

# EIT Manufacturing SME Call 2021

## Terms & Conditions

### 1. Overview & Objectives

EIT Manufacturing organizes an open call for manufacturing SMEs registered in the EU or a [Horizon Europe](#) associated country under the brand name “SME Transform Call 2021,” a pan-European initiative to take manufacturing SMEs to the next level of competitiveness by supporting their transformation projects.

SME Transform Open Call 2021 is a European initiative by EIT Manufacturing to support manufacturing SMEs in transformation projects related to their manufacturing lines or production systems that need to be improved.

Applicants can apply for a tailor-made **Transformation Services Package (TSP)** from the EIT Manufacturing Business Creation team including dedicated support for project conceptualization, facilitation, and implementation as well as introduction to transformation experts and technology providers. Applicants may also apply for an optional **Transformation Financial Support Package (TFP)**.

The objectives of the call are as follows:

- Partner with manufacturing SMEs looking to address specific business transformation projects that will enable them to become more competitive and scale across Europe.
- Support SMEs to integrate mature innovative solutions and address associated workforce training, financing, and change management pain points.
- Provide attractive partial financial support to the project (optional).
- Provide SME participants with visibility and publicity through EIT Manufacturing’s communication channels.

The call will be open from 28 June 2021, 12:00 CET until 30 September 2021, 23:59 CET with applications reviewed and evaluated on a rolling basis. As such, **SMEs are encouraged to apply as early as possible**. The organizers also reserve the right to extend the deadline. Any change to deadlines will be communicated via the website.

The official language of the SME Transformation Open Call 2021 is English (i.e., all submission material must be submitted in English and the applicant must present in English when required).

### 2. Transformation Packages: Services & Financial support

To support SMEs in realizing the success of their transformation projects, EIT Manufacturing can offer the following support packages:

- **Transformation Services Package** (mandatory)
- **Transformation Financial Support Package** up to 150k € (optional)

## 2.1 Transformation Services Package (TSP)

The **Transformation Services Package** (TSP) consists of:

- Dedicated support in overall project facilitation
- Support during project conceptualization and implementation
- Source relevant technologies and providers to choose from
- Introduction of first-class transformation experts relevant to the transformation area
- The opportunity to become an EIT Manufacturing network partner
- Access to EIT Manufacturing's network
- International visibility and publicity through EIT Manufacturing's communication channels
- Be your **partner** in your transformation journey

### **Financial Sustainability Mechanism:**

EIT Manufacturing is committed to supporting the best ideas and the projects with the highest potential to generate an impact on vertical or horizontal integration of innovative technologies in the manufacturing value chains as well as to developing its financial sustainability strategy as mandated by EIT.

A financial sustainability mechanism is defined in a contract signed by EIT Manufacturing and the SME for the relevant activity; this mechanism will be the way to follow the success of a project as well as to demonstrate that the project is successful and wisely funded. EIT Manufacturing seeks to invest in activities that demonstrate a high commercialization potential for their outputs.

For transformation projects with outputs expected over four (4) years, the SME will participate to the development of EIT Manufacturing's financial sustainability by providing a revenue over 4 years reflecting 5% of the total project budget (as defined in the project budget breakdown Excel template submitted as part of the application documents and confirmed in the pre-study assessment) to support EIT Manufacturing's project facilitation and an additional 1% of the committed project benefits (as defined in the pre-study agreement). This revenue will be paid during the first four years following project implementation and be in consideration for rendered support services as well as being part of the EIT Manufacturing community and getting access to the EIT Manufacturing's network.

Details of the financial sustainability mechanism will be discussed and agreed upon as part of the project implementation alignment between the SME and Business Creation team following successful acceptance of the application.

## 2.2 Transformation Financial Support Package (TFP)

The Transformation Financial Support Package (TFP) offers up to a 150k€ financial support from EIT Manufacturing to SMEs with eligible transformation projects.

This is an optional support package that can be applied for in addition to the Transformation Services Package (TSP).

