“The company formation team at ERI offered tremendous opportunities to acquire the basic skill set needed to spin-out a company.”

Professor Haas
University of Edinburgh
Founder of pureLifi
GETTING STARTED WITH FUNDING

Brilliant ideas probably strike you all the time. If as part of your research you’ve been inspired with the concept for an innovative product or process, or indeed have had to develop bespoke methods or tools in order to carry out your research, then there is a good chance it is of interest to others as well.

It doesn’t have to be a cure for cancer, although it would be great if it was. Maybe it’s a software programme that makes it easier to visualise or analyse data; a new way of storing energy for future use; a new detection / monitoring / stratifying method.

When you make the decision to pursue your business idea, you probably plan to put a considerable amount of time into your new venture. And depending on your plans, you might need new hardware, the right equipment to build your first prototype, or somewhere to base your new venture – all of that takes money.

As you progress the types of available funding options will also change. They say the hardest part is getting started, but with the right funding you can make your idea go a long way. Here is a quick overview of some of the key funding options that you might want to consider.

ERI PROOF OF PRINCIPLE FUND (PoP)

Edinburgh Research and Innovation (ERI) is looking for new discoveries and / or inventions, arising from the research you are conducting, with the potential to become the products of the future. ERI has a new Proof of Principle (PoP) Fund specifically directed towards bridging the ‘funding gap’ between traditional research grants and commercial funding, for instance:
• Support for early-stage activities specifically directed
towards realising the commercial potential of University early
stage research.
• Enable the development of new or exemplify existing
intellectual property (IP).
• Demonstration models, prototypes, field trials.
• Studies to enable potential users to understand the benefits
of potential technology.
• Technical assessments and / or market studies to assess the
unique selling features of the proposition, its “develop-ability”
and / or the market opportunity.

Please contact startup@eri.ed.ac.uk

High-Growth Spinout Programme

Making the transition from lab to mainstream marketplace is a
challenge researchers regularly face, which is why the High-
Growth Spinout Programme is an important source of funding and
support that you should be aware of.

After putting in the hard work to get to an idea or innovation that is
commercially viable, you do not want to stumble at the final
hurdle. This is where the High-Growth Spinout Programme can
help. It specifically supports the pre-commercialisation of leading-
edge technologies.

The Programme covers all direct project costs prior to company
formation, but it doesn’t cover any overhead costs. Payment is
divided into three phases and paid quarterly, subject to the
project’s satisfactory progress. In order to qualify for support:

Helping the University of Edinburgh
inspire, launch and grow businesses
• Your project needs to have the potential to become a £5m turnover business within the first 5 years (or a commercial investment of £10m within the same timeframe) with projected continued growth.
• You need to have an early-stage idea and own the IP (or have a clear path of how to obtain them).
• You cannot have undertaken a full-scale lab demonstration of your technology or carried out any pre-production development or prototyping.
• Your idea needs to be approved and endorsed by the principal/director and commercialisation office of your institution.

www.bit.ly/SEHighGrowth

RSE Enterprise Fellowship

Once you are sure that your idea is commercially viable, an RSE Enterprise Fellowship can help you take the step from developing an idea to becoming an entrepreneur with a successful business.

With funding from Scottish Enterprise, the BBSRC and STFC, awardees get the opportunity to develop their ideas while receiving one year’s salary, expert training in entrepreneurship, and access to mentorship from business Fellows of the RSE and other successful individuals in the commercial community.

Scottish Enterprise awards are designed to encourage and enable the development of a new, technology-based business in Scotland developed by the Enterprise Fellow, either individually or with others, and within which the Enterprise Fellow would be expected to play a leading, though not necessarily the leading, role.

Edinburgh Research and Innovation
A UK leader in commercialising research and entrepreneurship
BBSRC welcomes applications from individuals who have been connected to research previously funded by BBSRC. STFC welcomes applications from individuals who have been connected to research previously funded by STFC, PPARC, CERN and the EPSRC Nuclear Physics programme. Applicants do not have to be lead on a previous STFC- or BBRSC-funded project but must have played some part in the research team.

www.bit.ly/RSEFellowship

SMART: Scotland

Another source of funding you might want to consider as an entrepreneur well on the way to growing a successful business is SMART: Scotland. This funding stream provides grants to Scottish SMEs to help with the cost of technical feasibility studies. SMEs with up to 50 employees and a turnover of less than €10m can access up to £100,000 or 70% of total eligible project costs to explore and develop highly innovative, commercially viable products and processes (SMEs with between 50 and 250 employees and a turnover of less than €50m can get funding of up to 60% of their project costs). Feasibility studies must last between 6-18 months.

