



Applicant Guidance Notes 2017 – London Innovation Fellowships for Engineers – LIFE Enterprise Fellowships

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Introduction

The Royal Academy of Engineering’s Enterprise Hub is a national resource for the UK’s most promising engineering entrepreneurs. The Hub forms part of the Academy’s commitment to stimulate excellence and encourage creativity and innovation in engineering by identifying and supporting the founders and leaders of tomorrow’s high-tech companies. It provides money-can’t-buy bespoke support and one-to-one mentoring from its Fellowship, which is composed of some of the country’s most successful engineers from across academia and industry.

Our Enterprise Fellowships are awards to individuals to reward innovation and stimulate creativity and innovation in engineering in the UK. We use 'Enterprise Fellowships' to refer to several different funding schemes which pursue broadly similar aims, but support different target groups. The London Innovation Fellowships for Engineers (LIFE Enterprise Fellowships) targets university researchers based in the Greater London area who wish to spin out a company. The same application and assessment process applies to all types of Fellowship with some minor variations, which are detailed below.

London Innovation Fellowships in Engineering (LIFE)

These awards support outstanding entrepreneurial engineers, working at a London-based university, to spin out a business by providing the host University with up to £35,000 in funding for a year of salary support of the Fellow, and providing an additional £25,000 for continued development of the innovation and associated spin-out company by the Fellow. The Fellowships are awarded to individuals with considerable entrepreneurial potential who have demonstrated an exceptional innovation in engineering to at least Technology Readiness Level four (see further below). The Fellowship will focus on encouraging the development of their innovation, developing their skills through training and implementation, and passing on the skills they have learned by acting as role models to inspire the next generation of engineering entrepreneurs. In addition, Awardees are invited to become members of the Enterprise Hub where they receive a package of bespoke support.

Career stage: LIFE Enterprise Fellowships are for all levels of academic, from third year PhD student all the way through to Professor.

Note: These Fellowships are not appropriate for academics wishing to set up a consultancy style business. There must be a scalable business proposition.

Aims

The core aims of the Enterprise Fellowships are:

1. To bring engineering innovations to market for a wider public benefit
2. To improve the skills of the awardee, through training and application
3. To develop role models of entrepreneurship
4. To develop a wider alumni network to further the aims of the Hub.
5. To promote research and innovation
6. To promote business investment in research and innovation

The Academy believes training is most effective when there is ample opportunity to deploy the new learning. Awardees are therefore expected to establish and lead a business based on their innovation.

Eligibility Criteria

Applicant

- Applicants must be working in research at a London based university, in an engineering department (or engineering focussed research area), and must have a PhD or equivalent experience. PhD students are eligible to apply, but must receive their PhD before they start the Fellowship or the offer will be withdrawn. Note, all levels of academic are eligible, from third-year PhD students all the way through to Professor.

- Applicants must show commitment to the objectives of the scheme and may only use the award to establish a business that develops an innovative product or service emerging from past research or projects.
- Only one application is allowed per applicant.
- Prior experience of commercialisation activities is not essential, the desire and capability to succeed is more important and we will equip you with the necessary skills through a programme of training and mentoring.
- Applicants must be able to attend the interview in person to be considered for award. The interviews will be held in central London in January 2018.
- Awardees are expected to spend the vast majority of their time pursuing the objectives of the award, as this is a full-time award.

University

- The University must be based in London, UK.
- The Host Institution must be committed to transferring and exploiting the particular technology via a spin-out, in which the Enterprise Fellow will be playing a leading role (CEO/COO). If at the time of application, the Host Institution has not yet decided whether to exploit the technology by licensing to an industrial partner or to exploit via the spin-out route, the decision will need to be made to pursue the spin-out route before an applicant can be invited for interview.
- Industrial researchers and establishments are not eligible.

Technology

- The proposed innovation must be an innovation or invention in engineering and/or technology. Engineering is defined in its broadest sense, encompassing a wide range of diverse fields.
- To make the most of the training and support provided by the Hub, the proposed innovation must be at 'Technology Readiness Level' four¹ or above (see further guidance below), and must expect to be able to produce a minimum viable product within the next two years.
- To maximise the potential benefit of the training and mentoring on offer, the innovation should still be in the early stages of development and not currently widely available to the market other than as a prototype/minimum viable product with limited initial sales.
- The applicant must have appropriate intellectual property rights to utilise the innovation as envisaged, be it through a patent, licence, trade secret etc.
- The innovation should not need further fundamental research work to be undertaken, irrespective of how closely it aligns with the aims of the Fellowship. You may engage in limited product development, however your primary role will be to develop the business.

