

**BUSINESS  
FINLAND**

Challenge competition 2023 for Leading companies & Challengers

# Webinar 29.5

Opening 10:30 – 10:45

**Jarmo Heinonen**, Business Finland

Principles of the Challenge Competition 10:45-11:15

**Esa Panula-Ontto**, Business Finland

Example case Borealis 11:15-11:30

**Jari Lehtinen**, Borealis

Q&A 11:30-12:00



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# Opening words & welcome

Jarmo Heinonen

29.5.2023

# BUSINESS FINLAND

## AGENDA 29.5 10:30 -12:00

Opening & welcome  
**Jarmo Heinonen**, Business Finland

Principles of the Challenge Competition  
**Esa Panula-Ontto**, Business Finland

Example case Borealis  
**Jari Lehtinen**, Borealis

Q&A

# Leading company ("Veturi") concept

## Background

- According to studies there is a competition going on between innovation systems. RDI-investments of big companies are not growing in Finland but abroad. Large companies crucial for economical succes
  - Target for Finland: Increase of RDI investments to 4% of GDP. This cannot be achieved without big players.
- Workshops and discussions with big RDI investors

## Solution to tackle the challenges

- **Mission based challenge competition. 3 competition rounds 2020, 2021, 2022**
- **Competition/selection criteria: 1) commitment to increase RDI spenditure in Finland, 2) ecosystem impact**

# Impacts

## Challenge competition 2020

- Neste, Nokia, Fortum and Metsä, ABB, KONE, Sandvik
- RDI increase commitments cumulatively 525 M€

## Challenge competition 2021

- Wärtsilä, Nokia, TietoEvy, Borealis Polymers, Meyer Turku, Valmet. 5/6 funded with EU Recovery funding (RRF), supporting green transition
- RDI increase commitments cumulatively 568 M€



## Challenge competition 2022

- Konecranes + challenger companies Bittium, Danfoss, Orion, Mirka, Picosun, Ponsse+Epec
- RDI increase commitments cumulatively 375 M€

**When successful, the projects will lead to big investments, increases in turn over, export and tax income, new working places and positive environmental impacts**



# LEADING COMPANY AND CHALLENGER ECOSYSTEMS 2020– 2023 (EU RRF)

## NESTE

Sustainable and globally scalable solutions for the research and development of raw materials that reduce the use of crude oil

## ABB

Platforms for the optimal generation and consumption of electricity in a carbon-neutral society.

## FORTUM & METSÄ GROUP

New fiber-based products for consumer markets to reduce the carbon footprint.

## KONE

Mobility solutions for urban environments in line with the principles of sustainable development

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## NOKIA 5G

Making Finland a pioneer in 5G networks, industrial 5G

## NOKIA EDGE

Energy efficient edge-computing

## WÄRTSILÄ

Zero emission marine

## SANDVIK

Globally competitive electric and digital solutions for heavy machinery

## TIETOEVRY

Trust based digital services

## BOREALIS POLYMERS

Sustainable plastic industry

## MEYER TURKU

Climate neutral cruise ship and shipyard

## VALMET

Circular economy technology

## BITTIUM

Seamless and Secure Connectivity

## DANFOSS

Fossil free future

## KONECRANES

Zero4 material flow

## MIRKA

Shaping the Green Transition

## ORION

A Digital Boost for the Finnish Pharmaceutical R&D

## PICOSUN

Chip zero

## PONSSE

Unlocking sustainability in off-road and commercial vehicles

Challenger class



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# Principles of the challenge competition

Esa Panula-Ontto

29.5.2023

# Challenge competition 2023

Similar principles to previous competition rounds:

- Mission based large scale R&D, 2 stage competition, without thematic preferences. Best ideas/ proposals selected for further discussions
- Selection criteria: increase of RDI-investments of the Veturi company in Finland, ecosystem building and ecosystem impacts, importance and clarity of mission, other positive impacts on national economy and society.
- Payments tied to payment indicators (RDI increase, ecosystem work)
- Max 20 M€ funding for a leading company + 50 M€ for ecosystem. For challenger companies, whose RDI increases are not as big as for full Veturis, max 10 + 20 M€



# What is a Leading company (Veturi)?

A well-known company operating on the global market, capable and willing to increase significantly its R&D investments in Finland and to act as a leader of a relevant ecosystem

The maximum amount of funding is EUR 20 million for a Leading company (Veturi) and EUR 50 million for its ecosystem partners.

