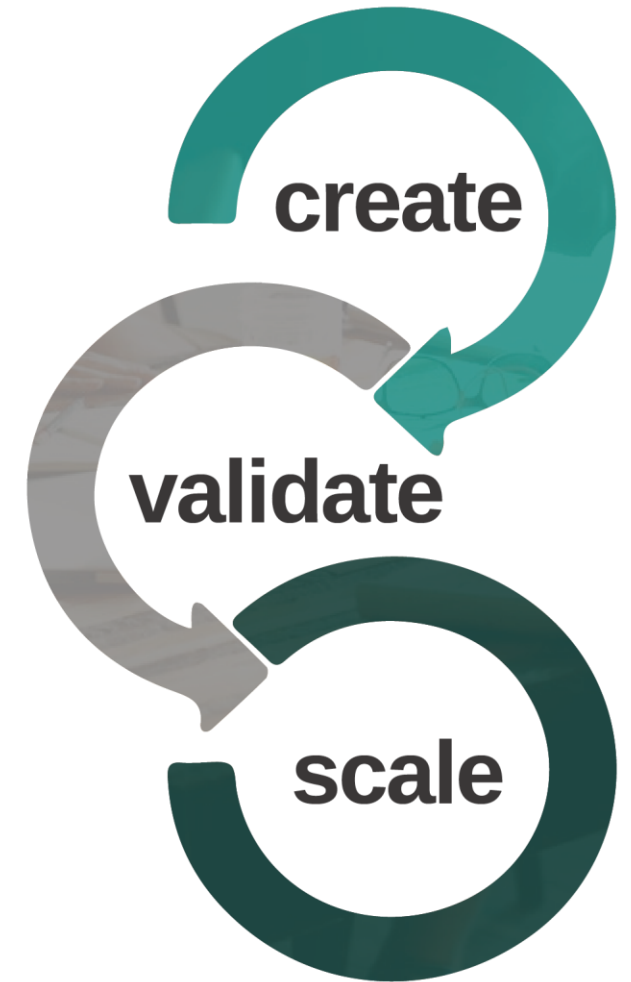# STARTUP NATION:

## Startup Research Grant Program

A Partnership Program with startups
who need **financial support** for:

- Product R&D
- Market Validation Studies

create

validate

scale

DOST    PCIEERD

# Objectives

Call for Proposal
for Startups

Innovation Council, DOST-PCIEERD is announcing its new program for startups, **the 1st Call for Proposals for the Startup Research Grant.** The proposals should be geared towards translating early stage technologies into market ready products which aims to: Overcome R&D roadblocks, Strengthen Intellectual Property, Establish initial market traction, and Refine business model.

Submission is only until August 31, 2017.

**Provide fund assistance for startups to:**

- Overcome R&D roadblocks
  - Improve prototypes, conduct technology feasibility studies, determine product specifications, validate user requirements
- Strengthen their IP
  - Protect the IP
  - Develop an Intellectual Property strategy
- Establish initial market traction
  - Engage 1 or 2 potential users/clients for feedback/validation
- Refine Business Model
  - Establish product offerings or service packages
  - Establish price and financial metrics

# Call for Proposal
## for Startups

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# Benefits

- **Access to funds**
  - fund assistance to create, validate and scale
  - Fund assistance for International Startup Events
  - Assistance in IP protection c/o TAPI

- **Access to the S&T Network**
  - Technical expertise: AI, electronics, etc.
  - Testing and R&D centers

- **Access to the TBI Services and the TBI Network**
  - Mentors and network of companies
  - Pool of experts & consultants (training, legal, acctng, etc)
  - Pitching and meet-ups with investors

## Call for Proposal for Startups

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# Fund Track

- **Idea-2-Technology Assistance (i2Tech)**
  - Pre-Incubation Grant
  - For startups with early stage prototypes
  - Require assistance in product improvement, market testing, data gathering, business modelling, etc

- **Innovate & Scale Assistance (iScale)**
  - Matching funds: X% grants, Y% from Investors
  - Requires assistance in scaling up operations, testing of products for certifications, rolling out of services, etc
  - Repayable in the form of royalties (3% of gross)

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# for Startups

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# Coverage

- **Salaries**
  - For additional personnel (not the founders)
- **Materials**
  - for prototype fabrication
- **Testing fees**
  - for product testing
- **Professional fees**
  - Outsourcing partial production of product
  - Specialists needed to evaluate the product, market specialists, technical expertise, legal, accounting, business development, etc
- **Travel and representation expense**
  - Market testing, validation activities
- **Equipment outlay**
  - For production of prototypes (only if necessary)

