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Introduction

The Emerald Fund aims to support the taking of ideas and concepts from university-based research and turning them into promising commercial propositions. Eight London-based Universities have secured financial backing from the London Development Agency to set up the fund. It works by distributing the funds in the form of grants to the staff and students of the partnering universities on a competitive basis.

An important aspect of the Emerald Fund is the commercial and entrepreneurial support that the grant recipients receive from the business development offices and the fund coordinator. The support covers a range of areas including: market analysis, IP and copyright protection advice, proof of feasibility, and business mentoring.

Purpose of Grants

The Emerald Fund awards two types of grants: 'Mini Grants' and 'Standard Grants'. The main purpose of each grant type is outlined below.

Grant Type	Purpose
Mini Grant (up to £10k, typically £6k)	To be used to test the commercial viability of a concept resulting from research, and not to develop the concept itself.
Standard Grant (min. £10k, max £40k)	To be used to help to develop a concept resulting from research to the point where the commercial viability of that concept can be proven and/or to test the commercial viability of that concept.

Use of Funding

There are six main activity types that are supported by the Emerald Fund. These are outlined below, together with the extent to which they are eligible for each grant type. The shaded areas in the table below indicate the main areas of focus for each grant type. Please also note that the University's own financial contribution to the project needs to be costed using that University's chosen mechanism for calculating costs (eg their full economic costing model) and included in the application. However, the amount shown for the indirect costs will not be reimbursed by the Fund because a condition of the overall grant is that the Universities contribute financially to the project also. More specific detail is provided in the Guidelines for Project Budgeting.

Activity Type	Mini Grant Eligibility	Standard Grant Eligibility
Market Analysis	A typical area of focus for a Mini Grant	Initial market analysis needs to have been completed, possibly with a Mini Grant
IP Protection	A typical area of focus for a Mini Grant. Normally up to a value of £5k including VAT	IP protection measures need to have been initiated, possibly with a Mini Grant. Normally up to a value of £5k including VAT
Concept / Prototype Development	Likely to be limited to specific tests. Equipment costs are excluded	A typical area of focus for a Standard Grant. Equipment costs will be considered up to a value of £2.5k including VAT, although this will be limited to exceptional cases. Materials costs and consumables not limited but need fully specifying to receive funding.
Partner Establishment	Eligible for a Mini Grant	A typical area of focus for a Standard Grant.
Business Case Development	Eligible for a Mini Grant	A typical area of focus for a Standard Grant.
Project Mentoring	Eligible for a Mini Grant	A typical component a Standard Grant

General Guidelines for Mini and Standard Grants

- The aggregate total award to one project is capped at £40,000.
- A Mini Grant award is NOT a mandatory first step to the award of a Standard Grant.
- If there is doubt or insufficient evidence to award a Standard Grant, then the Assessment Panel may award a Mini Grant as a precursor to the award of a Standard Grant. Any agreement to award a Mini Grant is not an indication that a Standard Grant will be awarded at a later date.
- Grants may not be used to make a financial payment directly or indirectly to staff who have or will have an interest in any benefits from the commercialisation of the project (Note that paying the University to buy out staff time is acceptable).
- Applicants and team members must be either staff members or students at one of the partner institutions.
- The Applicant must show in their budget the financial contribution made by their University .

Application Criteria for Mini and Standard Grants

For both Mini and Standard Grants, the applicant will need to demonstrate that:

- For any IP associated with the concept (i.e. patents, design rights, or copyright):
 - 1) The IP has been clearly identified,
 - 2) The ownership of the IP is clear, and that a controlling share of the ownership is held by the applicant/s or their institution/s,
 - 3) Where the IP is student-derived (i.e. without institutional claim), an agreement has been established with the student participator/s to assign the IP to the Institution.
- The project **will** use the funds to build on existing research and development (in its broadest definition) to undertake a project with commercial objectives (that may be based on the provision of both products and services).
- The project **will not** use the funds to fund either research (or unfinished research) or a commercial company, and that the project can be clearly defined as 'post-research' and 'pre-company'.
- There is evidence of a personal commitment from the individual/team responsible for the existing research and development, and with the capability to deliver the project.
- There is sponsorship from the University (either financial or non-financial) – both from the business development office (or equivalent) and the relevant department. As noted earlier, the University must demonstrate the level of financial contribution it is providing to the project in both 'in-kind' and other support. This will include the indirect costs of the project (using full economic costing) but may include other costs such as ongoing support from the TTO (but please don't include the work required for the application as this will be captured separately).
- The project objectives should be completed within one year of the start of the project and that there will be meaningful outputs within the timeframe of the award.

