

CALL FOR PROJECT OUTLINES: FEASIBILITY FUNDING TO DEVELOP THE NEXT GENERATION OF NORDIC SCALERS

Application deadline:	17 November 2020 at 13.00 CET
Funding decision:	26 November 2020
Project duration:	1 December 2020 – 15 February 2021 (2,5 months)
Total budget:	Up to NOK 1,4 million (NOK 200 000 per project)

Application portal will open 1 September 2020.

Purpose

Through this call for project outlines, Nordic Innovation will establish the next generation of Nordic Scalers projects to support Nordic scale-ups accelerate and manage their growth. The focus of the projects can either be of general nature or targeted at specific areas (industries, verticals, thematic areas), building on the strongholds of the Nordic ecosystems. We are in particular looking for Nordic consortia with personal entrepreneurial experience.

The Nordic Scalers program will be launched in early March 2021 and will run for 2 years.

Funding

Number of projects to be funded: 5 – 7 projects with a fixed amount of NOK 200 000 each. The funding will be given in the form of a grant. No co-funding is required.

Scope: This call for project outlines provides feasibility funding for the development of the concept/business model and/or for establishing new partnerships to form a viable consortium.

Background

In the last years, there has been an increased focus on how to help and nurture startups in the Nordics. This has made the Nordic region one of the best in the world when it comes to starting and developing new companies. Even though the Nordic countries are above OECD average as regards to starting new companies, the challenge is that many companies never reach their full potential.

Scale-ups are rapidly expanding companies which account for an above-average proportion of the economic growth. By supporting Nordic scale-ups, Nordic Innovation aims to address the perceived gaps in the Nordic entrepreneurship ecosystem:

- a) Insufficient support system for scaleups and mature SMEs with high growth ambitions.
- b) Inadequate experience and competence base in high growth venturing.
- c) A low number of scaleups.
- d) A low level of scaleup community building and cross-border collaboration in the Nordic region.

It is important to bear in mind that scale-ups (*as understood in this call*) are not startups. *Scale-ups* are companies growing rapidly for instance from 10 to 500 employees and beyond, having specific

requirements for talent and skills, management and leadership, access to markets and customers and finance.

This call for project outlines builds on the learnings gained during the 2-year *Nordic Scalars* pilot (2017 – 2019) and on the recommendations from an external [evaluation](#) of the pilot. The Nordic Scalars pilot was implemented as a public-private partnership. In total four batches involving 33 Nordic scale-ups were run during the pilot. The definition of scale-ups used in the pilot was:

- Annual revenue at minimum of 2M€
- Personnel of at least 10 people
- Annual growth figures of at least 20% in the past 3 years.

The same definition should also be applied for the next generation of Nordic Scalars. See more about the pilot and alumni companies at nordicinnovation.org/nordicscalars.

About Nordic Scalars and the thematic scope of the call

What are we looking for?

We are looking for joint Nordic consortia who can provide support to Nordic scale-ups in overcoming their growing pains, a potential for high impact and Nordic added value.

The target group should be Nordic scale-ups in the actual growth phase, with a validated business model, a credible growth strategy and a competent management team. Startups or micro-sized companies¹ should be outside the scope.

The focus should be on competence building, e.g. involving coaching, mentoring and networking elements. It is important that the service offering is tailored to the specific needs of the target group (i.e. scaleups) and is practice-oriented to:

- support Nordic scale-ups manage and accelerate their next stages of growth
- provide scale-ups connections and access to relevant networks (mentors, coaches, serial entrepreneurs, investors, partners, customers, corporations etc.)
- provide scale-ups an opportunity to interact, share experiences and learn from each other and enhance scale-ups' visibility.

What is in it for you?

By participating in this call, you will gain access to an emerging Nordic scale-up community with increased possibilities for networking and learning. Since the number of scale-ups is low in the Nordic region, it is easier to gain a critical mass with a Nordic level initiative. Exploiting Nordic brand value is a valuable asset in marketing and recruiting scale-ups.