Business

- Applicants should have a viable proposition with a large market opportunity and ambition to grow significantly to ensure that the engineering innovation becomes available to the public where it can be of societal benefit.
- The awardee will be expected to play the leading role in the development of the business, as the CEO or COO for at least the duration of the Fellowship. Training is more beneficial and effective when there is a clear opportunity to put it into practice in the immediate future, which can only be achieved if you are in a leading role.

¹ As defined by the European Commission as part of Commission Decision C(2014)4995, available [here](#).

- Applications must be for a project or company which has not previously been in receipt of a Hub Fellowship, i.e. other staff associated with the project must not be former recipients of a Hub Enterprise Fellowship.
- As a charity we will accept applications for Social Enterprises, note however that this is not a requirement, or even a preference – both commercial and social enterprises are treated equally. Remember that a financially viable and self-sustaining social enterprise will have greater impact than one which fails for lack of funding.

General

- Only one application is allowed per start-up/innovation, please select an appropriate lead applicant.
- The project under the Award must start on 1 March 2018 and formally end 28 February 2019. Naturally, you will likely continue with the project after this.
- Assessment of an application will be at the Academy's absolute discretion.
- Any applications that are incomplete or do not adhere to the guidelines may be rejected.

If you are unsure of your eligibility, please contact the Programme Manager to discuss.

The Academy is committed to diversity and welcomes applications from women and other groups who are currently underrepresented across engineering.

Submission Deadline

There is one round of applications held each financial year. The submission deadline for this round of applications is **4pm on Monday 8 January 2018**.

Unlike the application process of some other funders submitted applications go direct to the Academy and there is no separate 'organisation approval stage.' The host university must therefore check the application prior to submission.

Note on writing the application

The application requires contributions from three separate authors: the Applicant, the Technology Transfer Office, and the Head of Department. All sections must be completed by the relevant author before the submission deadline, and it is the applicants responsibility to ensure this happens.

Mentoring and training

- Awardees will be provided with a Mentor, usually a Fellow of the Academy with extensive business and technical experience. They will provide support and guidance throughout the Fellowship.
- The role of the Academy Mentor is to monitor the awardee to ensure that the Academy's funds are well spent while also providing advice and guidance to ensure a viable business is in operation at the end of the Fellowship. The Academy Mentor will not make or take business decisions, perform the functions of a consultant, or take the role of an executive or non-executive director of the company.

- Approximately 10 training days will be provided by the Academy over the course of the Fellowship, held at the Academy in London. Awardees are required to attend all training days. Topics covered may include business modelling, pitching, negotiations, investment readiness, leadership, marketing, etc. Attending the training is compulsory.

The Enterprise Hub team will also be on-hand throughout the award period and beyond to assist by:

- Providing networking opportunities with and through the Academy's Fellowship and events programme.
- Signposting opportunities for additional support.
- Providing opportunities to pitch to potential investors at Academy hosted events, and some external events.
- Making introductions to Angel and venture capitalist groups.
- Building a public/media profile.

It is also expected that the university will remain actively involved in supporting the awardee with both laboratory, admin and commercialisation support. The Hub offer is intended to compliment, rather than replace, the support provided by the university Technology transfer Office.

Reporting

Awardees are expected to submit quarterly reports on their progress. Reports should follow the reporting guidelines, which will be provided post-Award by the Programme Manager. Reports are sent to the Selection Panel for evaluation and serve as a measure of the success of the award and scheme.

Awardees may also be required to present their work to the Selection Panel and an invited audience at the beginning and/or end of the year of support, for example, at the annual Enterprise Hub Showcase event.

How to Apply

All applications must be submitted via the online system, available here: <https://grants.raeng.org.uk>. If you have not already done so, all Applicants must first register with the system and provide some basic log-in details to create a profile.

The application form has five sections and typically takes two working days to complete, but please allow at least two weeks from start to finish so you have sufficient time to consider your responses and to obtain the necessary input from other parties. The following guidance gives recommendations as to what to include in answering each question, so we recommend you keep this document to hand.