For Mini Grants, where funding is sought to secure IP protection (for patents and design rights), the applicant will need to demonstrate that:

- An initial search (e.g. NERAC, ESPACENET etc) has been undertaken.

For Standard Grants, the applicant will need to demonstrate that:

- Initial market analysis has been undertaken, and that the applicant/s is/are able to demonstrate a good understanding of the market.
- For any IP associated with the concept, appropriate measures have been undertaken to secure the protection of the IP.

Introduction

This document provides guidelines for the assessment of applications to secure Emerald Fund Grants. It is important, therefore, that the representative from the Institution's Business Development Office and the Principal Applicant are familiar with its content.

Key Guidelines for Application Assessment

Completion and Initial Diagnostic

All grant applications are to be completed by the Principal Applicant together with their respective business development or technology transfer office. On completion, all applications are to be submitted to the Fund Coordinator for an initial diagnostic and further assistance.

Mini Grant applications will be assessed by the Business Development Office together with the Fund Coordinator for the award of a grant. However, where an Institution has already been awarded five Mini Grants in any one year, any further applications must be submitted to that Institution's Business Development Office, and then via the Fund Coordinator to the Assessment Panel.

Standard Grant Applications will also be assessed first by the Business Development Office together with the Fund Coordinator. If it is felt that the application shows sufficient promise, it will then be submitted to the Assessment Panel.

Assessment

It is mandatory that a member of staff from the respective Business Development Office is present for the assessment of all grant applications submitted to the Assessment Panel. This will ensure that all applications are given the best chance of succeeding should they hold sufficient commercial promise. It also guarantees an improved level of feedback. If there is no representation, then the assessment will be deferred until the next Assessment Panel meeting when there is representation from the respective Business Development Office.

As part of the grant application process, applicants for Standard Grants are required to be present and to make a pitch to the Assessment Panel.