# What is a Challenger company (haastaja)?

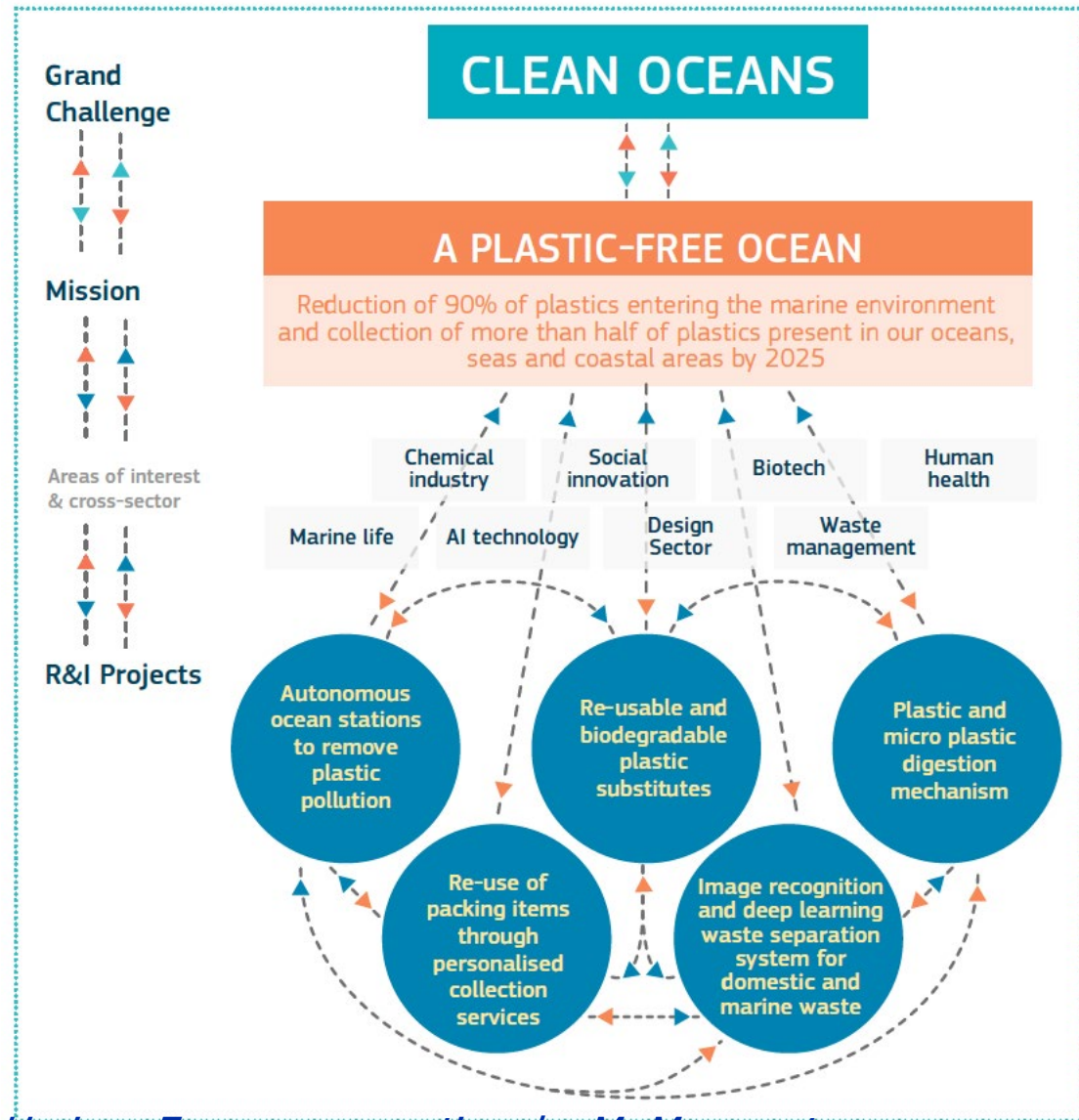
Challenger companies are

- companies that are seeking to grow into a global player or
- companies that are working on a solution to a smaller or more focused new challenge or are developing completely new business operations or
- multinational companies that strengthen their global role in Finland.

Challenger companies commitments to new RDI investments are somewhat smaller than those of leading companies.

The maximum amount of funding is EUR 10 million for a challenger company and EUR 20 million for the ecosystem partners.