SMART: Scotland also supports Scottish SMEs with R&D funding to help support projects developing a pre-production prototype of an innovative product or process. Applicants can access up to 35% of eligible costs, up to a maximum of £600,000 for projects lasting 6-36 months – with monies being paid quarterly in arrears.

www.bit.ly/SMARTScotland

Read on for successful funding case studies
After spending four years exporting their products to schools worldwide using a SMART: Scotland award, Edinburgh-based Skoogmusic is tackling the mainstream consumer market. The Skoog is an innovative, accessible, musical instrument for everyone, and was initially developed to help children with disabilities enjoy and play music.

Roughly hand sized, the soft, squeezable Skoog allows users to ‘play’ a wide range of instruments, or sounds that they have recorded themselves; and in 2009 it was included by Local Education Authorities and Music Hubs as part of the Special Education Needs and mainstream music curriculum. Ben Schögler, Creative Director at Skoogmusic describes the Skoog as “essentially every musical instrument in one small squeezable cube. At some point in their life everyone has wanted to make music – whether it be by the traditional route of learning an instrument, which can be hard, or by simply tapping a beat on a worktop. Being musical is in all of us in one form or other.”

With around nearly 2,000 Skoogs in schools from the UK to Australia and Hong Kong to the US, Ben and David have created a new version of their unique product aimed at the consumer market and are using crowdfunding to help bring it to market. Schögler says crowdfunding “will allow us to finance the next stage of the product’s development and continue to ensure that Skoog 2.0 is both at the cutting edge of technology and delivers tactile, immersive musical functionality for everyone – and grow the business.”

Like the original version, the new Skoog still has the same tactile multi-dimensional control over sound, but the new, smaller Skoog is now multi touch – meaning all five surfaces can be played at once. It’s also wireless, iOS compatible and comes with its own music-making app.

www.skoogmusic.com
With a place on the Scottish Enterprise High Growth Spinout Programme, pureLiFi Ltd spun out from the University’s School of Engineering to commercialise Li-Fi technology developed by Professor Harald Haas. ‘Li-1st’ is the world’s first Li-Fi system to deliver cost-effective, high-speed data communication using commercial LED lighting. According to Professor Haas, “the Li-1st system provides the first major opportunity for customers to rapidly develop and test Li-Fi applications, not forgetting that it simultaneously provides ample illumination from a standard, off-the-shelf, LED light.”

The company attracted financial support worth over £1 million in grants and initial seed funding from a leading investment syndicate within its first year of trading. With an experienced management team in place, it set about developing the first commercial ‘Li-Fi’ product.

In October 2013, the company’s first prototype Li-Fi technology application was launched by Boris Johnson, Mayor of London, as part of a ‘Sustainable Schools’ project installed at the Business Academy Bexley in London. The school is working with pureLiFi to trial Li-Fi technology with their newly installed LED lights to deliver internet services to the students.

In 2014, the company released its first commercially available Li-Fi product for pilot Li-Fi projects with industry partners. The system has proven so popular with customers worldwide that a second production run was required within the first quarter! pureLiFi have recently closed a £1.75m investment round led by London and Scottish Investments.

pureLiFi are clearly establishing themselves as world leading in the light-based communications market and will be in prime position to meet the demand for internet data usage as Wi-Fi bandwidth becomes overwhelmed.
Get in Touch for More Opportunities

These are just three funding options available to entrepreneurs - there are numerous schemes, programmes and grants available depending on the stage of your idea / research / business. More information on funding can be found on the ERI website, but a quick overview is below:
- www.bit.ly/ERIFunding
- www.business.scotland.gov.uk/Funding
- www.startups.co.uk/how-to-get-your-business-funded
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