The financial support from EIT Manufacturing is intended to cover part of the transformation project costs (up to 50%). The SME is required to secure the outstanding funding for the transformation project. The sum of the SME's own investment and the Transformation Financial Support Package (TFP), provided by EIT Manufacturing, shall be used to cover costs related to the project implementation including asset financing, workforce training/upskilling, communication and marketing associated to the transformation, change management, etc. according to the project's budget plan.

The amount of the Transformation Financial Support Package (TFP) offered by EIT Manufacturing will be determined by:

- The amount secured by the SME and the outstanding amount required to cover the estimated remaining costs of the project.
- The amount of savings or efficiency increases, etc. (referred to hereafter as “benefits”) that the SME will realise from the transformation project during the first 4 years after project implementation. This estimate of savings or efficiency increases will be based on a pre-study assessment conducted by an external expert contracted by EIT Manufacturing.

Depending on the specific conditions of the transformation project, financial support offered by EIT Manufacturing can be up to 50% of the total project budget (capped at 150k€) and will be related to the size of the benefits during the first 4 years after project implementation as verified by a pre-study assessment conducted by an external expert. See Section 4 for more details.

The Transformation Financial Support Package (TFP) must be spent in alignment with the EIT Manufacturing Business Creation team (as defined in section 4, step 5) by the Rules and Regulations governing the EIT Manufacturing's financial activity management procedures (as highlighted for the purpose of this call in section 5).

For transformation projects with outputs expected over four (4) years, the SME will participate to the development of EIT Manufacturing's financial sustainability by providing a revenue over 4 years reflecting a percentage of the savings and improvements expected (as defined by the pre-study assessment). This revenue will be in consideration of being part of the EIT Manufacturing community and getting access to the EIT Manufacturing's network as well as visibility and publicity through EIT Manufacturing's communication channels over the four years post-project implementation.

Details of the financial sustainability mechanism will be discussed and agreed upon as part of the project implementation alignment between the SME and Business Creation team following successful acceptance of the application.

### 3. Requirements for entry

SME Transform Call 2021 is open to SMEs with a defined transformation project related to their manufacturing line(s) or production systems. The SME must meet the following eligibility criteria:

- Meet the EU definition of a SME as defined [here](#).

- “The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.”<sup>1</sup>
- Headquarters incorporated in any [Horizon Europe](#) country and with significant industrial or commercial presence (20%) in other [Horizon Europe](#) countries.
  - Industrial presence is defined as greater than 20% of a company’s workforce while commercial presence is defined as greater than 20% of a company’s sales.

Furthermore, the transformation project must take place in a [Horizon Europe](#) country.

## 4. Application and selection process

Applicants can apply for a tailor-made **Transformation Services Package (TSP)** from the EIT Manufacturing Business Creation team including dedicated support for project facilitation as well as introductions to transformation experts and technology providers. Applicants may also apply for an optional **Transformation Financial Support Package (TFP)**. All applications must be submitted online [here](#).

The selection process will focus on the following main assessment criteria:

- A strong strategic alignment to the objectives of the call, well-defined pain points requiring transformation, and a clear vision on how the transformation project will help the SME to stay competitive
- Clearly defined advantages that the implementation of the project will bring to the SME in terms of savings, efficiency increases, sales, etc. (defined in euro)
- A balanced and realistic view of the resources and time required to successfully realise the benefits of the transformation project
- General impression of the application (quality, motivation and impact)

The application should include a completed online application including the following three templates (all [linked here in the Submittable application form](#)):

- A realistic transformation project description: This shall clearly outline the saving/benefits of the project and include required resources (financial, internal manpower and external expertise, machineries, tools, software etc.), motivation and time-plan.
- Project budget breakdown: This should include investments costs (machineries, software, tools etc.), external expert consultancy incl. education of the organisation in Euro.
- Signed pre-study agreement

SME Transform Open Call 2021 will evaluate, select and onboard SMEs, based on the following steps:

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<sup>1</sup> Taken as an extract of Article 2 of the annex to Recommendation 2003/361/EC.

