

# PROGRAM GUIDE: INNOVATION RELIEF AND RECOVERY PROGRAM

## PROGRAM OVERVIEW

### Background

The Alberta entrepreneurial ecosystem has innovation and technology-based Small and Medium Size Enterprises (SME's) developing technical solutions to produce good and offer services. The COVID-19 pandemic has resulted in uncertainty and anxiety for these companies across Alberta. Alberta Innovates, with funding from Western Economic Diversification Canada's Regional Relief and Recovery Fund, has designed the Innovation Relief and Recovery Program (the "Program") targeted to innovation and technology SMEs that may require additional support to maintain and recover during the COVID-19 pandemic. With SMEs as an important piece of our economy, supporting these companies enables Alberta to be more resilient in the face of COVID-19 and the current economy.

### Program Details

Alberta SME's (the "**Applicant**") may be eligible for a funding up to \$10,000, which is paid directly to one Service Provider named in the Application. This Program is designed to support SMEs through the COVID-19 pandemic to maintain their business and continue to advance their new technology or knowledge-based product development (TRL4 and up including post revenue companies). The Program is not designed for entrepreneurs who are in the ideation or conceptualizing stage of company or technology development.

The Program will fund a Service Provider to support pivoting or creating new technology-based products or services to maintain or grow sales in a COVID-19 or Post-COVID-19 world. Project activities may include:

- a) Product research and development;
- b) Design, engineering and prototype development;
- c) Product testing and refinement;
- d) Advanced market assessment or segmentation analysis;
- e) Advanced business and/or marketing strategies;

- f) Acquisition, adaptation and adoption of new technology processes;
  - g) Process re-engineering;
  - h) Manufacturing capacity improvement or
  - i) Professional services, such as human resources, legal and financial, required to support relief and recovery
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*Funding is intended for innovation and technology-based firms that have a reasonable expectation of growth and exports to generate increased revenue and follow-on investment.*

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## HOW THE PROGRAM WORKS

### Eligibility

**(a) Applicant Eligibility Criteria** - To qualify as an Applicant, an SME is required to satisfy the following criteria:

- be a for-profit SME;
- demonstrate the relationship between the Applicant and Service Provider does not create a conflict of interest;
- Be an Alberta-based company with an Albertan footprint, which is determined by the following: significant physical and corporate operational presence in Alberta, appropriate Alberta ownership, and discernable intent that operational benefits will flow primarily within the province of Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- be a legal entity with up to date corporate filings\*:
  - incorporated in Alberta; or
  - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
  - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta;
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies;
- demonstrate previous capital investment of at least \$50,000 into the company by the founding team or early investors.

*\*Please note, Alberta Innovates will perform a corporate search and may also seek bankruptcy and litigation searches.*

**(b) Service Provider Eligibility Criteria** - To qualify for funding as a Service Provider, the following criteria must be met:

- be Arm's Length from the Applicant (cannot have any legal relationship with the Applicant);

- provide the service(s) and/or product(s) at reasonable market rates;
- be legally permitted to enter, remain in, and perform the services in Canada during the Project Term; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

**(c) Project Eligibility Criteria** - To qualify for funding all Projects must:

- be stepped with critical “go/no go” milestones;
- be completed within three (3) months or prior to March 31, 2021; and
- submit to other criteria that Alberta Innovates may develop from time to time.

## Program Objectives and Performance Measurement

The Program is designed to provide support for innovative and technology-based businesses through the COVID-19 pandemic with the goal of commercializing innovative technology products for export to maintain jobs, maintain diversity in the economy, and maintain or grow revenue for Alberta technology SMEs in COVID-19 and post-COVID-19 economy.

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*Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Applicant to reach their objectives. Funding is tied to outcomes and achievement of results.*

