

**BUSINESS
FINLAND**

RESEARCH TO BUSINESS FUNDING

For research organizations to prepare
the commercialization of their
research idea

2.7.2020



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.
- The team members will also have a chance to develop their own commercialization skills.

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 identified research and commercialization hypothesis.
- 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 significant in scope.
- 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) for commercialization preparations.
- 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.
- 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.

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 advisor 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 in 2020.

EVALUATION OF RESEARCH TO BUSINESS FUNDING APPLICATIONS

- Project team, skills level and commitment; especially the experience, skills and commitment of the persons responsible for commercialization preparation
- Scope of the targeted business
- Scalability of the 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 it's realism in the project plan; measures, resourcing, milestones and final goals
- The composition and competence of the steering group



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.

What can I do with Research to Business project funding?

- You can prepare the commercialization of research based idea and carry out applied research which support the commercialization.

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

- The objective of Research to Business projects is to prepare the commercialization of research ideas after basic research, so basic research is not allowed in this project. Instead, applied research can be carried out according to the approved project plan to support the preparation of commercialization.

FREQUENTLY ASKED QUESTIONS

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.

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 to verify the functionality of your research idea. However, ready-to-sell products cannot be made.

FREQUENTLY ASKED QUESTIONS

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.

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

- If the project aims to start business in a start-up, 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.

FREQUENTLY ASKED QUESTIONS

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, the funding will be discontinued.

Shall I apply funding only for the first phase or for the whole project?

- You can apply funding for the whole project. If you want to apply funding only for the first phase, you still have to describe the whole project in your project plan (i.e. all the measures for the preparation of commercialization and the measures for applied research needed to support the preparation of commercialization) so that we know how big the whole project can be.

Who sets the goals for the project funding?

- You make a proposal for project milestones (approx. 6-9 months depending on the length of the project) and final goals in your application. The milestones and goals are being discussed before final decision.

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 joint projects both research organizations must allocate at least 40% of the costs for commercialization preparations.

MORE INFORMATION

Jaana Rantanen

+358 50 3962 923

jaana.rantanen@businessfinland.fi

<https://www.businessfinland.fi/en/researchtobusiness>