- Eligibility check of the application based on submitted documents on rolling basis
- External expert jury evaluation on rolling basis
- Assessment results from the third-party expert pre-study (further described below)

The EIT Manufacturing Business Creation team is responsible for the coordination and overseeing the application and evaluation process.

### **Step 1: Submission of application**

All applications must be submitted in English using the application form linked on the call website (<http://businesscreation.eitmanufacturing.eu/transform/>) – no paper submissions will be considered.

Applications will be accepted from 28 June 2021, 12:00 CET until 30 September 2021, 23:59 CET based on a first come-first-served basis. The organizers also reserve the right to extend the deadline. Any change to deadlines will be communicated via the website link (noted above).

During the duration of the open call, EIT Manufacturing will arrange several dedicated information webinars to share basic info about the call and clarify any general and/or specific questions from applying SMEs. The dates for the webinars will be announced on the SME Transform Call website in advance.

### **Step 2: Eligibility check**

The evaluation and selection process of the EIT Manufacturing SME Transform Call 2021 is designed to create an open, accountable, multi-step selection process based solely on the merit of the submitted applications. All submissions shall receive the same opportunity.

Each successfully submitted application will be checked for eligibility based on the application submitted; incomplete applications will be deemed ineligible. Within two weeks after submission, the applicant will be notified by email about the status of the eligibility check. Ineligible applications are welcome to re-apply as long as the call is still open.

### **Step 3: Jury decision and final selection**

Each eligible submitted application shall be evaluated by an expert third-party jury coming from a diversity of European countries, nominated by the organizer.

During the first stage, the jury members will individually rate each application according to the main assessment criteria noted above. Based on the collective results of the individual assessments, a deliberation meeting will be held to decide which applicants will be onboarded to EIT Manufacturing SME Transform Call 2021 to receive the Transformation Services Package (TSP) and the optional Transformation Financial Support Package (TFP). The frequency of jury deliberation meetings will be determined by the Business Creation team based on the volume of eligible applications received.

### **Step 4: Pre-study assessment**

Successful applicants selected by the Jury (as in step 3 above) will be assessed in an expert led pre-study. The expert who will perform the pre-study will be nominated by the EIT Manufacturing Business Creation team. The pre-study aims to evaluate how realistic and feasible the project is, as described by the SME, and to confirm the claimed benefits that will be realised by the transformation project. The pre-study assessment will specifically analyse the project budget, required resources, internal/external manpower and expertise, time plan etc. The pre-study is estimated to take up to four weeks and will be carried out by the external expert through the study of application documents and interviews with the applicant.

The pre-study is estimated to cost about 2500 euro and will be covered by EIT Manufacturing for applications where the pre-study can confirm whether:

- there is a good chance of successful project realisation according to the details provided in the application; and
- there is a reasonable balance between the efforts and gains of the transformation project.

If the pre-study cannot confirm these points, the applicant will be informed and will be given the chance to revise the application within fourteen (14) calendar days. Revised applications, when addressing the outstanding concerns of the pre-study, will be accepted.

#### **Drop-out – Termination by the applicant.**

In the case where the SME, after the pre-study assessment, cannot or decides not to revise the application or for any other reason wishes to withdraw from SME Transform Call 2021 before the start of the project, the SME is obligated to reimburse EIT Manufacturing according to the terms of the signed pre-study agreement submitted by the SME during the application phase. In such a case, the result of the pre-study will belong to the applicant.

### **Step 5: Project implementation alignment**

#### **Process related to the Transformation Services Package is the following:**

1. An alignment meeting is scheduled between the successful SME, any relevant transformation project experts/consultants and the Business Creation team members to converge on how the Transformation Services Package (TSP) will be delivered.
2. The successful applicant must submit a Letter of Intent (LoI) to the EIT Manufacturing Business Creation team confirming they will, within two weeks, enter into an agreement with the relevant transformation project experts/consultants, enabling them to start delivery of transformation expertise services. Up to 70% of the financial support package may be allocated to investments in transformation assets, conditioned all other relevant transformation activities receive a sufficient share of the financing to ensure successful implementation of the project.
3. Submission of an updated and signed Financial Sustainability Mechanism agreement linked to delivery of the Transformation Services Package (TSP).

