

## Evaluation of Research to Business

Leo Grünfeld, Sigrid Hernes, Johanne Øderud Vatne, Per Fredrik Johnsen and Erik W. Jakobsen

**On behalf of Business Finland, Menon Economics has evaluated the funding program Research to Business (R2B) and conducted case studies of the former funding programs Research Benefit and Challenge Finland. The evaluation was conducted between March and November 2025, and assesses the relevance, effectiveness and efficiency of Research to Business. The work has been carried out in accordance with the OECD evaluation framework.**

### Framework and information sources

#### Methodology

This evaluation is based on the OECD evaluation model, which provides a recognised international standard for evaluating public programs. To answer the evaluation questions, we have applied a mixed-methods design that combines quantitative and qualitative data.

- Literature and documentation review
- Interviews with 13 innovation units and representatives from Business Finland
- Survey to R2B participants (since 2018)
- Statistical and register data

### Background and objective

#### Background and funding

Since the turn of the millennium, governments across the developed world have intensified their efforts to transform scientific discoveries into tangible economic and societal value. The growing awareness that publicly funded research often fails to reach the marketplace — the so-called “Valley of Death” between knowledge creation and commercialisation — has spurred a wave of policy instruments aimed at bridging that divide. In Finland, this recognition led to the establishment of TUTL in 2012, later rebranded as Research to Business (R2B) under Business Finland. The program is designed as a national proof-of-concept mechanism: a means to move promising academic research one crucial step closer to the market, providing the early-stage funding and structure necessary to transform ideas into business ventures. R2B has become the financial cornerstone of Finland’s pre-commercialisation system.

### Funding

Between 2012 and 2025, the program has supported 857 projects with a total of 302 million euros in funding, representing one of the country’s most extensive efforts to link science and business. The majority of the funding has been allocated to universities. Over the period as a whole, researchers affiliated with universities have received 82 percent of the total funding. The distribution between the four groups has varied over time, but universities have consistently accounted for the largest share, in most years

exceeding 85 percent. The funding is highly concentrated among a small number of universities. The three leading institutions, Aalto University, the University of Helsinki and Tampere University, alone account for 56 percent of the total funding allocation. This concentration reflects the central role of the major research universities in driving commercialisation activities, but it also raises questions about the extent to which smaller institutions can access and benefit from the program.

### **The commercialisation system in Finland and other relevant countries**

#### **Commercialisation system**

Viewed from an international perspective, R2B fits within a broader family of proof-of-concept programs developed over the past two decades. From the UK's Higher Education Innovation Fund to the Dutch Take-off and Faculty of Impact initiatives, governments have increasingly recognised that without targeted support at the translational stage, many high-potential ideas remain confined to laboratories. Finland's scheme is thus neither unique nor experimental, as it reflects an established global policy logic.

### **Perceived relevance among innovation units representatives**

#### **Relevance**

Representatives from innovation units at public research organization consistently emphasised that there is no other comparable funding scheme in Finland that enables the preparation of research-based innovations for commercialisation. The representatives highlighted a number of reasons why they consider R2B relevant:

- Filling a funding gap
- Enabling spin-offs and commercialisation
- Ease of use compared to alternatives

### **Timing and contribution of support**

Survey results indicate that the program has been highly effective in accelerating commercialisation efforts. A large majority of participants (78 percent) reported that R2B funding accelerated the commercialisation of their research. This is in line with one of the central objectives of the program; to help research-based innovations reach the market more quickly.

When asked to reflect on the timing of support relative to the maturity of their research ideas, participants expressed somewhat more varied views. Around half of respondents considered the funding to be well timed, while roughly 42 percent felt that the support came too early or slightly early in relation to their project's development stage.

Among those still receiving funding, 24 percent considered themselves fully prepared. For those whose funding had ended, only 12 percent felt fully prepared to take the next steps. This may reflect a learning dynamic similar to the Dunning–Kruger effect—where confidence tends to be higher early in the process, before teams gain deeper insight into the complexities of commercialisation. This indicates that while R2B projects often succeed in moving teams closer to commercialisation, there remains a gap in ensuring that research teams are fully equipped for the transition.

### **Input-additionality of funding from Business Finland**

#### **Results and outcomes**

Survey responses suggest that the program demonstrates a substantial level of input additionality. More than half of the participants (54 percent) reported that they would

not have initiated commercialisation activities without R2B funding. In addition, around 39 percent indicated that commercialisation would have taken place on a smaller scale or with significant delays in the absence of support.