Many of the questions have prescribed word limits which are designed to keep your answers focused and to give you an indication of the level of detail we require. In such cases the number of words you have used will be displayed beneath the question and updated in real time.

You will have the option to download a pdf of your application after submission, which may be useful for future reference and for passing on to your colleagues.

Some questions are initially hidden from view and will only become available once you have selected the type of award you are applying for. This is to ensure you only answer questions that are relevant to you.

If you have any question concerning the application or the online system, please contact the Programme Manager.

The university's Technology Transfer Office and your Head of Department will be required to submit information in support of the application, so it is essential for applicants to consult with them as soon as possible as this may require extensive discussions. The below guidance also covers these sections, so it is recommended you pass this information on to them.

Completing the Application Form

After logging in via the Academy website and selecting the Enterprise Fellowships application you should be presented with the "Instructions" screen. Here you will see some general instructions on how to use the system as well as the below list of the five sections of the application form:

1	Abstract	Completed by the applicant
2	The Applicant	Completed by the applicant
3	The Project	Completed by the applicant
4	TTO support	Completed by the Technology Transfer Office
5	Department support	Completed by the Head of Department

At any stage in the application process you can save your work and return to it at a later time. You can answer the questions in any order you like so you may freely skip some sections to return to later if you so wish. It is therefore worth viewing the application early on for an indication of what is required, and you should also ensure that you have all the necessary documentation when you start completing the application, such as CV/s and the details of any co-applicants.

At this stage you will be asked to provide the email addresses for your Technology Transfer Office, and for your Head of Department. The accounts registered to these email addresses will then be given read-only access to the full application, as well as editing access to sections which they are required to complete.

The applicant must complete sections one to three, the Technology Transfer Office completes section four, and the Head of Department completes section Five. They can be completed in any order, and all sections must be complete prior to submission.

1. Abstract

Q - Project title

The title can be the name of your technology, product or service or the name of the proposed business. Make sure the project title is in terms that can be understood by a non-specialist reader. You have 6 words for this section.

Q - Project duration

You must start on 1 March 2018 and end on 28 February 2019, and all Fellowships last

for twelve months. Requests for a shorter Fellowship will not be accepted.

Q- What is the broad subject area of the proposal?

Please choose the below option which most closely fits with your proposal. This helps us identify suitable reviewers. Note that applications in the biomedical field will also be asked an additional question on clinical trials and certification.

- Biomedical and biotechnology
- Energy and cleantech
- ICT
- Materials

Q - Executive summary

Describe your project by summarising the technology, its status, its innovative nature, opportunity in the market place, and potential benefits. The summary should be understandable by, and compelling to, a non-technical person. You have 200 words for this question.

Q - 'Elevator Pitch' video

Please provide a link to your YouTube (or similar) 'Elevator Pitch' video produced in support of your application. The video should last up to 120 seconds and give an overview of the technology, preferably showing it in action. Also consider covering your business proposition, the value proposition, your background, and why you want the award. This is a good opportunity to demonstrate your enthusiasm and pitching skills, which are essential to gain additional support for any venture. Do not just repeat what is in other sections of the application.

Try explaining your value proposition to someone who knows nothing about your area, preferably not an engineer. If they don't understand it, and can't repeat it back to you in their own words, you need to make your explanation clearer.

Please ensure that the link starts with <http://www> and use the full address. Please format it as a hyperlink, so it is easier for the reviewers to access.

You may use any recording technology available to you, including handheld video cameras, webcams, mobile phones, etc. Name the video in the following format: "Elevator Pitch – Your Name – 2017/18 – EF Application" so that it is easy for reviewers to identify it.

If you wish to restrict viewing of your video, feel free to designate it as "Unlisted" in settings, however DO NOT designate it as "Private" as that will make it inaccessible to reviewers. Also in 'settings', check the box to allow the video to be embedded in an external site.

Tips for the elevator pitch

- Demo the technology in action, that's what this is all about.
- You do not need to be visible in the video; you may choose to narrate a video composed of a set of video clips or images.
- If you are going to be in the video, have minimal visual and audible distractions in the background. You want the reviewer to focus entirely on you, not what else is going on in your office.
- Film in landscape, in an area with good lighting.
- If you want to stand out, there is plenty of free software and tips available online to assist, e.g. <http://www.rawshorts.com/> and <https://www.powtoon.com>

Q – Summary of the status of the business

The aim of this table is to give the reviewer a snapshot of the current status of your project, and so set the scene for the rest of the information provided. You also have an optional opportunity to provide 200 words of clarification.