Other advantages of the Nordic approach include easier access to more “high quality” companies, possibilities for gaining more visibility for the scale-ups, attractiveness of the Nordic level approach (as opposed to national/regional/local), possibilities for opening up markets and sharing competencies and resources across Nordic borders. Creating Nordic role models and healthy competition is also important.

This call for project outlines provides you with an opportunity to:

¹ Micro-sized companies are small businesses employing under 10 people and having a balance sheet/turnover less than 2M€.

- Scale your own business to other Nordic countries (or into the Nordics)
- Gain access to and work with the most promising Nordic scale-ups
- Provide further deal flow to your own business
- Enlarge your own business network and partner with your Nordic peers
- Learn from the best-of-the-best actors in the Nordic region
- Be part of the pay back culture of the Nordics
- Contribute to developing the Nordics into the leading scaleup hub in the world
- Influence how scale-ups grow, i.e. how they can create value and solve societal challenges, and function as instruments for the renewal of our economies.

The business and governance model

The Nordic Scalars projects will be self-sustaining, i.e. they will not receive funding from Nordic Innovation after this call for project outlines. However, Nordic national innovation agencies may sponsor the participation fees for scale-ups registered in their respective countries. The national agencies involved are Business Finland, Innovation Norway, New Business Venture Fund (Iceland), Vinnova (Sweden) and the Danish Business Authority/Vækstfonden (Denmark). The national agencies will make funding decisions independently according to their respective funding criteria and processes. The funding criteria and processes may vary between the Nordic countries. Scale-ups are, however, free to apply to any of the Nordic Scalars projects regardless of their country of origin.

Additional sponsoring, own co-funding or co-funding from third parties (e.g. corporations) is allowed. The long-term goal is to create a self-sustaining network of scale-up projects in the Nordic region, so it is important that a credible business and revenue model is incorporated in the concept to be developed with the help of the feasibility funding.

The consortia will benefit from operating under a common Nordic Scalars brand, an already established brand in parts of the Nordic ecosystem². The Nordic Scalars consortia will, however, work independently and are free to organise their operations as they see fit to benefit the Nordic scale-ups. To follow up the progress of the scale-up community development in the Nordics, they will be followed up annually according to a simple set of KPIs defined by the Steering group³.

The overall Nordic Scalars initiative will consist of two complementing and inter-connected parts:

- a) The next generation of Nordic Scalars.
- b) Nordic scale-up community building (e.g. promotional activities, scaleup studies & analyses, networking of Nordic Scalars consortia, alumni network).

This call for project outlines covers the first part (i.e. Nordic Scalars project outlines) while Nordic Innovation, with the support of the Steering group and possibly with the help of third parties, will be responsible for the second part. Nordic Innovation will also cover all the expenses related to the second part (i.e. Nordic scale-up community building). The vision is to create a Nordic scale-up ecosystem which improves the learning and the success of the Nordic scale-up community as a whole.

Who can apply?

² Nordic Scalars brand is owned and managed by Nordic Innovation.

³ Consisting of representatives from Nordic Innovation and Nordic national agencies, complemented by private sector members.

This call for project outlines is targeting companies, business networks and ecosystems. We are looking for mature actors who have hands-on entrepreneurial experience in working with scale-ups. Actors who have personal experience in starting, growing, internationalizing, and/or exiting a business are especially encouraged to apply.

Applicants must represent a strong business community. Since the identification and recruitment of scale-ups with the 'right' profile was one of the main challenges during the pilot, the applicants should have a knowledge and working relations with Nordic scale-ups and be an integral part of a national, Nordic and/or international scale-up ecosystem. We are looking for Nordic consortia that show ambition, complementary strengths, relevant competences, and a relevant track record. As we emphasise the significance of personal experience in running companies, consultancies without that experience should not take the role as project owner or project leader.

As a main rule, all projects funded by Nordic Innovation require partners from minimum three Nordic countries. However, in relation to this call for project outlines, we will in exceptional cases accept applications where only partners from two Nordic countries have been confirmed at the time of applying. The application must contain a convincing strategy on how a full Nordic consortium with the necessary networks will be formed. For applications where only partners from two Nordic countries are involved initially, a share of the budget should be reserved for additional partners entering the project.