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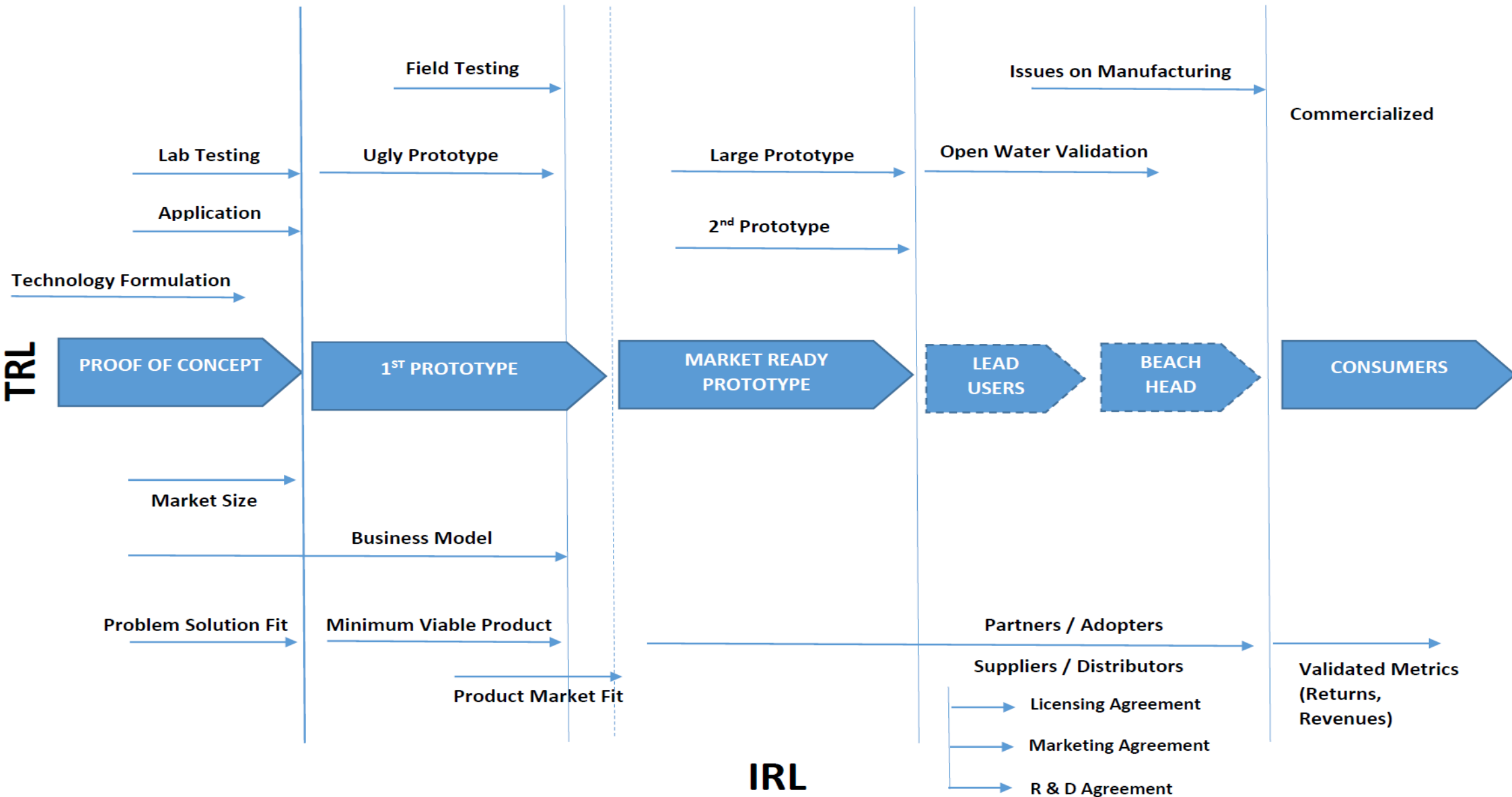
Submission is only until August 31, 2017.

# Qualifications

- ## Idea-2-Technology Assistance (**i2Tech**)
  - Legally registered Startup (DTI min)
    - <span style="color:red">convert to corporation within the grant period</span>
  - At least 1 year in developing the prototype/BM
  - Early stage prototype or POC (concepts not allowed)

- ## Innovate & Scale Assistance (**iScale**)
  - Legally incorporated Startup (SEC min)
  - Established business model
  - At least 3 years in operation
  - MVP, at least 1 confirmed client

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# for Startups

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# Criteria

- **Idea-2-Technology Assistance (i2Tech)**
  - Technology readiness
  - Technical viability
  - Potential Market
  - Financial Viability
  - Socio-Economic impact

- **Innovate & Scale Assistance (iScale)**
  - Scalability or plan for scaling up is viable
  - Clear go-to-market strategy
  - Qualified management team
  - Validated Product by at least 2 customers, letter of intent, booked sales
  - Investor share: Y% of total investment cost (on top of startup counterpart)

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# Guidelines

- **On providing R&D grants to private entities**
  - Legal basis: RA 10055, DOST Guidelines for private RDI
  - Differentiate R&D from regular business operations
  - Provide a counterpart of 20% of the total requirement
  - COA Requirements: SEC/DTI registration, R&D track, Business activities, Financial statement at least for a year.

- **On providing capital outlay**
  - Only when necessary
  - Ownership of equipment will remain with PCIEERD or the TBI where the startup is incubated
  - Non-TBI startups may be allowed if without capital outlay

# Guidelines

- **On disposition of income**
  - All income should be reported to PCIEERD
  - Use of income should be approved by PCIEERD if generated within the duration of the project

- **On the ownership of intellectual property**
  - All IPs generated through the project shall be owned by the company
  - All IPs shall be governed by RA 10055 and all relevant policies and guidelines
  - All IPs should be disclosed appropriately and protected
  - In case the company ceases to be a Filipino company, the PCIEERD assumes the rights to the IPs unless:
    - The Philippine government is appropriately compensated through continuing royalty payment of sale (for FOR?)

# Guidelines

- On commercialization and revenue sharing
  - All royalty and revenue sharing shall be covered by a license agreement
  - A technology license agreement should be signed on an agreed date or otherwise prior to completion of the project
  - The license agreement will be deemed exclusive to the startup

Call for Proposal for Startups

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# Technology Business Incubation