What is the current Technology Readiness Level of the product/service

Technology Readiness Level (TRL) refers to how well developed the innovation is, so how close it is to being a finished product that can be bought and sold. To be eligible for this scheme the proposed innovation must at the time of submission be at Technology Readiness Level four or above, as defined by the European Commission. This is because we believe that the innovation needs to be sufficiently advanced to enable the awardee to fully benefit from the support on offer by the Hub.

For more information on Technology Readiness Levels see [here](#).

Grant funding raised to date

This excludes grants for conducting basic research, and is aimed purely at grants aimed at bringing the technology to market.

Equity funding raised to date

How much funding have you received, in return for providing equity in the business.

How much funding do you estimate is required to get the product/service to market

Please provide the amount of investment you estimate is required for the business to become fully functional. If you do not think your business requires any investment you may enter £0. This is **not** how much funding you are requesting from the Academy, rather we are asking for your assessment of how much capital you realistically need and will be pitching to investors for, if awarded. Many applicants underestimate this figure, seek advice and research other start-ups in your sector.

How long will it take to get the product/service to market

Estimate when you believe the product/service will be ready for the market, including having passed through all necessary certification processes – i.e. both technically ready to be used, and can be sold legally. Applicants must intend to get the initial product/service to market within three years of starting the Fellowship. This is because we believe that the innovation needs to be sufficiently advanced to enable the awardee to fully benefit from the support on offer by the Hub. Many applicants underestimate this figure, seek advice and research other start-ups in your sector.

Has the business been incorporated?

Select the appropriate option. If the answer is yes, provide the name of the company and the date of incorporation. If no, give the status of any negotiations in this regard.

How long have you been working on the commercialisation of this technology for?

This helps provide context, in terms of the scale of the project, your dedication to it, the complexity of the issues involved, and pace of advancement. There is no 'right' answer, as circumstances vary greatly.

Q - Technology Readiness Level

Justify why you believe you are at the TRL level stated above. How can you demonstrate you have reached this level. You have 200 words for this section.

2. The Applicant

This section requests additional details about yourself and your suitability for the Fellowship. You will need to answer some questions and upload your CV. The information provided will be used to determine your suitability for the award.

As a registered user, the form should autocomplete with your name and contact details. You must ensure your email address is recorded accurately, as this will be how the Academy will contact you regarding the application.

Note: You may wish to add details of any co-founders here too, or you may include them under the 'Team, Partnerships, Connections' question. Although this is primarily an award to an individual we acknowledge that most start-ups involve a team and subject to capacity we do extend aspects of the support package to co-founders as well, such as invites to networking events and substituting for you when you cannot attend a training session.

You must also provide the central contact details of the host university.

Q – Your Motivation and Entrepreneurial potential

What has motivated you to apply for this Fellowship? What difference will the Fellowship make to you personally? What knowledge, experience, skills and qualities do you possess which will help ensure you can create and lead a successful business? What relevant training have you received? Successfully establishing a business is hard - what have you done that demonstrates your determination and passion to succeed? How do you think your work-life will change when you become a full-time entrepreneur? What will be your role in the business in the long term? You have 400 words for this section.

Q – Collaborations

List any external organisations who you will be collaborating with as part of the project. As well as demonstrating collaborative intentions and the resources you have to draw upon, this will help us avoid any conflicts of interest during the assessment process. Clearly indicate whether the collaboration is confirmed, or merely sought. You have 100 words for this section.

Q - The Team, Partnerships, Connections

Please give an outline of the people who will be involved in the business and any others who will provide support. Establishing a business is a collaborative effort, who else will be involved, why them, and in what capacity. What skills and experience do they bring? What leadership experience do you have to make this work? You have 300 words for this section.

Q - Hub support

Why do you want to secure an Academy Fellowship? Why are you pursuing Hub support rather than other methods? Outline how you would use the support offered by Hub Membership. How would you contribute to the Hub community and your fellow awardees? Identify those areas in which you believe you would most benefit from training, Hub support, and the input of a Mentor. This will not be perceived as a weakness but rather demonstrate your awareness of any current limitations and areas for improvement, and should you be successful be a guide to the Hub and your Mentor of what areas to focus on. You have 200 words for this section.