Consortium partners from countries outside the Nordic region are welcome to participate, but only partners from the Nordic countries can receive funding from Nordic Innovation.

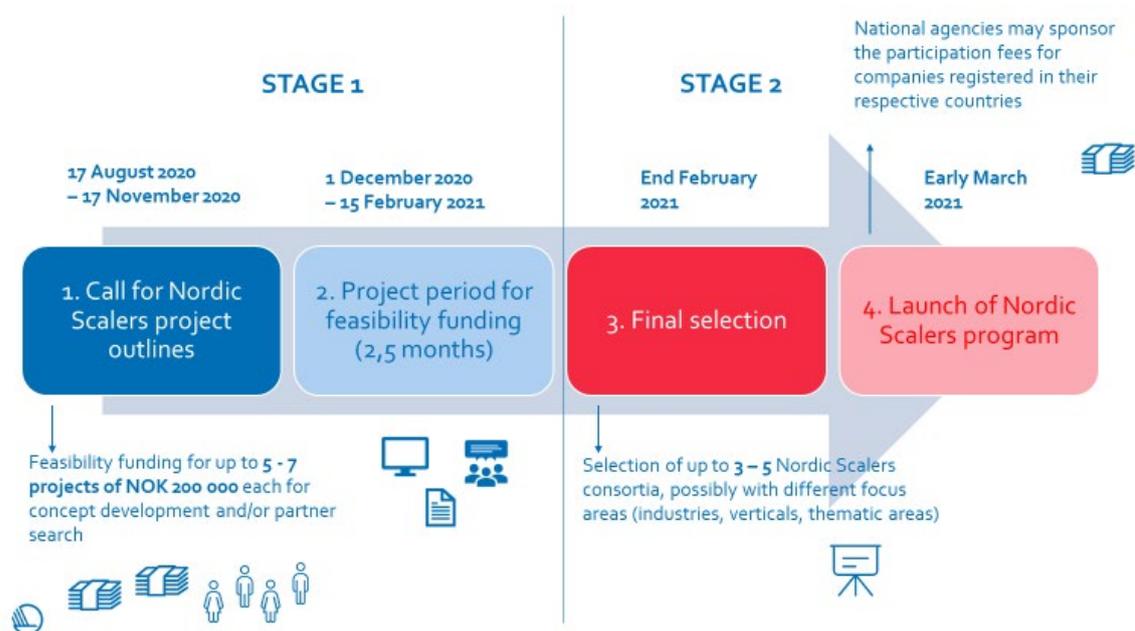
Two-stage application process

Stage 1: Funding of a fixed amount of NOK 200.000 to support the establishment of a viable consortium and the development of a sustainable concept with potential for impact. No co-funding is required. Nordic Innovation reserves the right not to use the entire allocated budget. The application must follow the format required in the application portal, including an activity plan and CV's of maximum ½ page per partner/person.

Stage 2: Nordic Innovation will together with the Nordic Scalers steering group select the final set of Nordic Scalers consortia based on the output from stage 1. A formal consortium consisting of minimum three Nordic partners and the concept must be in place for stage 2. Reporting/application deadline: February 15, 2021. A report/template will be made available for this purpose by 1 December 2020.

It is not a pre-requisite to have participated in this call for project outlines (i.e. stage 1) to be able to compete in stage 2. The goal is to select approx. 3 – 5 Nordic Scalers consortia in Stage 2. The final number will depend on the quality and relevance of the proposals.

The timeline for the two-stage process is illustrated underneath.



Only applications submitted through Nordic Innovation's application portal will be accepted. All applications must be within the scope of this call.

De Minimis Aid obligations

It is a requirement that all grants from Nordic Innovation comply with the aid rules of the European Union and the Agreement on the European Economic Area (The EEA Agreement). However, organisations under The Nordic Council of Ministers were given new guidelines for State Aid as of 2019, and these applies a.o. for Nordic Innovation.