# EXAMPLE OF A MISSION: A PLASTIC-FREE OCEAN



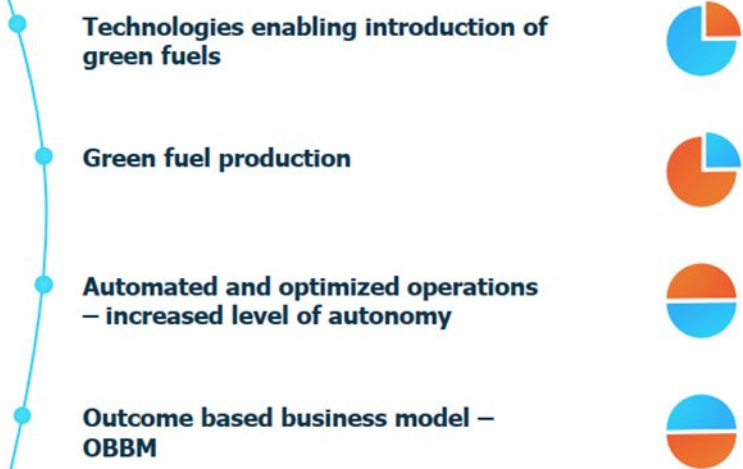
The Leading Company/  
Challenger (Veturi) defines  
the mission and roadmap,  
leads the cooperation

Partnership-projects  
("Kumppanusmalli") and  
partners help solving parts  
of the big mission