Q - CV

The format and content of your CV is left to your discretion, but please ensure it is readable when printed in black and white. Your CV should not exceed two (2) pages, and should be submitted as a PDF. You do not need to include contact details as these are included earlier in the application. Note that the reviewers mostly print in black and white – don't give your cv a strong background colour 'to help it stand out.' It's a nice idea but in practice it may just become unreadable.

3. The Project

Please address each of the sections given below. The bullet points may provide some guidance on the type of things for which reviewers may assess. You do not have to provide details for every bullet point if it is not applicable to your project.

Q – The innovation

Please describe the following, you have 300 words for this section.

- The particular engineering technology or innovation that will underpin the proposed business.
- The value proposition. What problem do you solve for whom, and how is your way better than others. Try explaining it to someone who knows nothing about your area, preferably not an engineer. If they don't understand it, and can't repeat it back to you in their own words, you need to make your explanation clearer.
- The current status of the technology or innovation
- Discuss to what extent the technology or innovation has been developed to address a customer need and/or the problem it solves
- Discuss the required development of the innovation for the markets you have identified, and provide an analysis between the current and future market requirements
- Risks and mitigations – not just for the technology or innovation but also in terms of team, funding etc. (Note, intellectual property is covered separately)

Q - Bioengineering application – Regulatory approval

If you selected the 'biomedical and biotechnology' subject area at the start of the application form then this question will be shown. For such innovations it is often essential to obtain regulatory approval before the product/service can be used, and securing such approval can be a very long (years) and difficult process, costing millions, hence a specific question to address it.

Please detail the current status, plan, funding and timeline regarding clinical trials and obtaining the necessary certification approvals. How far into the process are you, where will the funding come from, what professional advice have you sought, have you secured the funding. Cite a comparable technology which has been recently brought to market successfully - how long did that process take and how much did it cost. If applicable, state why you believe your product/service is exempt from certification requirements. You have 200 words for this section.

Q – The market

Describe the following in less than 300 words:

- The markets/market segments for this technology and technology benefits for them
- Any market data and trends, including market size, and addressable market
- Customer validation – discussions, feedback and surveys with potential customers. How many have you approached.
- Route to market, customer acquisition strategy, necessary partners
- Market readiness - Technology push or market pull, any relevant legislation or government policy
- Existing and/or competing technologies
- The competitive advantage(s) of this technology – any unique selling point
- Market risks

Q - Business model and finance

Describe your business model (rather than a full business plan), including financial cost projections and what investment/funding will you need. Who will make the product, why. Who will pay whom, and why. How will the business scale effectively.

You may want to add a 'business model canvas' and/or a supply chain diagram in the additional pictures question, as these are effective methods to illustrate your business plan and your understanding of all the parties involved. You have 400 words for this question.

Q - Project plan

Outline or list the planned activities for the project, so what you will actually do and achieve, covering primarily the period of the Fellowship and in brief the next steps after the Fellowship. Cover key milestones by which your progress can be measured, e.g. TRL or Investment Readiness Levels. The intention of the programme is that you will be ready to raise funding by the end of the 12 month Fellowship.

Effective milestones are ones which indicate progress towards an end goal, not merely completion of a task. i.e. 'Proto-type available' is not an effective milestone, as you could fulfil such a milestone by creating a poor prototype, and so have not made actual progress. Instead use quantitative and qualitative milestones - e.g. 'Prototype created which is 50% smaller than competitor.'

You may choose to make reference to the project timeline in the next question. You have 200 words for this section.

Q - Project timeline

Upload a timeline to show the broad schedule of activities and milestones for the duration of the Fellowship, and for the 12 months following the award completion. Any activities listed after the award completion date are expected to be less detailed, but should give an indication of your longer-term plan. Do not overcomplicate it, this is not a project management question, we want to see your understanding of the bigger picture and the start-up process.

Ensure that all major milestones and their respective timelines are clearly illustrated.

Some suggested topics for milestones are; Technology Readiness Levels, equity assigned, company established, crowdfunding campaign / Series A / Series B launched, minimum viable product available, clinical trials start, CE mark received.