### **Continuation of commercialisation work**

The majority of projects did not stop when R2B funding ended. More than half of the respondents (52 percent) reported that they continued to work actively on commercialisation, while another 38 percent engaged in at least some follow-up activities. Only 4 percent discontinued their efforts altogether, and 6 percent plan to resume work at a later stage. This persistence underlines that the program has succeeded in creating momentum for further commercialisation efforts, beyond the initial funding phase.

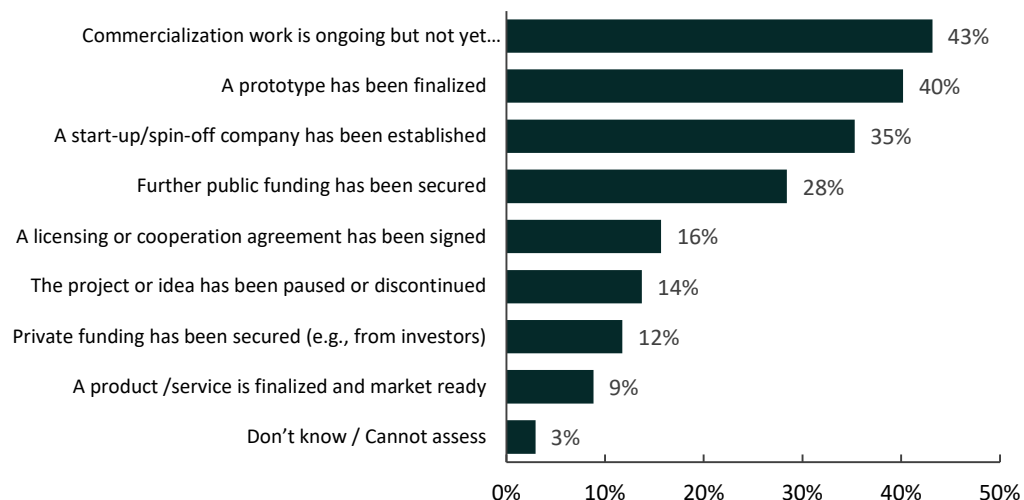
### **Results achieved after the R2B funding period**

Among the tangible results, two stand out as particularly common. 40 percent of respondents reported that a prototype had been finalised, marking a critical milestone in the commercialisation pathway. In addition, more than one in three (35 percent) indicated that a start-up or spin-off company had been established as a direct continuation of the project. These outcomes are strong indicators that R2B support has helped transform research ideas into concrete ventures and technologies.

The difference between public and private follow-up funding is particularly noteworthy. While almost one-third of respondents (28 percent) reported securing further public funding, only 12 percent had succeeded in attracting private investment. This imbalance highlights a central challenge in the commercialisation pathway: many projects remain reliant on public support mechanisms even after the R2B phase, while private capital appears more difficult to access.

In many cases, R2B funding has been effective for continued commercialization work. However, some projects have achieved more limited results, and many remain reliant on public support mechanisms even after the R2B phase. This suggests that, in several cases, the funding may have been provided too early, before projects were fully ready to advance towards commercialisation. As noted in earlier, roughly 42 percent of respondents felt that R2B support came too early or slightly early relative to their project's stage of development, and many teams reported being only somewhat prepared to continue commercialisation after the project ended.

*Figure: "What has happened with the commercialisation process since the end of the R2B funding period?" (N=102). Source: Menon Economics*

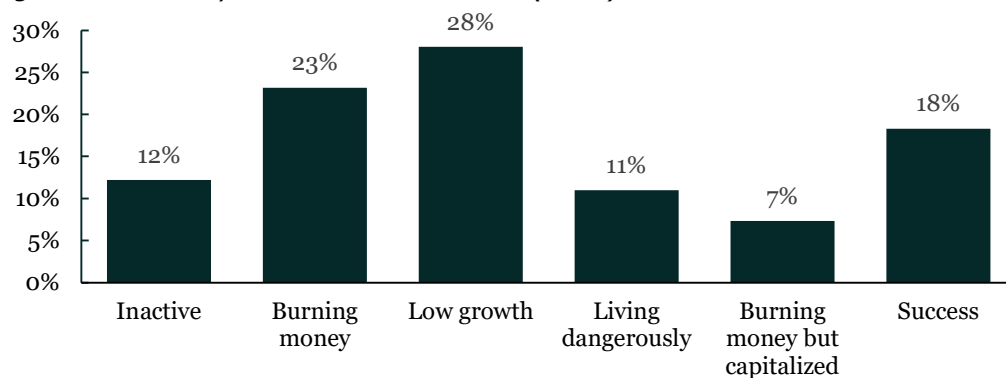


### Start-up creation

According to Business Finland's internal overview, the R2B program has resulted in the establishment of 213 start-ups since 2014. In view of the 850 grants distributed through the program, this implies that 25 percent of all projects end up in a startup. Health-related start-ups dominate the portfolio, accounting for 30 per cent of all companies. This reflects the dominance of this field among the R2B funded projects.