The support you are being offered is being granted in compliance with Commission Regulation (EC) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, published in the Official Journal of the European Union L 352 from 24.12.2013.

Grants from Nordic Innovation comes from the five Nordic governments and a Nordic undertaking is allowed to receive up to € 200,000 of de minimis aid from each of the Nordic Countries. Consequently, a Nordic company can receive up to 1,000,000 EUR over a rolling period of three fiscal years from Nordic Innovation under the de minimis regulation, given that the company has received no grants as De Minimis Aid prior to this grant.

Eligible costs and activities

Working hours, travel costs, meeting costs and external services are eligible costs. Nordic Innovation's approved hourly rates are found [here](#).

Eligible activities include concept and business model development, consortium building/partner search and/or feasibility/market studies.

Evaluation criteria in Stage 1

All applications in Stage 1 will be evaluated on the basis of the following three criteria:

A. Impact

- Business level: Nordic Innovation seeks projects with potential to create high impact for Nordic scale-up companies, in terms of business opportunities and sustainable growth, increased skills and competencies, access to new networks, customers and global markets.
- Nordic level: Applicants should describe the Nordic added value of the project (why will it be advantageous to operate at Nordic level as opposed to e.g. at national or local level).
- Societal level: Applicants must clarify how the projects will address joint societal challenges or relevant Sustainable Development Goals. The projects should also have a potential for positive impact for increasing diversity and inclusion.
- Exit strategy: All applications must demonstrate how they intend to ensure the sustainability of the business model and impact creation during and after the 2-year project period.

B. Quality and relevance

The application must show relevance in regard to:

- Nordic Innovation's mission: To contribute to sustainable growth, increased entrepreneurship, innovation and competitiveness for Nordic companies.
- The topic *scale-ups* as described in this call.
- The value proposition from the point of view of Nordic scale-up companies.
- Potential for positive impact for maintaining the Nordic region as an attractive place for scale-ups to operate.
- Describe how the real market needs are addressed.
- Ongoing scale-up initiatives and networks nationally and internationally (the Nordic Scalers initiative should be complementary and build on best practice)

C. Competence and implementation

- The consortium must demonstrate necessary and relevant implementation capacity and competences. In stage 1 (this call) it is sufficient to briefly describe the role, competences, responsibility, and track record of the partners. Short CVs (1/2 page per partner) may be attached.
- The consortium should preferably consist of partners playing a central role in a national/regional/international scale-up ecosystem.
- The Nordic added value and synergies created through the consortium as a whole must be described. All partners should add competence to the consortium and play a decisive role.
- The project plan and management should be realistic, well-structured, and clearly defined. An activity plan must be included, briefly describing which type of activities will be conducted and how the NOK 200 000 will be spent. A budget template will be available in the application portal. That must be attached to the applications.

Evaluation procedure

In both stages, applications will be evaluated by Nordic Innovation and the Nordic Scalars steering group. The funding decision in stage 1 lies with Nordic Innovation. All proposals will be evaluated according to the evaluation criteria described in this document in stage 1. The criteria for stage 2 are similar in nature as in stage 1 and will be made available by 1 December 2020.

Application process and other requirements

All applications must be submitted via the application portal on Nordic Innovation's website ([*link here*](#)). All questions regarding this call for proposals will be answered through a "Frequently Asked Questions" section on Nordic Innovation's website. The answers will be uploaded continuously. Questions regarding this call for project outlines may be submitted to a.sunnanmark@nordicinnovation.org and n.egeli@nordicinnovation.org. Please note that the short summary of the project (re application form) may be published. Applications and potential questions should be written in English. Webinar about the call will be held on September 22nd at 11.00 – 12.30 CET (follow <https://www.nordicinnovation.org/> for potential changes).

Communication

Funded projects should always acknowledge the support of Nordic Innovation in external communication (media, presentations, websites etc.).

Communication material should as a main rule be based on the Nordic Council of Ministers' design manual unless something else is agreed upon in the final contract.