



Economic part of the SBO programme  
Manual for the participation of companies  
(version January 2019)

## 1. Positioning of this manual

This manual is intended for companies that wish to be involved in an SBO project. The purpose is to clarify their role in the life cycle of an SBO project. Apart from this additional manual, there is also a basic SBO manual that is primarily intended for research centres.

## 2. What is the SBO programme?

The SBO programme is directed towards the financing of innovative research which, if scientifically successful, offers the prospect of future economic applications in Flanders, such as the generation of new products, processes or services in industry. There are two possible approaches to translate the SBO results into economic applications: (i) use of the results by existing companies or (ii) creation of a new company (spin-off). This manual is intended for projects in which the first approach is adopted.

An SBO project is implemented by a single research centre or by a consortium of research centres. Research centres are eligible for 100% financing by FWO for these projects.

Since the SBO programme is focused on the realisation of follow-up projects with companies, it is important to involve companies in the SBO projects. This is possible by becoming a member of the advisory committee of an SBO project and, additionally also, through cooperation with the SBO research consortium where companies, in parallel to the SBO project execution, undertake certain R&D activities that are related to the SBO project. Companies are not eligible for FWO grants. For funding opportunities for R&D activities by companies, please refer to the website of the Agency for Innovation and Entrepreneurship ([www.vlaio.be](http://www.vlaio.be)).

When assessing an SBO project proposal, the scientific quality and the expected potential for possible economic applications (utilization) carry equal weight. It is therefore of great importance that attention is paid to concrete possibilities for economic applications.

## 3. Life cycle of an SBO project

There are three stages in the life cycle of an SBO project:

- the stage of drafting an SBO project proposal = SBO pre-project phase;
- the stage of execution of an SBO project (maximum 48 months);
- the stage of translating the SBO project findings into concrete applications within a company environment = SBO post-project phase.

### 3.1. SBO pre-project phase

During the drafting of an SBO project proposal, researchers may contact companies for bilateral consultation or for a preparatory brainstorming together with other companies. Conversely, companies may take the initiative to contact researchers to discuss bottlenecks they encounter or opportunities for which strategic research could provide an added value.

During the assessment of SBO project proposals, great emphasis is placed on the active participation of companies from the early phase of drafting the project proposal. Interaction with interested companies in an early phase, in fact, makes it possible to tailor the project proposal to the actual needs of the companies and to maximise the likelihood of future utilization of the results.

The primary role of companies in the pre-project stage is:

- to clarify the needs of the companies and to detail the way in which strategic basic research could provide an added value for these companies;

- to contribute relevant expertise for the development of the intended new products/processes/services;
- to think about and provide input on how the SBO results could lead to effective applications.

In the pre-project phase, the companies must decide on their role and contribution during the project. Do they only want to act as member of the advisory committee, or do they also want to actively engage in R&D activities that are related to the subject of the SBO project (see section 4).

For the SBO pre-project phase, no funding is available under the SBO programme.

### **3.2. SBO project implementation**

During the project implementation, a two-way dialogue between the researchers and the user field involved remains essential to achieve the targeted knowledge transfer from scientific research to concrete applications.

The primary role of companies during the implementation phase is:

- to assist the research from an economic point of view;
- to assist in designing and preparing the translation of the results into concrete economic applications.

During the SBO project execution, companies may contribute as member of the advisory committee. In addition, they may prefer at their own expenses to undertake parallel R&D activities that are related to the subject of the SBO project (see section 4). In this last option, the parallel R&D activities are not part of the SBO project. Companies may explore the possibility to obtain funding from the Agency for Innovation and Entrepreneurship ([www.vlaio.be](http://www.vlaio.be)).

### **3.3. SBO post-project phase**

A successful SBO project gives rise to subsequent research, development and implementation projects. The focus thereby shifts to the companies. Such follow-on projects cannot be supported through the SBO financing channel, but could qualify for support through the financing channels with the Agency for Innovation and Entrepreneurship (R&D business projects, Baekeland fellowships, etc.).

## **4. The involvement of companies in an SBO project**

### **4.1. Contribution as member of the advisory committee of an SBO project**

#### *4.1.1. Tasks*

To foster interaction with the industry, the project partners should surround themselves with an advisory committee made up of various companies that wish to act as a sounding board for the possible economical applications of the results.

The members of the advisory committee have no directing authority over the execution of the scientific research. Their role is to contribute expertise, to act as a critical sounding board for the results of the researchers, and to monitor the project so as to maximise the likelihood of effective applications.

#### *4.1.2. Intellectual property rights*

Companies that serve on the advisory committee are the first to be granted insight in the results of the SBO project, but do not have, a priori, any specific or selective right to the exploitation of the project results. The project executors are the owners of the results. A transfer to companies of results obtained by the research centres must always be carried

out at market-compliant conditions (with payment of a market-compliant remuneration) and is open to all companies in the European Union.

Interested companies may, from the onset of the project, negotiate a first right of negotiation or first right of refusal with the implementing research centres. In order not to disturb the dynamics of the advisory committee, non-exclusive access to the results is to be preferred in this case. In a number of sectors, however, this will not be feasible. That is why an exclusive licence or transfer is not excluded a priori so long as it does not disturb the dynamics of the advisory committee. This is possible, for instance, in a situation where the members of the advisory committee are active in complementary fields of application, where a given company acquires exclusivity in its own niche without claiming exclusivity in other fields of application.

