

Technology Strategy Board

Driving Innovation



Tech City Launchpad 1

**COMPETITION FOR R&D FUNDING IN DIGITAL PROJECTS
MAY 2011**



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Summary

Technology Strategy Board is investing up to £1m in innovative R&D projects, with a focus on the emerging 'Tech City' centred around Old Street and Shoreditch in East London.

The competition aims to stimulate this hotspot of digital and creative industries by enabling companies to go further and/or faster towards commercial success. We want to draw investment and people into the area, and to encourage networking and collaboration to strengthen the cluster. We are therefore looking for projects that may be too risky for companies to go for alone or that may take them into new areas, and where the majority of the project activities will take place within the Tech City area.

We are offering to fund up to 50% of the total project costs. Typically we expect to fund up to £100k per project, that projects will last up to 12 months and that they will be led by micro, small and medium-sized businesses. This is a pilot competition and differs from Technology Strategy Board's standard competition processes; projects will raise private finance for the remainder of their costs after selection through the competition process, rather than beforehand.

The competition is being run in three stages:

1. Video proposal – the projects describe their idea in a two-minute video. About 20 of the best projects will be invited to submit a written proposal.
2. About 10 proposals will then be awarded a conditional offer of grant funding, subject to being able to secure the additional funds needed for the project within 12 months.
3. All of the 20 projects that have made written proposals will be invited to a workshop to showcase their ideas to potential investors. Here, companies will have the chance to attract the remaining funding needed to run the project.

For more information and guidance on how to apply, see www.innovateuk.org under Competitions, or visit our **_connect** site <https://ktn.innovateuk.org/web/tech-city-launchpad-1>

The deadline for video submission is **noon on Thursday 26 May 2011**.

Background and challenge

The Tech City area in East London has attracted businesses with web development expertise, and with applications across the digital, creative and media sectors. These businesses are typically small and agile, are not capital-intensive, and often do not have manufacturing processes in the supply chain, so they can bring products to market very quickly. In February 2010, Wired magazine profiled 85 such highly innovative companies around Old Street's 'Silicon Roundabout', many already making a valuable contribution to the national economy. Since then the area has gone from strength to strength and many more innovators are doing business in there.

Networking, clustering and knowledge sharing are essential to the success of the creative and digital industries, and

concentrations of expertise and talent can achieve much more than isolated companies. In recognition of this, and to encourage the Tech City cluster dynamic, the Technology Strategy Board has devised a competition for companies that can exploit this already vibrant and dynamic hub, to take the companies working in it forward with accelerated growth and expansion.

This is a pilot competition and, if successful, may be rolled out in other clusters of excellence across the UK.

Scope

The technical scope for this competition is quite open. We will offer funding to innovative projects that aim to develop a digital product or service, on the journey from proof-of-concept towards a prototype and, if appropriate, a user-facing trial.

We are focusing on the existing technology and media cluster in East London, and we encourage companies within it to apply. However, the competition is open to companies across the UK, if they wish to carry out a project in the Tech City area. We encourage such participants to locate their project teams within the cluster, to partner with businesses in the area, and to take advantage of the facilities that are available there. The costs of using such facilities and office space will be considered to be eligible costs within the projects.

Important – single companies now eligible!

Initially, this competition was devised for projects involving collaborations between at least two businesses – in the spirit of open innovation. While this is still our aim, we have listened to feedback from businesses on the ground and acknowledge that for some businesses it may not be possible to find a suitable collaborator. Therefore, **this competition is now open to collaborations and single companies**.

We invite companies to use the IC tomorrow digital testbed to trial their project ideas – see www.ictomorrow.co.uk. IC tomorrow can help with access to content resources and facilities to conduct user-facing trials of the ideas.



Funding allocation and project details

We will fund up to 50% of the total value of the R&D project to a maximum of £100k, as base funding to catalyse further investment from the private sector.