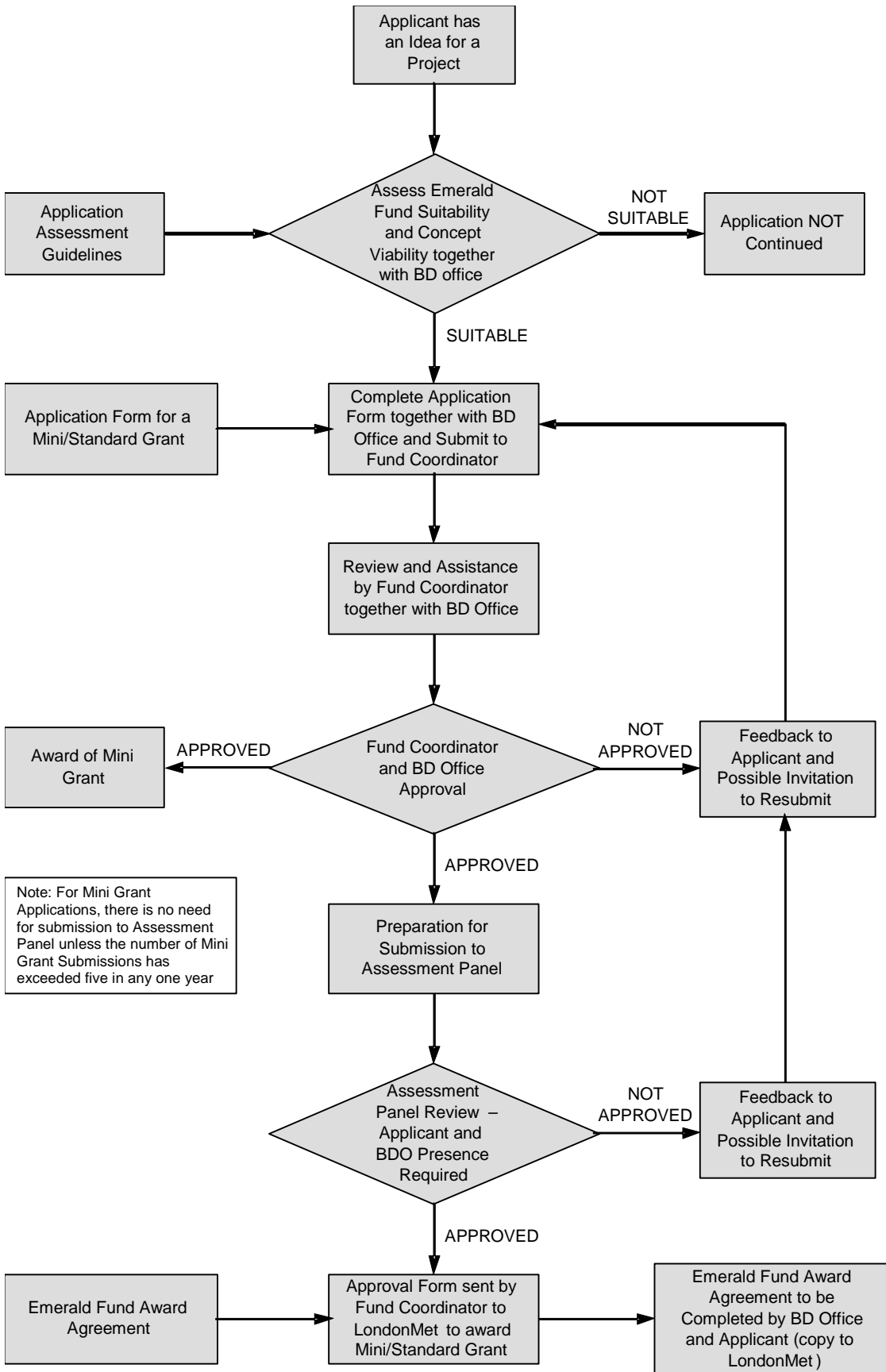
Where applications for Mini Grants have been submitted to the Assessment Panel, there is no requirement for the grant applicant to be present.

