what is Finland's competitiveness or competitive edge?

**2. Impact and its measurement**

- Impact on the target set in the Government Program to increase R&D expenses to 4% of GDP (new employee costs, purchased services, other operating costs and investment and procurement expenses related to the leading company's R&D activities in Finland [https://www.stat.fi/til/tkke/2018/tkke\\_2018\\_2019-10-24\\_laa\\_001\\_fi.html](https://www.stat.fi/til/tkke/2018/tkke_2018_2019-10-24_laa_001_fi.html) (in Finnish)). Commitment of the leading company to the aforementioned R&D&I increases
- Other impacts to Finland (e.g. creation of new competence hubs and expertise, new professorships, patents, theses, extent of the network, new companies, business growth and increased competitiveness, tax revenue, environmental and health impacts, etc.)

**3. Required funding**

- Estimate of the amount of required BF funding and other funding for the leading company
- Estimate of the amount of required BF funding and other funding for the ecosystem
- Added value of Business Finland funding

**4. Measures to take – preliminary roadmap for solving the challenge**

- What existing structures could the project partner with or rely on as support? Measures and initiatives supporting the project in Finland and globally, particularly in the EU
- What national efforts are needed to advance the solution, and what should be done on the international level?
- Roles of the leading company and ecosystem
- Timetables, including interim goals

**5. Leading company's project plan (in the 1st competition round, only a rough estimate is needed)**

- Leading company's implementation/project plan, including descriptions of both the leading company's own activities and of measures taken to reinforce the ecosystem and increase expertise
- Other initiatives that advance the leading company's goals (relevant R&D&I and policy projects by the EU and other parties), measures to be implemented alone/together with partners and in Finland/elsewhere
- Communications plan