

The SME INSTRUMENT

The SME instrument is an accelerator for commercialisation of promising innovations. The grant is dedicated to the support and development of a convincing commercial proposition enabling the SME's business to expand in Europe and globally.

The SME instrument is **not** simply funding for Research and Development. The purpose is not just about technological knowledge development, but about bringing it to market.

Key Features:

- [Seeking the 'Champions League' of EU SMEs (highly competitive)
- [Open to single company projects as well as groups of SMEs
- [Only 'for profit' SMEs can apply.
- [70% funding rate (100% for health area)
- [Any Intellectual Property generated resides with the SME
- [Continuous submission of proposals – evaluated in batches on specific dates.
- [All projects must be at Technology Readiness Level (TRL) 6 or above.
- [Free-of-charge business coaching to support and enhance the SME's innovation capacity and help align the project to strategic business needs.

The instrument is structured in three phases, with the aim of transforming disruptive ideas into concrete, innovative solutions with European and global impact. SMEs are recommended to apply for Phase 1, but may also apply directly for subsequent phases,

Phase I (proof-of-concept): *feasibility assessment*

Explore the feasibility and commercial potential of your new idea in to develop a sound business idea for a subsequent innovation project, with the help of a € 50,000 grant per project (70% of total cost of the project), and receive more support in case of a positive outcome!

Phase II (development & demonstration):

Develop your sound, ground-breaking business idea further with the help of a grant in the order of € 500,000 to 2,5 million (70% of total cost of the project) into a market-ready product, service or process!

Phase III (go-to-market):

Access to a wide range of innovation support services and facilitated access to risk finance to enable the commercial exploitation of your innovation.

Lessons learned from the evaluation of previous proposals:

- [The key feature is the commercialisation of your novel technology
- [The proposal must focus upon the business opportunity as well as the project
- [It is important to describe your company and what will make it surpass its opposition
- [A description of the competitive environment is therefore essential
- [Have a high level of innovation rather than a step in the evolution of an existing good
- [Applicants just looking for some money to do research will be disappointed

The SME instrument: is it right for you?

The European Commission is looking for a rather *special* sort of SME, Ones that are very highly innovative, capable of high growth, with global ambitions and that want to disrupt the established value networks and existing markets at a European level.

Driven, actively investing in innovation, and looking to grow.

The SME instrument is not suitable for all SMEs, it is **not** a vehicle for start ups. Many proposals are submitted, the evaluation process is hard, only very good proposals get funded.

What does a successful applicant look like:

70% of funded proposals came from companies that have been in the market for at least 4 years.

66% of all projects funded so far are with companies that **have a staff of 6 or more** employees

SME Checklist:

- ✓ Do you meet the [EC definition of an SME](#) ? Note: must be a 'for profit' SME
- ✓ Has your company or management team previously successfully commercialised a product?
- ✓ Have you received grants (National or European) or venture capital funding
- ✓ Received innovation-related tax benefits
- ✓ Won an innovation prize

Project checklist:

1. Is your project highly innovative/ beyond state of art and does it have the potential to disrupt existing markets in your sector?
2. Does H2020 fit in your business strategy?
3. Does the project have demonstrable European / global impact?
4. Is the project at **Technology Readiness Level 6** (technology demonstrated in a relevant environment) ? - See [General Annexe G](#)
5. Do you have the necessary IP protection for the project, or a clear IP strategy in place?
6. Are you looking to fund your project over the next 1-2 yrs?
7. Are your estimated project costs between €500k - €2.5m (for Phase 2)?
8. Does the project fit under one of the current call topics

If the answer is YES to the majority of the above then please contact the NCP

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