Feedback

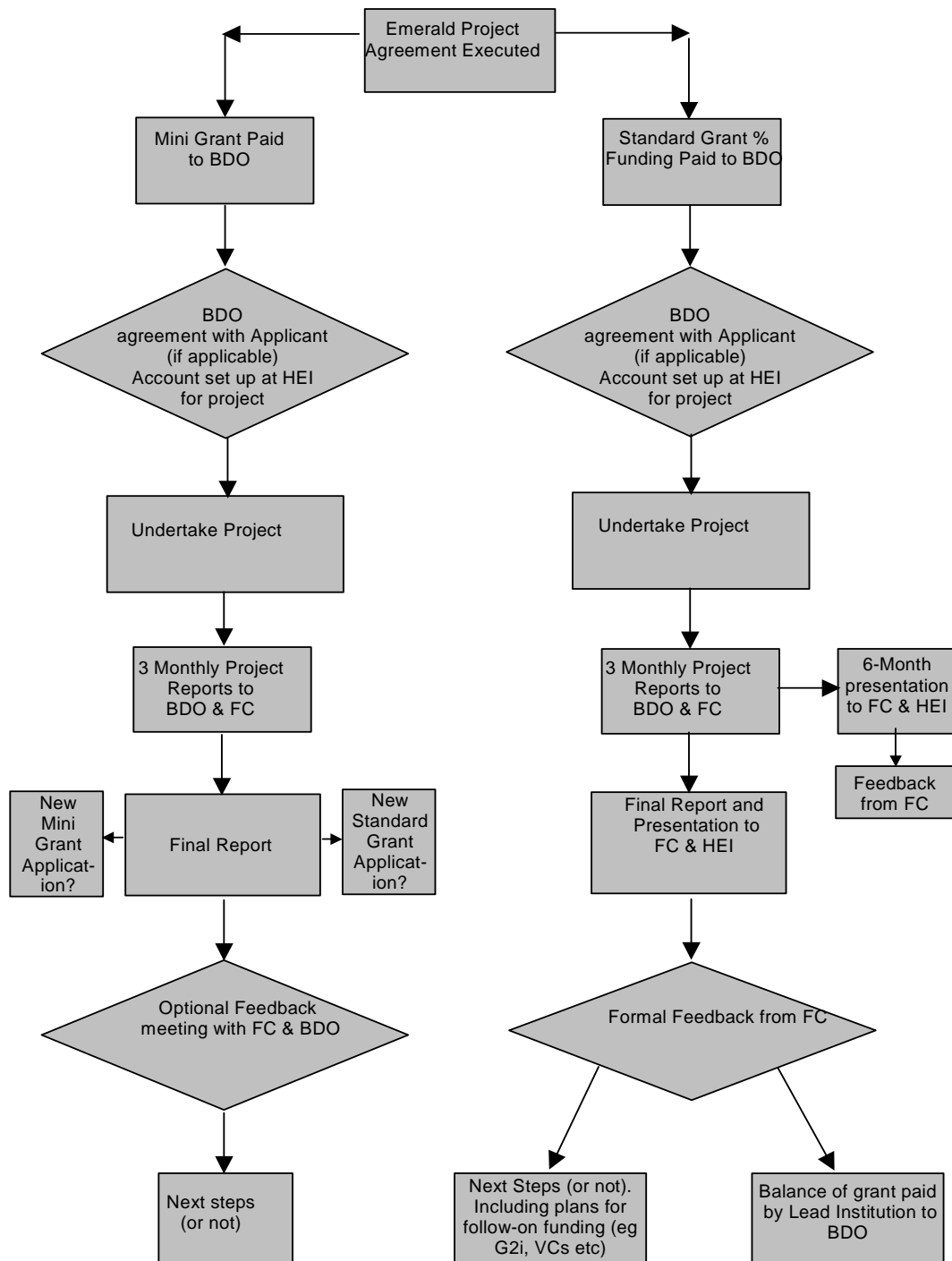
For all grant applications i.e. both Mini and Standard Grants, the Fund Coordinator will provide formal notification to the grant applicant/s on whether their application has been successful and this feedback will also be copied to the Business Development Office/TTO.

Feedback provided by the Fund Coordinator will be in the form of a letter and follow a standardised format. Where grant applicants have not been successful in securing a grant, the feedback will outline the main areas of weakness and indicate whether the grant might be resubmitted subject to changes being made, or alternatively, how the concept may otherwise be taken forward.

Grant Application Flow Chart



Flow Chart for Project Operation



Introduction

This document provides draft guidelines on how to prepare the budgets for Emerald Fund Projects. It relates to sections 6 and 7 of the application forms for Mini Grants and Standard Grants respectively. The budgetary approach outlined in this document therefore applies to both grant types.

The basic approach is to define cost types and activity types and then to integrate both to underpin the budgetary process.

Cost Types

The methodology for the calculation of each cost type is shown in the table below.