#### **Process related to the Transformation Financial Support Package (TFP) is the following:**

1. The successful applicant must submit a Letter of Intent (LoI) to the EIT Manufacturing Business Creation team, explaining how they propose to spend the Transformation Financial Support

- Package (TFP) for the successful project. This should include a budget plan (use of resources by category of costs) and the achievements to be reached.
2. Submission of an updated signed Financial Sustainability Mechanism Agreement linked to the delivery of the Transformation Financial Support Package (TFP).
  3. An alignment meeting is scheduled between the successful SME, any relevant transformation project experts/consultants and the Business Creation team members to converge on how the Transformation Financial Support Package (TFP) will be delivered.
  4. If required, the SME will update the LoI in line with step 2 and provide the final submission to the EIT Manufacturing Business Creation team.
  5. The distribution of funds and spend related to the Transformation Financial Support Package (TFP) will be reported and monitored accordingly (please see below).

Please note that SMEs will receive their Transformation Financial Support Package (TFP) in several instalments based upon certain reporting documentation and milestones being achieved. This reporting must confirm that the Transformation Financial Support Package (TFP) is being spent in accordance with the needs outlined and agreed with the Business Creation team. This includes, but is not limited to:

- **At inception** of the transformation project's implementation period: a budget plan (use of resources by category of costs) and the achievements to be reached.
- **At interim review** of the transformation project's implementation period: a cost reporting per category of costs and a description of a status of the activity (light report to describe the stage of completion and the achievements done).
- **At the end** of the transformation project's implementation period, a final reporting/audit with the detailed costs and the report to describe the achievements.

### **Step 6: Project implementation**

Recurrent bi-weekly joint meetings between the SME, any relevant transformation project experts/consultants and EIT Manufacturing Business Creation team shall be booked for the entire length of the project implementation period according to the project time plan.

The purpose of the meetings is to monitor the progress of the project in accordance with the project plan and project objectives and in case of deviations, EIT Manufacturing shall facilitate the parties to align and take measures to meet project objectives.

## 5. Rules and regulations

### 5.1 Monitoring and Control related to the SME Open Call Transform Services Package and Financial Support Package (if applicable):

**Declaration of Honour:** Before EIT Manufacturing wires the Transformation Financial Support Package, companies must prove bank and fiscal documents showing that they are clean and have no pending issues with their local administrations and/or authorities. They must provide a "Declaration of Honour" (template to be provided by EIT Manufacturing) that they have no issue that might impact EIT Manufacturing's reputation. In case of identified issues, the Transformation Financial Support Package will be cancelled.

**Right to activate audits:** EIT Manufacturing retains the right to activate an audit on SMEs who have received the Financial Support Package, in case of alerts and/or to confirm governance and proper usage of the Financial Support Package.

#### **Early termination of the project:**

In the case of non-compliance, EIT Manufacturing reserves the right to stop the project.

In the case where the SME, after the start of project implementation, cannot or decides not to continue the project implementation or for any other reason wishes to withdraw from the EIT Manufacturing SME Transform Open Call 2021, the SME is obligated to:

- Without delay and in writing inform EIT Manufacturing about their decision, and
- Return the whole Transformation Financial Support Package received from EIT Manufacturing, and
- Reimburse EIT Manufacturing according to the financial sustainability mechanism agreement for the part of the project already completed until the time of termination, and
- Reimburse EIT Manufacturing for the cost of the pre-study in accordance with the pre-study agreement signed and submitted with the initial application submission.

In the latter case, the result of the pre-study and the project implementation will belong to the applicant.

## 5.2 Publicity and visibility regarding funding

The selected companies must promote the EIT Manufacturing SME support packages and its results, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

A communications package including guidelines will be provided to all selected companies. Unless EIT Manufacturing requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) must:

- display the EIT Manufacturing logo with the EU emblem (equal width for the EIT Manufacturing brandmark and the EU flag)
- include the following text: “Co-funded by the European Union.”