To assess how start-ups develop over time, we analyse their performance five years after its year of establishment. The companies are classified into six different success categories based on value added, revenue growth, profitability and the ability to raise capital. Five years after establishment, 18 percent of the companies can be categorised as a success. Compared to other similar studies, there is reason to claim that a success rate of 18 percent is relatively high.

*Figure: Status five years after establishment. (N=82). Source: Menon Economics*



### Barriers

## Efficiency and design

One of the most frequently reported barriers was lack of follow-up funding (36 percent). Closely related, 22 percent pointed to insufficient interest from potential investors or partners. These findings resonate with earlier results, where only 12 percent of projects had secured private funding after R2B.

### **Institutional culture and incentives**

Our findings suggest that commercialisation has become a more accepted and integrated part of the academic environment in Finland. A large majority of respondents (82 percent) agreed or strongly agreed that their university or research unit encourages commercialisation of research. A majority of the respondents highlight that they had sufficient incentives to engage in commercialisation (69 percent) and that there was a clear institutional strategy for applying to funding like R2B (72 percent). However, innovation units point out that this does not always extend to daily academic practices. Formal encouragement and institutional strategies exist, but personal incentives often remain weak.

### **Application process and selection**

Most participants considered the R2B application process manageable, but perceptions vary. A clear majority described it as straightforward and feasible to complete. However, 20 percent of the respondents experienced the process as demanding and complex. The fact that a large majority did not perceive the process as complex may reflect the strong support provided by institutional innovation units.

Innovation units generally view the R2B application process as clear and well-designed but point to several recurring challenges with the application process that affect efficiency and accessibility. 1) The process is seen as administratively demanding, particularly for smaller public research organisation with limited staff. 2) While the application format itself is not considered complex, the commercialisation-related components are demanding for many research teams. 3) Difficult to fulfill the requirement of an experienced business developer in the project team. 4) The guidance from Business Finland can be inconsistent, as interpretation of eligibility rules or project requirements varies between case handlers.

Innovation units express broad appreciation for the professionalism of Business Finland's staff and the overall quality of the R2B scheme. However, they also highlight some weaknesses in how applications are assessed. 1) The selection of projects can appear unpredictable. 2) There is a perceived disciplinary bias in funding decision, where social sciences experience a higher barriers to succeed.

### **Weaknesses in the post R2B-phase**

One of the main barriers to commercialise research post R2B is insufficient funding. Only a small share of project teams report having secured public or private investment after their R2B project ended. This lack of follow-up financing was also one of the most frequently raised issues in the interviews with innovation units. Many described how otherwise promising projects tend to lose momentum when the R2B funding expires, as there are few alternative instruments available to bridge the transition from pre-commercial research to early-stage business development.

## Recommendations

- Maintain R2B's core mission as Finland's key pre-commercialisation instrument; avoid expanding its scope toward later-stage or venture funding.
- Promote stronger personal incentives for commercialisation at universities and research institutes, for instance by including innovation outcomes in career assessments and internal recognition.
- Support broader mobilisation efforts across underrepresented disciplines and institutions through targeted outreach and shared good practices between innovation units.
- Continue dialogue with smaller institutions to ensure that evaluation criteria and communication are well aligned with their applied-research contexts.
- Ensure consistent interpretation and communication across case handlers at Business Finland through clear internal guidance and calibration.
- Recognise post-R2B financing as the key structural bottleneck in the innovation chain. Business Finland and policy stakeholders should review whether current follow-up schemes adequately serve post-R2B phases and how transitions can be strengthened.
- Demand early planning for continuity during the R2B phase, including investor dialogue and preparation for subsequent funding instruments.
- Avoid extending R2B's mandate, but consider small, targeted actions (such as advisory support) to help projects bridge the post-funding gap.
- Both Business Finland and the innovation units of universities should come together to establish a set of indicators for measuring outcomes of TTO-activities over time.

**Contact information:** Leo Grünfeld, [leo@menon.no](mailto:leo@menon.no)