It is important that, prior to submission of the project, agreements are made regarding the way in which intellectual property rights will be dealt with. These agreements must also be incorporated into the project proposal. During the project assessment, particular attention will be paid to the likelihood of achieving opportunities for concrete applications, the feasibility of which is strongly dependent on a good understanding between the applicants and the members of the advisory committee and amongst the members of the advisory committee.

#### *4.1.3. Practical modalities*

The establishment of an advisory committee is mandatory, because it may serve to underpin the commitment of the industry and the feasibility of the targeted applications.

The advisory committee is open to all interested companies, including companies established outside the Flemish region.

For a company that wishes to join the advisory committee of an SBO project that aims for utilization via the transfer to existing companies, the following requirements apply during the project period:

- A limited financial contribution: all commercial members of the advisory committee are required to make a monetary contribution of minimum €250/year in the case of an SME or minimum €1,000/year in the case of a large enterprise or another organisation. A demonstrable equivalent deployment of manpower or resources for the project implementation may also be taken into consideration. There is no hard requirement for a financial contribution by scientific institutions, governments, and societal actors within such advisory committee. However, a financial contribution is strongly recommended, considering it a sign of commitment and support by the organization.
- A commitment to a substantive contribution and a time investment to participate in bilateral consultations with the project executors and/or meetings of the advisory committee.

Companies that wish to participate in the advisory committee of an SBO project must back up their commitment with a substantiated letter of intent. These letters are an integral part of an SBO project proposal and will be submitted to the international experts reviewing the project proposal. Therefore, these letters of intent are preferentially written in English.

It is essential that the letters are concrete, properly substantiated and not limited to a general non-binding expression of interest. It should be explicitly specified what the specific added value of the expected project results is for the company and what further development and implementation projects are feasible and realistic. In addition, it should include a commitment to the mandatory contribution (financial or in kind). The letter of intent for membership of the advisory committee should be signed by a legal representative

of the company. This provides evidence for the internal support within the company for its involvement in the advisory committee.

The composition of the advisory committee should be complete at the time of submission of the project (including substantiated letters of intent with commitment to financial or in kind contribution). They should therefore be sent directly to the SBO project promoter well before the submission deadline. Letters of intent that reach FWO after this deadline will not be taken into consideration during the evaluation. For an overview of deadlines that apply for the current call: see the SBO website: <http://www.fwo.be/en/fellowships-funding/research-projects/sbo-projects/>

#### *4.1.4. Impact on the assessment*

During the assessment of an SBO project proposal, much attention will be paid to the feasibility of the targeted economic applications. An important tool to underpin this feasibility is demonstrating the proper commitment of relevant companies in all stages of the life cycle of an SBO project, i.e. both during the SBO pre-project phases and the SBO project execution phase and during the SBO post-project phase. The interactions with the members of the advisory committee during the various stages will therefore be an important criterion in the assessment of the SBO project proposals.

The quality of the advisory committee (relevance of the companies involved, dynamics of the committee) is far more important than the number of members in the advisory committee. While it is certainly appropriate to demonstrate applicability for several companies, the aim is not to make the advisory committees as large as possible. This could, in fact, disturb the dynamics in the advisory committee thereby jeopardising the opportunities for economic applications. It is important that it is clear, for each company of the advisory committee, what added value the SBO project could bring to the company and how this added value is to be achieved.

If, as a result of strong interest in the project, a number of members of the advisory committee are prepared to contribute significantly more than the mandatory minimum amount (see above), this may result in a selection advantage being awarded during the assessment.

## **4.2. Cooperation in the form of parallel R&D activities (not financed by FWO) related to the subject of the SBO project**

### *4.2.1. Tasks*

This option is intended for companies that want to undertake R&D activities whose content is well related with the subject of the SBO project. It concerns parallel R&D activities (whether or not subsidized by the Agency for Innovation and Entrepreneurship) that are not part of the SBO-project.

### *4.2.2. Intellectual property rights*

Given that parallel R&D activities are not part of the SBO project, agreements on intellectual property rights that result from these parallel R&D activities should be settled in a separate agreement. The possible rights to the SBO results are logically not part of it. In case of transfer of the SBO research results from the research centres to the industry, companies that execute parallel R&D activities are placed on an equal footing with the other companies in the advisory committee (see paragraph 4.1.2).

### *4.2.3. Impact on the assessment*

A selection advantage is awarded to projects with a meaningful and relevant cooperation with one or more companies during the implementation of an SBO project. Such

interaction, in fact, increases the likelihood of achieving the targeted applications in the medium term. The collaborations must therefore be verifiable and must overlap with the planned execution phase of the SBO project. Such collaborations should be substantiated in the letters of intent from the members of the advisory committee concerned.

#### **4.3. Contribution to the project execution as subcontractor**

Finally, participation of companies in the project execution is also possible through subcontracting. This may be relevant when a particular organization possesses necessary expertise that is not available within in the research centre. However, this option is restricted to situations where services are provided to support the project execution, with no utilization opportunities for the company concerned.