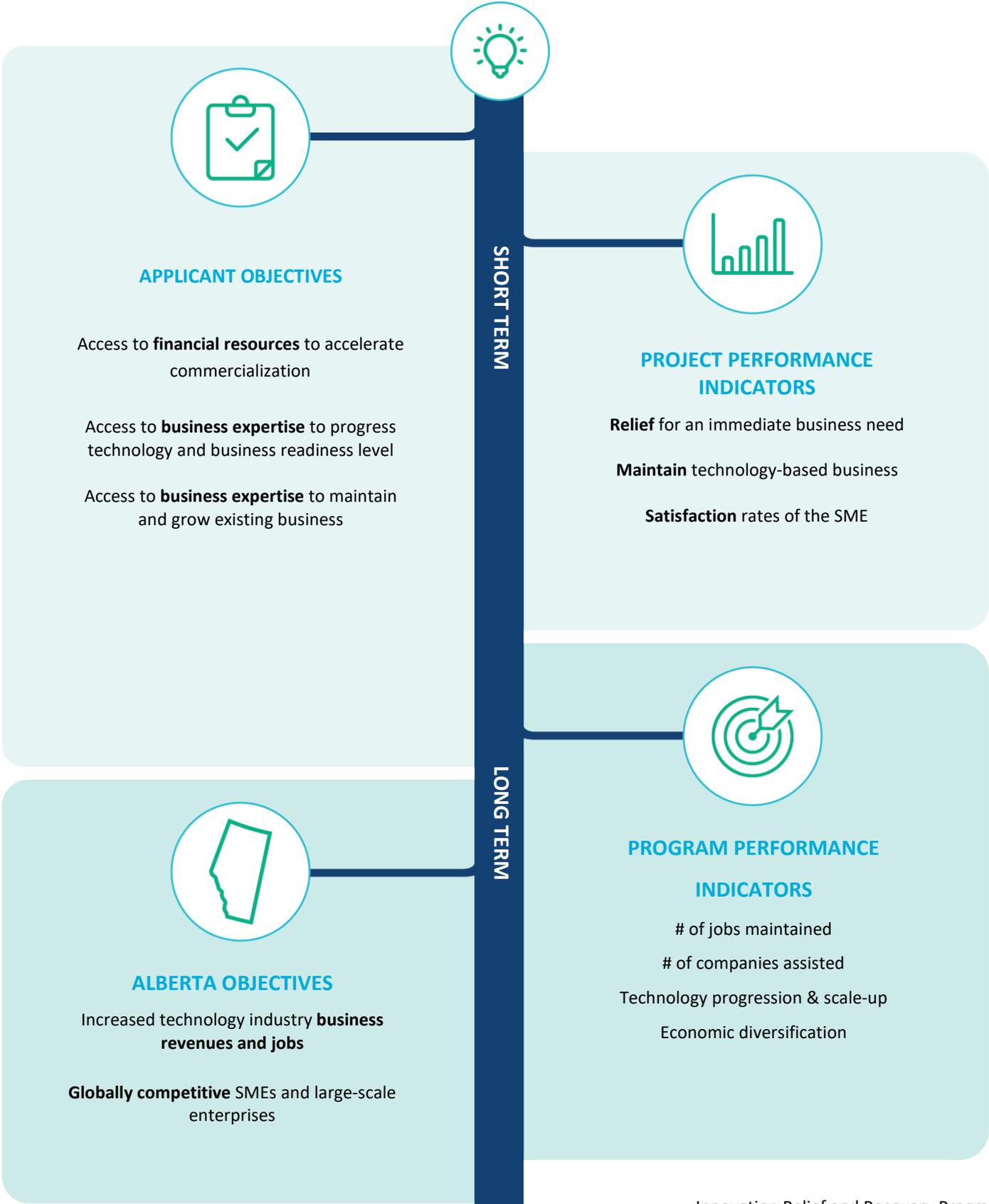
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Once Projects are completed, Alberta Innovates continues to monitor performance for five (5) years to accurately evaluate the economic, social and environmental benefits realized for the province.

All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the Applicant to report on outcomes subsequent to the completion of the Project.

Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program. These are highlighted on the next page.

# Objectives and Performance Metrics



## APPLICANT OBJECTIVES

- Access to **financial resources** to accelerate commercialization
- Access to **business expertise** to progress technology and business readiness level
- Access to **business expertise** to maintain and grow existing business

SHORT TERM



## PROJECT PERFORMANCE INDICATORS

- Relief** for an immediate business need
- Maintain** technology-based business
- Satisfaction** rates of the SME

LONG TERM



## ALBERTA OBJECTIVES

- Increased technology industry **business revenues and jobs**
- Globally competitive** SMEs and large-scale enterprises



## PROGRAM PERFORMANCE INDICATORS

- # of jobs maintained
- # of companies assisted
- Technology progression & scale-up
- Economic diversification

## How Funding Works

### **(a) Project Funding**

Alberta Innovates' Investment to a successful Applicant may be up to a maximum of \$10,000, which is paid directly to the Service Provider named in the Application. Cash and in-kind contributions by the Applicant are not required for this Program. The funds are provided to cover Eligible Expenses only.

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*To assist SMEs, Alberta Innovates will release 25% of funding to the Service Provider upon execution of a signed Investment Agreement. Applicants are expected to submit a Final Report at the end of the Project before the remaining 75% of funding is released.*

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### **(b) Eligible and ineligible expenses**

Alberta Innovates only funds reasonable costs incurred after we have signed an Investment Agreement with you. Any costs incurred prior to the Effective Date in the Investment Agreement, or costs greater than market prices are deemed ineligible. Costs must be incurred between arm's length entities. Please refer to our standard form Investment [Agreement](#) found on our website to get an in-depth understanding of eligible and ineligible costs.

## HOW TO APPLY



### STEP 1

#### Project Scoping

An Applicant identifies the Project need and obtains quotes from one Service Provider to complete the Project.

TDA's are available to provide coaching, advising and networking during this phase.



### STEP 2

#### Application & Evaluation

Alberta-based SMEs can submit their Applications online at any time prior to November 2, 2020.

Applications outline the Project, the participation of a Service Provider, the current state of the opportunity, the Applicant's business readiness, and the Project finances.

Alberta Innovates' merit review focuses on the technology, the opportunity, and the overall success and size of the return to Alberta against the Performance Indicators listed on page 4.



### STEP 3

#### Project Management and Follow-Up

For approved Applications, the Applicant and the Service Provider will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project.

The Investment Agreement will include items such as reporting on milestones and payment terms based on performance.

Alberta Innovates continues to require information from the Applicant for five years following the completion of the Project in order to measure long-term benefits.

## EVALUATION PROCESS

During the different phases of the program, Alberta Innovates leverages internal staff and may also engage external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising technologies based on a variety of common business and technical factors such as: the management team, market conditions, competitive advantage and product/market fit, go to market plan, financials, technical feasibility and export potential.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

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*The assessment criteria and all investment decisions are at the sole discretion of Alberta Innovates.*

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## TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested Applicants with a roadmap of what to expect over the lifecycle of a Project, from the announcement of the program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the Application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require the Applicant to sign our standard form Investment Agreement. A copy of the Investment [Agreement](#) is available on the Alberta Innovates website. The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

## **EQUITY, DIVERSITY, AND INCLUSION (EDI)**

Alberta Innovates believes the Research and Innovation ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community and therefore embraces the principles of Equity, Diversity and Inclusivity.

## **CONTACT INFORMATION**

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