It is expected that applicants will not initially have funds to cover the cost of the project, but that they will assemble this finance over the course of the competition. We expect successful projects to attract the remaining 50% of the funding from angel or venture capital investors, corporate ventures, banks or other debt or equity finance sources. A funding workshop at the end of the competition process will provide an opportunity to pitch to such investors, to secure the private funding needed to complete the project financing.

Projects may last up to 12 months.

Projects must consist of micro companies or small and medium-sized enterprises (SMEs), and are encouraged to be collaborative (involving at least two companies). Applications from single companies will also be accepted, if there is a clear reason that a collaborative project structure is not appropriate. At the funding workshop there will be an opportunity for large and global companies and universities to take part as unfunded project partners or as investors.

SMEs typically comprise no more than 250 employees; full definitions can be found at: http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm.

Visit <https://ktn.innovateuk.org/web/tech-city-launchpad-1> to find potential collaboration partners and to find more information about the facilities and networks available in the Tech City area.

Application process

This competition is being run in three stages:

1. Video submission

From 6 May 2011 companies will be able to submit a two-minute video describing their ideas, which will be accompanied by a brief application form. The video should address:

- the challenge or opportunity being tackled and why it is important
- the approach that will be taken and how it is innovative
- the relationship to the Tech City area
- how the solution will be commercialised and what impact it could have if successful
- why the Technology Strategy Board investment is needed.

The videos will be available for public viewing and comment. There will be an independent panel of expert assessors that review the ideas and select a shortlist.

All video submissions must remain accessible throughout the assessment period.

Protecting intellectual property

If applicants are concerned about exposing their intellectual property publicly, they may make the video **private** and provide us with **secure access**. This will not hamper their chances in the assessment process but they will not benefit from the public's comments, the competition's market profile, or the early attention of potential investors.

2. Written proposal

On the basis of the independent assessment, about 20 proposals will be shortlisted and invited to submit a written proposal through an application form. These will be assessed by the panel of experts and about 10 will be recommended. Conditional offers of grant funding will then be made.

3. Funding workshop

The selected projects will be 50% funded by the Technology Strategy Board, up to a maximum grant of £100k. We will help companies gain the remaining funding needed through a funding workshop involving key investors such as business angels, venture capitalists and other larger companies in the digital and creative industries. By impressing these investors with their ideas, companies will be able to attract additional investment, with which they can complete the funding of their projects. We expect most projects to be funded as a result of this meeting, but if they are not successful here the companies will have 12 months to find the matching funds elsewhere, and so take advantage of our 50% project funding commitment.

Companies that submitted a written proposal but to whom we did not offer funding will also be invited to present at the workshop. We hope that they also will be able to attract the attention of the investors.



Key dates

Stage 1	
Competition opens for videos to be uploaded	Friday 6 May 2011 noon
Deadline for videos to be uploaded	Thursday 26 May 2011 noon
Applicants informed	end of June 2011
Stage 2	
Successful applicants invited to submit written proposal	1 July 2011
Deadline for written proposals	14 July 2011 noon
Written applicants informed	29 July 2011
Stage 3	
Funding workshop	August 2011

How to apply

Applicants should register for the competition following the links at <https://ktn.innovateuk.org/web/tech-city-launchpad-1>, where they will find a short online application form and can access the FAQs, *Guidance for Applicants*, instructions on submitting their video, and details of networking and events associated with the competition.

More information

For more information about this and other competitions, please see Competitions at www.innovateuk.org or join the community at <https://ktn.innovateuk.org>.

Email:
competitions@innovateuk.org

Competition helpline:
0300 321 4357

Publicity

The Technology Strategy Board frequently publicises the results of competitions and this includes engagement with the media. Applicants will be asked to provide an agreed form of words for use in publicity material. E-mail pressoffice@tsb.gov.uk with any queries.

The Technology Strategy Board is a business-led executive non-departmental public body, established by the Government. Its role is to promote and support research into, and development and exploitation of, technology and innovation for the benefit of UK business, in order to increase economic growth and improve quality of life.

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