# Example: Wärtsilä roadmap and division of tasks between Veturi and ecosystem



## Wärtsilä roadmap for Veturi project Zero Emission Marine

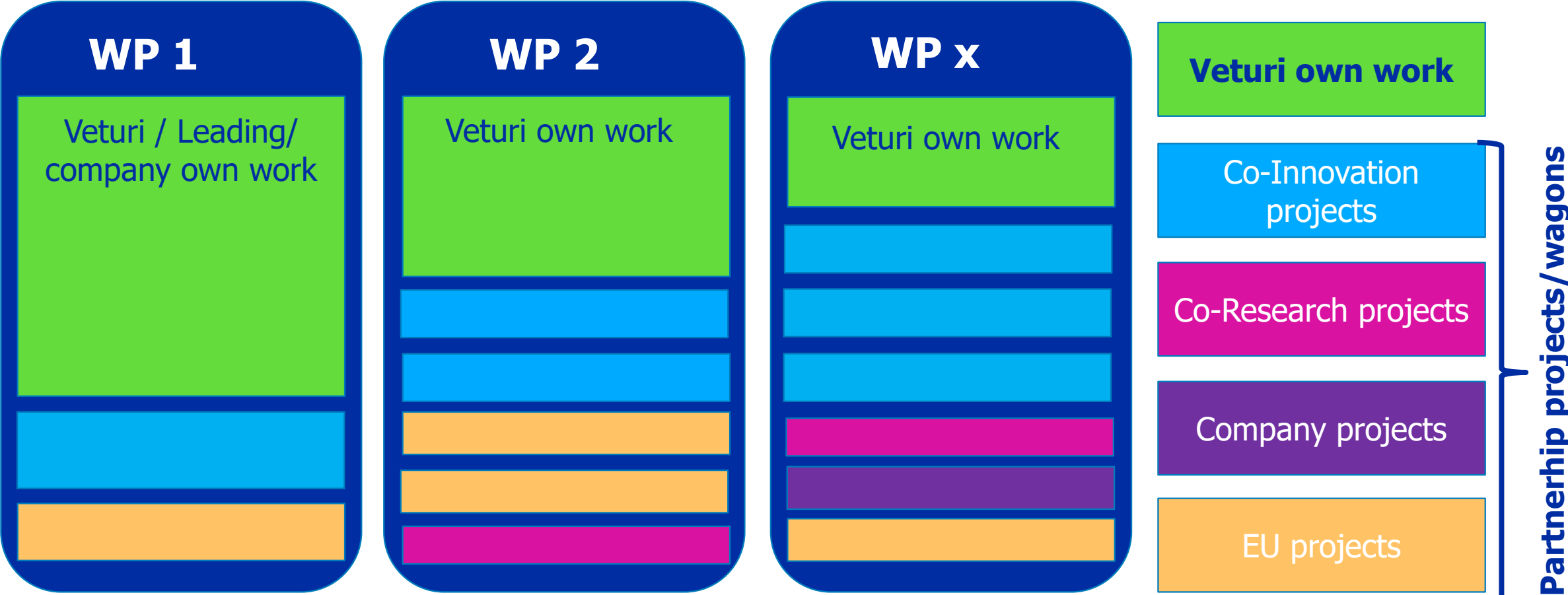


■ Wärtsilä's effort   ■ Ecosystem effort

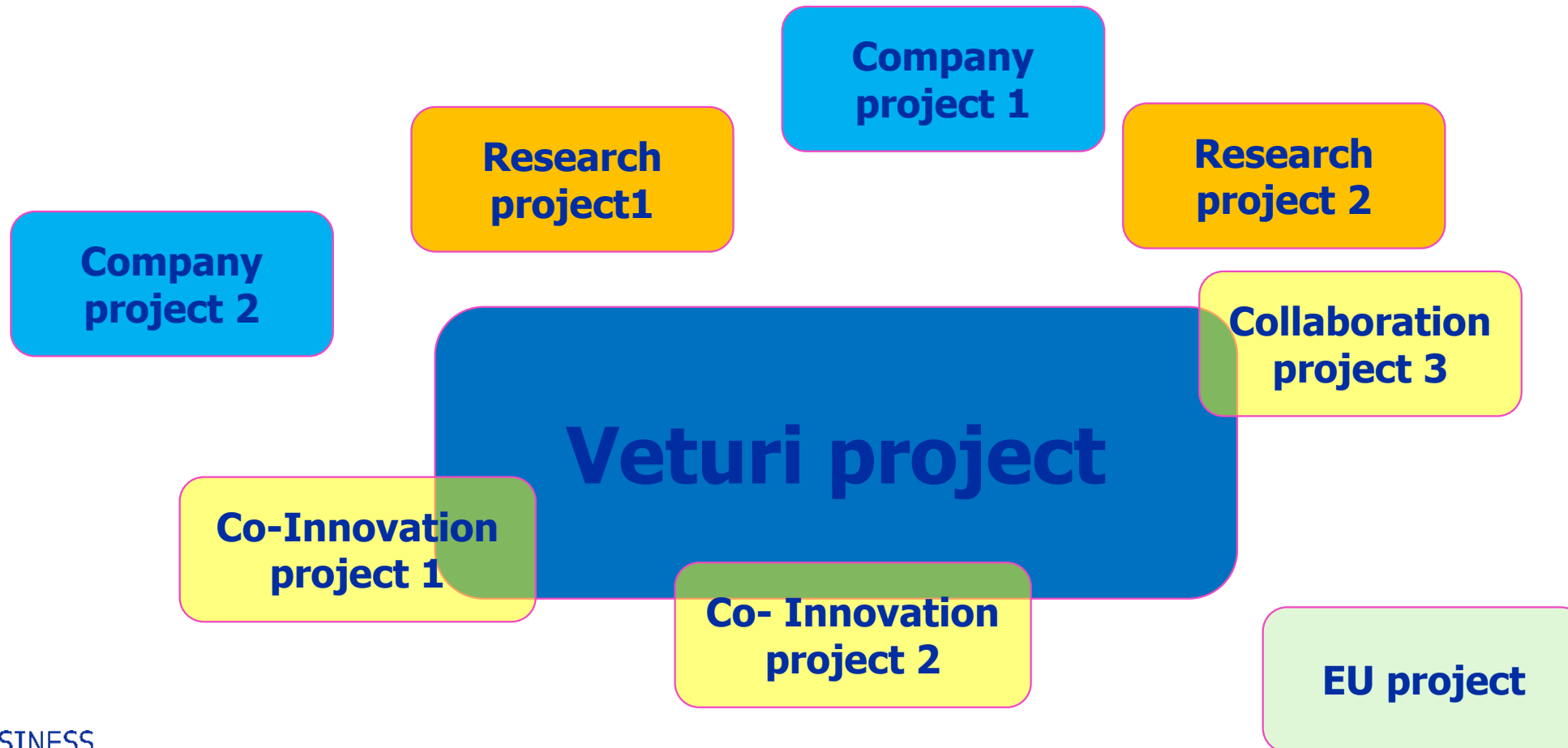


The roadmap describes what Wärtsilä will do (blue part of pie chart) and what would be needed from partners (red)