Q - Costs table

The award is for £60,000 in total. £35,000 of funding will be used for salary support of the Enterprise Fellow. Please note that the funding **does** cover income tax, national insurance, pensions, or maternity/paternity/sick pay (within the £35,000). If your net salary costs exceeds this amount the remainder should be covered by other means, normally the host institution. Funding cannot be used to cover salary costs of anyone other than the Enterprise Fellow.

The remaining £25,000 is to be used in pursuit of the projects aims. Please complete the table to indicate how the £25,000 of funding will be used.

Allowable costs must all relate to the costs of developing the applicant's innovation and the business, and include:

- Travel, equipment, consultancy, project specific consumables, legal costs, accountancy costs, prototyping, product testing, marketing, advertising, trademarks, copyright, website, training, mentoring costs, attending conferences, seminars and mentoring activities directly related to the Enterprise Fellowship.
- If funds are to be spent on patents, detail how/if this will affect the ownership of related IPR
- Any individual piece of equipment must have a value of less than £10,000.
- The Academy will meet the travel and accommodation costs associated with attending Academy-run training days, so you do not need to include such costs in your figures.

Ineligible costs include:

- Full economic costs (FEC) are not payable under this scheme.
- Research costs, administration costs or running costs of the Host Institution are not allowable.
- Salary, pension, national insurance of anyone.

Q - Costs details

Provide details on how you derived the above costs. Include any key assumptions and research. You have 300 words for this section.

Q - Additional funding table

This question is optional. Please complete the table with details of any additional funding which will be provided by other partners and external sources in support of the project, e.g. Research Councils, host university, investment, crowdfunding. Note, this is confirmed funding only, not speculative. You may insert extra rows.

Q - Additional funding details

This question is optional. Explain the nature and purpose of the additional funding to be received, as given in the above table. Include details of who is providing the funding, why it is required, and how it will be used. This demonstrates the level of commitment of others, and your success in attracting further funding. You have 300 words for this section.

Q - Additional pictures and/or diagrams

This question is optional. Upload a single pdf, with the pages in a logical order corresponding to the questions above, containing any supplementary information to assist your case. Suggestions are given below, visuals can be an effective method to make your case, but bear in mind reviewers do not want to excessive amounts of information to consider – keep it concise.

- Business model canvas
- Supply chain / ecosystem diagram
- Competitor analysis table / graph / spider diagram / Venn diagram
- Market analysis (size, segments, addressable)
- Schematics / diagrams
- Patents, freedom to operate / examiners report (try <https://octimine.com> or equivalent for a free patent search)

Ensure all pages and annotations are readable when printed at A4 size.

4. TTO support

This section must be completed by the Technology Transfer Office of the university, and will confirm their support for the project, any IPR details and the status of any equity discussions. We recommend you speak to them as soon as you decide you may apply for the award as they will be able to advise on completing the application, which is distinct from a typical research grant in terms of content, and also their prior approval and contribution is essential for you to submit to and carry out the activities involved.

Q – Intellectual Property Rights (IPR)

Describe any existing IPR required for the innovation, and its ownership and status – for example, what patents have been filed, when, or are pending. What professional advice has been sought. If you believe no IPR is required state your reasoning and explain how the innovation will be protected. If no agreement is yet in place detail any discussions which are underway, the expected outcome, and anticipated timeline. You have 300 words for this section.

Q – Licencing and royalties

Provide details of all existing and proposed licencing arrangements of the relevant IPR. What royalties are paid, to whom, by whom. Comment on how this will affect the proposed spinout. You have 200 words for this section.

Q - Equity distribution

Summarise the (anticipated) equity distribution, the level of working time to be contributed by each party, and the status of any contract negotiations. If it is not already the case, assume all necessary IPR has been transferred to the company, and so the equity will not be altered by a future assignment of IPR.

The purpose of this table is to provide clarity regarding the positions of all parties with an interest in the innovation, including who they are, what proportion of their working week they will dedicate to the project, and what equity stake they will receive.

There are no pre-defined expectations as to the equity split or involvement of the any interested parties. Our only concern is that the allocations are conducive of a successful project and are commensurate with the role they are expected to play in the business.

