

## INDUSTRY ASSOCIATES PROGRAM

### COMMERCIALIZATION ASSOCIATES GUIDE

#### >Introduction

Alberta Ingenuity Industry Associates program currently provides funding for young people who are entering the workforce with the advanced skills and knowledge in science and engineering to drive innovation in Alberta companies. Participating companies find this program invaluable in furthering their technology and product development initiatives, and in building scientific and technical capabilities. While the research and development support has helped strengthen many Alberta companies, the program could have greater impact if it was coupled with business support.

Research suggests that Canada is experiencing barriers to maximizing return on its innovation investments. Improvements are needed in the commercial use of knowledge. The lack of business knowledge to effectively take the research results and products to the commercial level limits the growth of knowledge based industries, and hampers the commercial viability of smaller companies. Supporting high-tech companies that transform knowledge into new commercial products and services will strengthen Alberta's innovation system and value-added industries, and help the province diversify its economy.

#### >Objectives

**Commercialization Associates** is a program component of the Ingenuity Industry Associates program that is geared to increase business management and marketing expertise in Alberta-based start-up and SME companies. At the same time, business professionals with former industrial and/or science experience gain further applied experience and contribute to the technology commercialization of science and engineering related products or services of the company.

#### >Program Structure

**Commercialization Associates** consists of an annual stipend of \$70,000 (minimum): with contributions of \$55,000 from Alberta Ingenuity Fund and a minimum of \$15,000 from the company per year, for up to two years; and an annual commercialization allowance of \$7,000 to cover qualified costs for travel and marketing intelligence.

Six competitions are held each year. The deadlines are February 1<sup>st</sup>, April 1<sup>st</sup>, June 1<sup>st</sup>, August 1<sup>st</sup>, October 1<sup>st</sup>, and December 1<sup>st</sup>. Results are announced six to eight weeks after the application deadline.

*Applications* are submitted by the Alberta companies. Forms can be downloaded from [www.albertaingenuity.ca](http://www.albertaingenuity.ca).



## >Eligibility

### Company

The company must meet *each* of the following criteria to be eligible:

- Be a start-up or an SME, with no more than 500 full time employees (see definition below).
- Provincially or federally incorporated and operates in Alberta, or if not incorporated, is wholly Alberta-owned.
- Operates on a for-profit basis.
- Possesses adequate and sound financial resources
- Engaged in research and development activities based, to a significant extent, on technology derived from science and engineering disciplines
- Has an effective, demonstrated plan for applying the research results, and marketing or exploiting products or processes in the best interests of the company and Alberta economy

The Industry Associates program favours Alberta research-based ‘gazelle’ companies, those rapidly growing companies that are making a difference in Alberta. Alberta Ingenuity defines a gazelle company as follows:

- A gazelle company is a fast growing technology company that has revenue growth of 20% each year for five years from a base of \$1,000,000 with a minimum employment of 10 at the beginning of the period, or
- A company that posts an average employment growth of 20% per year for three years and has a base of at least 10 employees.

While Alberta Ingenuity favours gazelles, these are not the only research companies eligible for funding through the Industry Associates program. Start-ups, small and medium-sized companies are also eligible and are defined as follows:

#### Start-Up Companies

General Guidelines for start-up company qualifications are as follows:

- A new company in product development mode;
- Time in business does not exceed 4 years;
- No public offering;
- Annual sales do not exceed \$1,000,000;
- A minimum of one full-time employee and no more than 12.

#### Small and Medium-sized Companies

A company with:

- A minimum of one full-time employee and no more than 500 full-time employees;
- Annual sales not exceeding \$50,000,000;
- Time in business over 4 years;

The following chart provides a guide to the maximum number of Industry Associates allowed to be held **concurrently** based on company type:

	Start-up	Small & Medium
Limit on total Concurrent Industry Associates Award Holders (inc. R&D & Commercialization Associates)	2	3
Limit on Commercialization Award Holders	1	2

## Projects

Areas of eligible commercialization projects may include:

- Manufacturing analysis and planning
- Product validation
- New product market opportunities
- New product concept generation
- Public affairs strategy

## Candidates

Candidates must meet *each* of the following criteria to be eligible:

- Graduate of an accredited university degree program with a minimum of three years relevant business work experience. Preference will be given to individuals with formal business education (BComm, MBA).
- Not currently employed by the sponsoring Alberta-based company OR is currently employed by the sponsoring company but for less than 6 months.
- Candidate may not have previously been funded through the Industry Associates program.

## Re-Applications

In the case of an unsuccessful application, a company may reapply with the appropriate changes to the original application no more than once. A covering letter addressing the changes that have been made to the original application must be attached to the re-application, and the new information within the application must be manually **highlighted** in the hard copy.

If a second application is still unsuccessful, Ingenuity will not accept further submissions of the same proposal (same project and same candidate). If the company wishes to apply in future competitions, they are required to submit a completely different proposal with a new applicant and/or a new project.

## > Award Details

### Term of Award

The award is for up to two years.

### Award Renewal

Year 2 funding is contingent on satisfactory performance during the first year and upon proof of continued need for a Commercialization Associate, as outlined in the progress report required at the end of the first year.