# Leading company (Veturi) and partnership ("wagon") projects to accomplish the mission



# The ecosystem of a Leading company consists of several projects and partners, based on a joint roadmap





# Themes and funding reserved

No specific topics or themes

60 M€ funding reserved for the competition

A company that receives funding agrees to communicate actively about the project

# Selection of winners & payment indicators

- A clear mission is an important starting point
- The competition will concentrate on the project's impacts on
  - **New RDI investments in Finland:** M€, amounts reported to Statistics Finland)
  - **Collaboration with other companies and research entities:**
    - Nr of co-innovation projects generated
    - Nr of EU applications
    - Nr of partners
- Payments are tied to the above listed targets/payment indicators. R&D investments weight 70%, ecosystem work 30%. If targets are not met, funding will be reduced.
- In addition, attention will be paid to positive impacts on the national economy and society and on the creation of new information and expertise. Business Finland will monitor the achievement of the latter goals, but they will not affect the funding

# Selection criteria, different stages

## **FIRST phase (selection to 2nd phase) – concentrating on impact**

- Cumulative RDI increases in Finland
- The need for an ecosystem to resolve the mission and the export business potential for Finland (leading company + ecosystem)
- Clarity and importance of the mission, top management commitment to the project and the RDI increases
- Other positive impacts on society, added value of Business Finland funding

## **SECOND phase (quality of funding application)**

In addition to 1st phase criteria

- Quality of the Veturi's own R&D project plan
- Plans for ecosystem collaboration and development (roadmap)
- Utilization plans for other funding sources (EU, Academy of Finland, Nordic...)

# Timetable

## PHASE 1 – first round of competition

- First round entries:
  - A written, maximum 10 page description
  - Preliminary pitchdeck (can be improved before actual pitching)
- Dead line 5.9, submissions to [kirjaamo@businessfinland.fi](mailto:kirjaamo@businessfinland.fi)
- Pitchings for selection jury 12-19.9.2023

## PHASE 2 – second round

- Selection of companies to second round negotiations, early October, negotiation phase October – December. Final submission of funding application, funding decisions early 2024

# 1st stage proposal – cover page

## COVER PAGE

### GENERAL INFORMATION

Project name:

Name and Business ID of the participating organization:

Name and contact details of the accountable manager and the contact person (email and telephone number):

The three most suitable times for pitching:

1:

2:

3:

### SUMMARY (this summary is for the reviewers and is not public)

A summary of up to 2,000 characters.

### FUNDING REQUESTED (amount)

Tentative cost estimate and funding to be applied for from Business Finland:

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

### IMPACT (planned increase in RDI operations in Finland for the whole group)

	Reference year 2022	2024	2025	...	...	...*
Group's RDI personnel in Finland (number of employees)						
Group's RDI expenditure in Finland (EUR million)						

**Basic information**

**Preferred pitching time**

**Abstract**

**Funding request**

- Veturi

- Ecosystem

**RDI increases in Finland**

# **First stage proposal - content**

- 1. Mission and situation picture**
- 2. Impact and indicators**
- 3. Funding needed**
- 4. What needs to be done – preliminary road map**
- 5. Draft of the leading/challenger company's project plan**



# As appendix – preliminary pitch deck

## Mission and situation of today

- Which global challenge is targeted, uniqueness of the idea and the market potential
- Situation in Finland and abroad, Finnish competitive edge
- The relevance/importance of the mission in the company's strategy

## Impact

- Impact on R&D investments in Finland

	Reference year	2021	2023	2024	..	..
Group RDI-personnel in Finland (pcs)						
Group RDI-investments in Finland (M€)						

- Other positive impacts
- Commitment of management

## Funding needed

- Leading/challenger company (Business Finland + other)
- Ecosystem (Business Finland + other)
- Added value of Business Finland funding

## Preliminary roadmap

- What should be done, who are needed, roles of leading/challenger company and ecosystem
- What is already on-going in this field
- What should be done in Finland/internationally
- Time tables, targets

## Outline of project plan of leading/challenger company

- Main content of the project (own research activities, activation of ecosystem, communication activities)
- Team and resources
- Other initiatives supporting the project (eg at EU level)

## Other potentially relevant background information

- Company description

## More information

- In Finnish: <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/veturiyritysten-ja-ekosysteemien-rahoitus>
- In English: <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/funding-for-leading-companies-and-ecosystems#stored>
- In Swedish: <https://www.businessfinland.fi/sv/for-finlandska-kunder/tjanster/finansiering/finansiering-for-lokomotivforetag-och-ekosystem>
- Karin Wikman ([karin.wikma@businessfinland.fi](mailto:karin.wikma@businessfinland.fi), 050 5577723) and Ilmari Absetz ([ilmari.absetz@businessfinland.fi](mailto:ilmari.absetz@businessfinland.fi), 050 5577837)