You are reminded that this is a competitive application process, both to receive our funding, and to be successful in future investment rounds. Investors will want to ensure key personnel are appropriately rewarded and motivated, and will avoid businesses where this is not the case. It should be noted that a weakness in several recent applications occurred when the applicant and inventor agreed the split between themselves, without recourse to independent advisers, resulting in the applicant receiving an uncompetitively low stake.

Consider how much time, money, expertise each party has already contributed and will contribute to the proposition in future. Also consider to what extent they have already been rewarded for their contribution, and how they will be rewarded for their input in future. What value will their continued involvement bring, to them and to the business, both in the immediate, medium and long term. What level of risk is each party incurring. What is the ultimate source of any funding. How will each party's equity stake change over time when/if more investment is received. What level of equity will be necessary to

keep essential personal appropriately motivated, and what would be the impact of them leaving. What is each party's exit strategy.

Equity stake

State what percentage each party will own of the business. The table is split into broad categories, there may be more than one person in a category, but an individual should only ever be counted in one category. If an individual could be in two or more categories include their share in the category which is nearest to the top of the table. The total equity value must add up to 100%. You may wish to list the individuals in the notes section.

Should existing IPR be necessary for the business to function, the figures provided here must be those which are expected at the point of assignment of the IPR. Until a business has all the necessary rights it is essentially worthless as it cannot act, so equity stakes prior to this point are of little value to the assessment process.

Applicant – The one who will be leading the proposal.

Other Founders – Anyone else, other than the applicant, who is considered to be a founder i.e. owner of the business, heavily involved and key to its success. Their time contribution to the startup will most likely increase or remain stable over time.

Inventors / Academics – Other parties who were involved in the research/idea generation, but are not taking a significant role in the development of the company. They are likely not going to be employed by the spin-out, or dedicate much of their working week to it, and will mostly serve in an advisory or technical capacity. Their time contribution to the startup will most likely decrease over time.

University/TTO – The university/Tech Transfer Office which will host and support the Fellowship.

Investors – Those who have put money towards the proposition in return for equity.

Options – Shares which remain unallocated, to be purchased at future funding rounds, often reserved for existing parties.

Full Time Equivalent (FTE)

This will assess how much of their working week each party is dedicating to the project. The answer should be given as a percentage, whereby one person working full time is 100% FTE, two people working full time is 200% FTE, and so on. The Applicant is expected to be working full time on the proposition. As with equity split, the results are cumulative, so three people each working at 10% FTE will produce an answer of 30%. The TTO should include how much time their staff will dedicate to supporting the applicant.

Note, by definition an individual can never work more than 100%, no matter the hours they work.

Contract status

Provide details of the status of any contract negotiations regarding ownership of the business. Such deals can take many months to negotiate, and create a lot of uncertainty, so we want to know how far along the process you are.

If agreement has not yet been reached, that is perfectly fine, just provide estimates and briefly state your reasoning for the estimates. You should also state when negotiations first began and the anticipated completion date. If negotiations have not yet begun, we recommend you should start before submitting the application as the equity split and level of commitment are important indicators to all parties of the likelihood of success.

Note: Should the application be successful the full application will become part of the contract, and we expect the final agreement to be broadly in line with the proposal.

Q – Why the TTO supports the application

Explain why you support this application and this applicant, covering the below:

- Why do you believe this applicant is suitable to lead a spin-out, in terms of skills, experience, characteristics and expertise.
- Why pursue this enterprise as a spin-out, rather than through a licensing model.
- Why are you seeking Hub support to spinout.
- Comment on the business model, how did you come to this decision.
- Who does this application fit with your overall strategy.

You have 500 words for this section.

Q – How the TTO will support the project

Explain what support you have already provided, and will continue to provide, to both the applicant and the spinout.

- What does a successful Enterprise Fellowship look like to you, and how will you help this to happen.
- What support has been provided to date, funds, training, advice, facilities
- What support will be provided in future, how will this be accessed by the applicant
- What is the status and plan for any foreground and resulting IPR
- Comment on the likelihood of the applicant spinning out a company within the year of the Fellowship, with all necessary IPR assigned, and any barriers associated with this expectation. What key milestones will it be necessary to reach, by when.
- Comment on the anticipated equity distribution of the proposed spin-out company, any royalty arrangements, and how this will ensure all parties are appropriately motivated and rewarded. At this early stage this may well be limited to stating your standard terms, and how they have worked in the past.

You have 500 words for this section.