When displayed together with another logo, the EIT Manufacturing logo and EU emblem must have appropriate prominence. For the purposes of their obligations, the selected companies may use the EIT Manufacturing logo and the EU emblem without first obtaining separate approval from EIT Manufacturing. This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, or seek any other intellectual property rights in relation thereto, whether by registration or by any other means. EIT Manufacturing reserves the right to revoke the above right of use at any time in its sole and unfettered discretion.

By submitting their application, SMEs agree to the possible inclusion of their company in any media coverage by EIT Manufacturing and its partners, such as press releases or publications. Also, all applicants agree that their personal data, such as their names and affiliations, pictures, videos, and sounds may be used for such purposes by EIT Manufacturing and its partners.

### 5.3 Intellectual Property

Participants retain full and exclusive ownership of their prior information and intellectual property rights. By submitting their application, participants affirm that they hold ownership or have legally secured the right to use all elements of the innovative product or service. Participants agree to indemnify and hold harmless EIT Manufacturing and/or any assignee or affiliate from any third-party allegations or claims of intellectual property rights infringement by the product or service of participants.

The awarded SMEs are responsible in regards to IP issues, including the right for implemented application, to be cleared and agreed upon with the providers when they implement technologies coming from other companies. In regard to managing IP aspects the general IP rules and regulations of the Horizon Europe Framework Agreement shall apply, specifically the Articles 34 to 38, governing ownership and protection, exploitation and dissemination of IPR.

### 5.4 Data protection

The sole purpose of the collection of data is to verify the eligibility of the SMEs and the data in their accompanying applications. Participants will provide name, postal address, email address and telephone number ("personal data") only for the purposes related to execution of the call. EIT Manufacturing will process the submitted material according to the European General Data Protection Regulation (GDPR).

Participants have the possibility to indicate that EIT Manufacturing may grant access to parts of their submission to trusted investors and partners.

The application submission and evaluation process will be done via Submittable (<https://www.submittable.com/>), an online submission management tool by Submittable Holdings, Inc.

**YOUR CONSENT TO THE USE OF SUBMITTABLE AS SUBMISSION AND EVALUATION TOOL:** By submitting your application within this call you implicitly state your consent to the Terms and Conditions as well as the Privacy policy of Submittable.

**YOUR CONSENT TO THE USE OF PERSONAL DATA:** By submitting your application within this call you consent that EIT Manufacturing will collect, transfer, process, store and delete your data in accordance with the aforementioned conditions.

### 5.5 Acceptance of Terms & Conditions

By submitting the application form, the participant agrees to the Terms & Conditions, which form part of the submission. Participants agree that they have no legal entitlement to be selected, onboarded or to receive the Transformation Services Package (TSP) and/or Transformation Financial Support Package (TFP).

EIT Manufacturing reserves the right to make reasonable amendments to these Rules and Regulations. Amendments and additions to these Terms & Conditions shall be valid only if communicated in writing or otherwise made available to the participants.

Any deviation from these Terms & Conditions can only be made in writing and signed by an authorized representative of EIT Manufacturing and the participant.

These Terms & Conditions are governed by the laws of France.

Any disagreement or dispute which may arise in connection with these Terms & Conditions which cannot be settled amicably will be brought before the courts in Paris, France. To the maximum extent permitted by law, under no circumstances and under no legal theory whether in tort (including negligence) contract otherwise shall EIT Manufacturing, any of its Co-Location Centres or affiliates be liable for any special indirect, punitive, incidental or consequential damages, including loss of profit. The liability of EIT Manufacturing shall in any case be limited to 1,000 euros.

## 5.6 Organizer

The EIT Manufacturing SME Open Call is organized by EIT Manufacturing. EIT Manufacturing is responsible for the central coordination of the application and evaluation process.

Activity lead is: Farugh Ebrahimpur, Senior Business Creation Manager, CLC North  
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