No.	Cost Type	Methodology for Calculation
1.	Staff Salary Costs	<ul style="list-style-type: none"> ▪ Staff Salary Costs = Annual Salary x 1.25 x No. of Project Days / 220 ▪ Where 1.25 = Factor for salary on-costs (NICs and Pensions) ▪ Where 220 = Number of working days per year
2.	Overhead Costs	<ul style="list-style-type: none"> ▪ Overhead costs will not be reimbursed. ▪ Overhead costs, however, must be captured to demonstrate part of the amount of investment contributed by the University. ▪ These costs cover indirect and estates costs and should be calculated using the relevant University's full economic costing approach or a reasonable approximation (eg say £200/day for university employees).
3.	Subcontractors	Total costs for each individual subcontractor (or subcontracting organisation) are to be given, along with daily rates and the number of engagement days (where this is appropriate or given). Where this is not known, please provide best estimates. Proof of payment to subcontractors must also be submitted in the final progress report.
4.	Non-Staff Direct Costs	Although non-staff direct costs cover a range of cost types, there are several that are identified specifically. These are: <ul style="list-style-type: none"> ▪ A) Materials Costs e.g. parts for prototype development, ▪ B) Equipment Costs for equipment that is purchased specifically for the project. This will only be considered in exceptional cases, as it will normally be expected that any work will be undertaken in a suitably-equipped laboratory (max £2.5k), ▪ C) Consumables e.g. specific inks for printing, ▪ D) Travel and Subsistence e.g. for visits to potential clients or trade shows.
5.	Other Direct Costs	These are to be identified and the associated costs indicated. For example, as part of a market analysis, an off-the-shelf report may be required.

Activity Types

A description of each activity type is shown in the table below.

Activity Type	Description of Activity
Market Analysis	The main purpose of this activity is to establish that a market exists for the concept or product. A key requirement for this activity is that it is undertaken by a professional expert i.e. somebody with expertise in undertaking market analysis, and preferably with expertise in the relevant subject area/s.
IP Protection	<p>The focus of this activity is about securing ownership of potentially valuable ideas. Although this may typically be associated with securing patent protection, it may equally apply to securing other forms of IP protection such as design rights.</p> <p>An initial search (e.g. NERAC, ESPACENET etc) has been undertaken</p> <p>Applications seeking a Mini Grant to fund patent protection will need to demonstrate that an initial in-house search has been undertaken (e.g. with NERAC or ESPACENET). The results of the initial search should be included as part of the application.</p> <p>IP protection costs may be sought up to a value of £5k.</p>
Concept / Prototype Development	<p>This activity is principally about getting a concept or product closer to market. Therefore, as opposed to the market analysis activity, which looks outward, the concept or prototype development activity is more inward looking. The two activities, however, should be closely linked i.e. prototype development should be undertaken with reference to a rich source of market knowledge, and conversely, the market analysis should be as detailed as the concept or product will allow.</p> <p>The emphasis of this activity is on clarification, building, testing and evaluation.</p>
Partner Establishment	This activity concerns the identification and securing of one or more strategic partners e.g. for manufacturing, or marketing and distribution. As such, the activity could potentially go as far as the signing of contracts for commercial partnership.
Business Case Development	<p>An essential part of early-stage commercial activities is the development of the business case. One of the key elements is to demonstrate a market need (the analysis for which is covered by the first activity). Other key elements include resourcing and partnership requirements, as well as financial projections.</p> <p>While the content of the business case is obviously important, the way in which the content is put together for the purposes of communication is equally important, and arguably more so. It is recognised, therefore, that the creation of a solid and communicable business case also requires time and effort, and that this task goes well beyond simply collecting together the various key elements in a 'copy-and-paste fashion'.</p>
Project Mentoring and Management	<p>Ultimately, good mentoring is about ensuring that grant recipients exploit their grants to the fullest, and are well prepared for the subsequent development phase beyond Emerald funding. The key role of the mentor, therefore, is to help in moving the project forward, and may provide the following expertise to do so:</p> <ul style="list-style-type: none"> ▪ Identification of potential sources of funding or partnerships, ▪ Previous experience in the development of initiatives in related areas. <p>More information in the project mentoring is provided in the separate document entitled 'Guidelines and Expectations for Mentoring'.</p>
Other	This final activity is simply a catch-all for activity types that are not covered above.

Total Cash Funding sought from Emerald

This box should show the break down of what the cash being applied for will be used for and also the total amount of the grant sought. Applicants are reminded that a requirement of the funding is that partners

Guidelines for Project Budgeting



contribute their own resources to this project and this is measured and demonstrated in part through the applications.

