



From the desk of Rajeev Surana

Dear Readers,

Hope you are having a great start to the new year. In this new year we could see lot of momentum in start-up and research and development world with lot of initiatives being started by government.

To support Research and Development or any idea development need funds. These funds can be either bootstrapped or can be raised from public or private funding bodies. This month we bring you different avenues available to raise public funds for RnD projects. We interacted with Aritz Goni, Head of International Area at Zabala Consulting, to get inputs on various prospects available to raise public funds for RnD projects.

Do share in your views and thoughts if you have any knowledge about 'How to Raise funds for RnD'

Please share your comments and feedback on helpdesk@scinnovation.in / letstalk@scinnovation.in

Bencil Writes January '16 edition

How to raise funds for your Research and Development (RnD)

Raising funds for your Research and Development (RnD) project is a competitive and tedious process. There are

UPCOMING EVENTS

- *The IP Strategy Summit –*

various options available in the market to raise funds but most of the researchers or innovators are not aware about them. There are consulting firms like Zabala Innovation Consulting firm specialized in raising public funds. Aritz Goni of Zabala consulting tells that raising fund for one's RnD project depends on country to country. All developed as well as developing countries have public programs to support organizations carrying out RnD projects. RnD projects help a country to implement competitiveness as well as increase employment level. Generally these public or government programs are oriented towards different sections like large scale industries, SMEs or startups. Differential programs are focused for each kind of organization. Usually the procedures for fund raising differ from country to country but the generic process remains the same.

There are two main public funding streams: Direct Funding and Indirect funding

Direct funding: In direct funding the government covers or supports part of the costs for RnD. RnD funds are made available based on the projects proposal. Usually these programs are published online by the government bodies. Organizations or individuals can check these available programs; prepare a proposal and present it to the respective committee and if the proposal is accepted then government covers the part of the costs of the project (e.g.: 50% of the RnD costs). These funds are generally provided in the form of grants or soft loans which can be returned in a year or definite time at a very low interest rate.

Indirect Funding: In such type of funding the government or public bodies do not provide funds but allows reducing tax costs by covering RnD expenditures. RnD tax relief or tax incentives are offered to the organizations to support RnD spend. In India an organization or an individual needs to be recognized as an organization through the ministry to get tax reliefs. Department of Scientific and Industrial Research (DSIR) is the body which extends this recognition to the organizations in order to cover them under the tax relief

Seattle, USA – February 23, 2016

- *The 2016 IP100 Executive Forum – Arizona, USA – February 8-9, 2016*
- *India Education Innovation Conference 2016, Feb 2nd – 3rd 2016, Microsoft UK Headquarters*



Trivia / Think about it!

How did a baker inspire the invention of an outdoor toy?

William Russel Frisbee, a baker, discovered a clever marketing tactic in the 1870s. He featured the family name in relief on the bottom of the light tin pans that contained his company's homemade pies. The pies were sold throughout much of Connecticut, and sometime in the 1940s, Yale students began sailing the pie tins through the air and catching them. Ten years later, Walter Frederick Morrison, a flying-saucer enthusiast from California, designed a saucer-like disk

benefits.

In other countries this is granted based on the request or each project proposal. Project proposal has to be sent to the public tax administration by sending requests, stating objectives and goals of the projects, details of the projects, budget for the projects etc. Then the tax relief incentives are decided on per project basis if accepted.

For example, Portugal has one of the highest tax relief schemes at 40% of the total RnD expenditure. Spain has ranging between 25%-40%, France – 30%, UK - <10% for large organizations and 30% for SMEs. Zabala Consulting helps their clients raise public funds in both direct as well as indirect funding.

There are certain measures which organizations need to know and usually lack this knowledge and hence face problems while raising funds for their RnD.

- Organizations and individuals who are into research and development should be aware about such public programs provided by government bodies
- They should be aware about different ministries and administrations that can help them. Each ministry will have different programs catering to different sectors and needs of the organizations. These programs differ based on the characteristics of the projects, technical areas of interest, type of activities they want to get involved in (hygiene, environment, software, engineering etc.), whether they want to fund technological projects or support startups who are into new avenues like ecommerce or large companies or technologies which are very close to the market.
- Knowing the landscape available and the interests of these public funding programs can help the organizations to present their ideas in correct form and get a competitive edge. Funds are very limited and there is lot of competition in the market; hence organizations should present their project in crisp and

for playing catch. The disk was produced by a company called Wham-O, and on a promotional tour of college campuses, the president of the company encountered the innovative Yale students. Shortly after, the disk was renamed the "frisbee."



What's new at Scinnovation?



- We take pleasure in extending offer to our first "Bencil Fellow"; Ms. Bipasha Barua; with effect from 1st February 2016. Bencil Fellowship is a eleven months program and Bipasha would work out of NCR and will report to our Lead Consultant, Mr. Padmakar Roy.

effective manner to succeed in the competitive process. They should know how the evaluation process takes place, what the objective of the program is and should build the proposal to optimize the chances of success.

- There are many firms like Zabala Consulting who help such organizations to analyse the various programs available in the market, understand the requirements of the project. Prepare funding plan and organize activities in such a way that they can maximize the funding available. They can suggest the organizations to split their projects into two different projects and send each one to two different ministries so as to improve the chances of funding and to maximize the funds.

Then there are National Funding programs where international countries are interested in providing funds to the projects from other countries. Countries interested in collaboration with foreign countries, fostering international RnD collaboration, building relation between countries look for extending funds for RnD projects in different countries. Such programs are currently run by different countries like India, Spanish companies, UK companies and British companies.

Different international and domestic public funding programs available:

Horizon 2020: main instrument for RnD funding in Europe. Around 80 billion Euros fund allocated for 7 years in addition to the private investments that this money will attract.

Central for the Development of Industrial Technology CDTI: In Spain main public funding program is run by CDTI – Spanish agency providing around 1000 million allocated each year in the form of loans

UK: programs are run by Innovate UK (public body) – funding any kind of company or organization

Department of Science and Technology (DST): The



- We would also like to inform that Mr. Suddha Basu has been terminated from the position of Head-Partnerships & New Business Initiatives at Scinnovatio n Consultants Pvt. Ltd due to the following reasons:

1. Engaging in dual employment
2. Not reporting to your appointed place of work
3. Inadequate reporting of work to your reporting officer

Department of Science & Technology (DST) of Government of India was established in May 1971, with the objective of promoting new areas of science & technology (S&T) and to play the role of a nodal department for organising, coordinating and promoting S&T activities in the country.

Department of Electronics & Information Technology (DeitY): The Department of Electronics and IT (DeitY), Ministry of Communications and IT is the nodal Department of the Government of India for the promotion of Electronics System Design and Manufacturing. DeitY offers several schemes to incentivize investment in the sector. These include Modified Special Incentive Package Scheme (M-SIPS), Electronic Manufacturing Clusters (EMCs) among others. DeitY also takes up schemes to promote R&D and innovation in this sector.

There are public funding opportunities available in every country, this landscape is very complex so it is advised to the organizations to approach some advisor or consulting firms who has expertise in raising funds and can save this time consuming process.

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