Note, the latest version of the Academy's standard terms and conditions is available on the website, [here](#).

5. Department support

This section must be completed by the Head of Department of the applicant, and will explain why they support the applicant, and confirm their willingness to host the project. We recommend you speak to them as soon as you decide you may apply for the award as their prior approval and contribution is essential for you to submit to and carry out the activities involved. They may also be able to offer advice on spinning out.

Q – The Applicant

Provide commentary on why you support the applicant. Covering their skills, experience, leadership, and commitment - how this will help them to spinout, how well does it fit with the aims of the scheme and the project. How do you see them interacting with the department in future. What personnel benefits do you expect to accrue to the department as a result. You have 400 words for this section.

Q – The project

Why do you support the project. Why do you want the spinout to occur and how does this fit within the departmental strategy. How do you see the spinout interacting with the department in future. What wider benefits do you anticipate for the department. You have 300 words for this section.

Q – Support

What support has already been provided by the department, and what will be offered in future. Note this is in addition to any support provided by the Technology Transfer Office, which is covered elsewhere. You have 300 words for this section.

Assessment of Applications

A Selection Panel composed primarily of Fellows of the Royal Academy of Engineering, plus additional investors and knowledge transfer experts, will review the applications in January. Each application will be reviewed by at least two panel members, who will lead the panel through a discussion of the merits of the application. The Panel can then ask questions of the reviewers and add their own input, before a decision to interview or not is made. Those candidates with highest scores will then be invited to present to the panel at an interview in **January / February 2018** (exact date to be confirmed).

Applicants will be judged on their general fit with the aims of the scheme, and on the specific topics below.

1 – The Applicant

- Nature and level of past achievements,
- The expected benefits the proposed activities will bring to the awardee,
- Evidence of their entrepreneurial potential, business awareness, potential to act as a role model, vision, and commitment
- Their plans for enhancing their skills through training, Mentoring and Hub support,
- Their identification of any areas in which they lack expertise,
- Their plans for the longer term, in regards to this project in particular and entrepreneurial activities in general.

2 - The Technology

- How effective and innovative the technology / product / service is
- The market need
- The inherent 'value' in a non-monetary sense - is it worth pursuing,
- The potential for benefits to UK economy and expected benefits to the wider public.

3 – The Team

- The structure of the team and the role of the applicant,
- The fit with the assigned roles,
- The level of commitment of the parties,
- Areas / positions that are noticeably absent,
- Wider support from the university / Tech Transfer Office or other organisation.

4 – The resources required

- Protection of and access to Intellectual Property Rights,
- Funding requested from the Academy,
- Additional funding that has already been secured,
- Plan for additional funding that will be sought,
- Other non-financial resources that have been secured,
- Plan for securing further non-financial resources.

5 – Commercial credibility

- Quality and potential of the innovation;
- Commercial credibility of the business model
- Expected benefits to UK economy and/or expected benefits to wider public
- Quality and potential of the Applicant including: entrepreneurial potential, business awareness, market awareness, potential to act as a role model
- Nature and extent of the benefits the Fellowship would provide the Applicant
- Level of commitment to and fit with the aims of the Fellowship
- The overall likelihood of success

Applicants will be notified of the outcome of the assessment by the Programme Manager.

Successful applicants will be required to sign a contract with the Academy recording the terms and conditions of the award. Agreement to the terms and conditions is a pre-condition to receiving the award.

Contact

If you have any queries, please contact Angus Baker, Programme Manager – Enterprise, on enterprise@raeng.org.uk or 020 7766 0650.

The Funders

This scheme is part funded by the European regional Development Fund. For more information see <https://lep.london/EU>

Visa requirements

The Academy cannot take any responsibility for applying for the visas/work permits required and cannot provide advice. Applicants must be able to remain and work legally in the UK for the duration of the Fellowship but there is no restriction on applicant nationality.

Successful applicants will be eligible for the 'accelerated endorsement process' in Stage 1 of the Tier 1 (Exceptional Talent) visa, if they choose the Academy as the Designated Competent Body to assess for endorsement prior to the Home Office assessment. For more information please contact international@raeng.org.uk

FAQs

A set of frequently asked questions are provided on the Academy [website](#).

Previous Awardees

For details on who we are currently supporting, see our Hub Members page of the [website](#). You may want to consult previous Hub awardees from your institution for advice.