University's Financial Contribution to Project

The Applicant must demonstrate through the proposed project budget their University's financial contribution including its 'in-kind' contributions. This will include the indirect costs of the project (using full economic costing or a reasonable approximation of the full economic costing model). The Applicant should also include other direct costs of support by the University such as ongoing support from the TTO. However, please do not include the work undertaken by the TTO to complete the grant application as this will be captured separately.

If you look at the cost table below for a sample project, you will see that the indirect costs have been calculated and included in the overheads column associated with two pieces of work to be undertaken by University Staff (viz. concept/prototype development and partner establishment). This will be calculated using the institution's fEC model or a reasonable approximation of that model.

Then the project has identified another £850 of direct staff costs at the TTO expected during the project and this cost has an associated indirect cost (estates etc), again which is calculated using that University's fEC model. Brief additional details of the fEC need to be provided as an annex.

Completion of the Activity and Cost Tables

The following table is to be completed for all project activities in the appropriate application. Larger activities may be broken down into smaller, sub-activities (e.g. two or more sub-activities may both be categorised as market analysis, but one may be a competitor analysis, and the other may be about conducting a focus group, as shown in the example).

The start and end-dates provide the basic information needed to put together a project activity plan in the form of a Gant chart. Details of costs are to be entered into the table into the appropriate place along with the numerical values. The table below includes some examples in the form of a fictional project. The amounts marked in red and italics in the table represent the financial contribution by the University.

Activity Type	Start / End Dates	Brief Description	Cost Types and Description					Totals
			Staff Salary	Over-heads	Sub-contractor	Non-Staff Direct	Other	
Market Analysis	Start - May 1 st End - July 31 st	Analysis of top five competitors			3000 5 days @ £600 per day			3000
Market Analysis	Start - May 1 st End - July 31 st	Undertaking focus groups to determine potential product uptake			3000 5 days @ £600 per day			3000
Concept / Prototype Development	Start - July 1 st End - Oct 31 st	Undertaking product safety tests	2250 10 days @ £225 per day	1800 <i>University's fEC of the 10 days staff time (details attached)</i>				2250 1850
Partner Establishment	Start - July 1 st End - Oct 31 st	Identify both national and international distribution partners	2250 10 days @ £225 per day	1600 <i>University's fEC of the 10 days staff time (details attached)</i>		1000 Travel for visits to Partners		3250 1600
Project Mentoring and Management	Start - May 1 st End - Oct 31 st	Mentoring for all aspects of project			3000 5 days @ £600 per day			3000
Total Cash Funding sought from Emerald		Various	4500		9000	1000		14500
Financial Contribution from University		Various	850 (TTO support – details attached)	3450 (fEC as above) 350 (fEC of the £850 of identified TTO support)				4650
Totals			5350	3800	9000	1000	0	19150

Guidelines for Project Mentoring and Management

Introduction

This document provides guidelines for the engagement of mentors on Emerald Fund projects.

Key Guidelines for Project Mentoring and Management

Objectives

The main reason for engaging project mentors is to ensure that projects have a clear development path, both during and subsequent to the funding period (e.g. through helping to secure additional funding).

Project mentors also have a role in making sure that grant recipients fully exploit the grant they have been awarded.

Mentors

Mentors will be expected to demonstrate experience in:

- Helping to shape commercial concepts and securing early-stage funding,
- The development of initiatives in similar or related areas,
- Working with universities or other research or teaching-based institutions.

The services provided by a mentor are not to be confused with the specific services provided by professionals such as market analysis. Rather, mentors are engaged to help more as generalists, but who have specific background skills or experience to draw upon.

Applying for Project Mentor Support

Grant applicants have to define how a mentor will add value, and how their background experience and skills will enable them to do so.

No more than around 10-15% of the project grant should be available for project mentoring. If, in addition, a mentor is to be engaged to undertake specific activities such as a competitor analysis, then this is to be budgeted for separately.

Mentoring Deliverables

Mentors will be required to prepare regular reports detailing the following:

- Activities undertaken e.g. meetings, visits etc.
- Summary of advice given and decisions taken together with the underpinning rationale.

Reports need not be longer than one page of A4.