## Start Date

Successful candidates are expected to start within three months of an award offer, or within five months of the application deadline.

## Location

Successful candidates must be employed full time in Alberta by the sponsoring company. Time spent at other companies that may conduct business outside of Alberta is permitted as long as this is for the purpose of furthering the commercialization efforts of the sponsoring company.

## Stipend and Commercialization Allowance

The award consists of a \$55,000 stipend per annum from Alberta Ingenuity, plus a \$7,000 commercialization allowance, allowing for the total award value over two years of \$124,000.

In order to recruit competitively in the global market, the company is required to provide top-up of the stipend in the minimum amount of \$15,000 per annum up to a maximum top-up amount of \$110,000 per annum. The company is also expected to pay for additional employment costs, and any benefits normally provided to employees performing a similar work function.

The commercialization allowance may be used for the following:

- Travel expenses: to participate at trade shows and conferences, and business meetings with clients and potential customers.
- Marketing intelligence costs: to access database and market reports (for increasing sales/revenue, building a business case/plan or commercialization plan, a commercialization strategy)
- Relocation expenses
- Professional development and membership fees

Any purchases outside of those listed above must be approved by Alberta Ingenuity prior to the actual expenditure. Commercialization Allowance funds that have not been spent at the end of the Associate's award must be returned to Alberta Ingenuity. Ownership of all purchased materials resides with the company. Commercialization allowance may not be used for hospitality and entertaining purposes.

## Review Procedure and Selection

The Ingenuity Industry Associates Review Committee reviews all applications using an evaluation tool, ProGrid®.

Recommendations are based equally on the following criteria:

- The status of the technology being developed; the viability of the resulting product/process and the time needed to bring it to market
- The strength of the candidate's previous work experience and business track record, and the suitability of his/her skills and knowledge for the proposed business project.

- The potential of the company to develop its capacity for future innovation, and to enhance Alberta's ability to attract and retain highly qualified personnel focused on innovation.

## Conditions of Receipt of Award

### *Payment of Awards*

The company will be reimbursed for stipends on a monthly basis. The commercialization allowance will be forwarded as a lump sum payment to the company at the beginning of each award year. Where the project work plan includes periods of time at a collaborating organization, the company is expected to continue to administer the award.

### *Employment Status and Benefits*

Alberta Ingenuity is not the employer of, and assumes no liability for, the Ingenuity Commercialization Associate. The Commercialization Associate will be subject to the same terms and conditions of employment as regular employees of the company who are engaged in similar work.

### *Intellectual Property (IP)*

Intellectual property developed during the Commercialization Associate's tenure will fall under the company's IP policy. If the Commercialization Associate spends time at another organization, the company must ensure that IP agreements are in place between the two parties.

### *Identity*

The successful candidate will identify himself/herself as an Alberta Ingenuity Commercialization Associate or Alberta Ingenuity Industry Associate, which conveys a standard of excellence for the qualified candidate and the sponsoring Alberta company.

### *Acknowledging Alberta Ingenuity*


All presentations and public messages arising from Ingenuity funding must acknowledge the support of Alberta Ingenuity. Please contact Alberta Ingenuity for assistance.

### *Public Information*

Alberta Ingenuity reserves the right to publish and/or disseminate information regarding its grants. As a public body, Alberta Ingenuity is regulated by the Freedom of Information and Protection of Privacy Act (FOIPPA) of Alberta. As such, Alberta Ingenuity will not communicate personal data of Ingenuity-supported commercialization associates to anyone outside of Ingenuity.

### *Changes and Termination*

The Ingenuity Commercialization Associate will be expected to achieve his/her milestones as outlined in the application. Any substantial changes must be consistent with the overall intention of the approved award. The Commercialization Associate must receive approval from Alberta Ingenuity prior to any significant changes to the position as outlined in the approved application. If the program is interrupted with the intention that it will be resumed, the Commercialization Associate and company must seek and receive approval from Alberta Ingenuity prior to the interruption. Alberta



Ingenuity must also be notified if the position is terminated by the Commercialization Associate or the company. When the award ends or is terminated, Alberta Ingenuity will provide a final report form which the candidate and company must complete and return.

### **Reporting**

At the end of the first year, the Commercialization Associate and sponsoring company must submit a progress report using the prescribed format. Year 2 funding is contingent upon a satisfactory performance and achievement of milestones outlined in the application during the first year, as outlined in the progress report. Within 60 days following completion of the award, the Associate and sponsoring company must submit a final report using the prescribed format on the project's achievements with respect to its objectives.

During the three years following the completion of the award, Alberta Ingenuity will collect information on impacts and outcomes resulting from the award funding, such as new hires of business staff, new or enhanced products and processes, publication of results, intellectual property generated, new customers, new or increased sales, market capture, and other significant outcomes.

### **Site Visits/Program Audits**

As part of an ongoing effort to improve and enhance the **Commercialization Associates** program component, an Ingenuity industry representative will be in contact with the Associate and a company representative to set up a meeting to follow-up and discuss how the program is working for them.