



## **South Carolina Department of Commerce Office of Innovation**

### **The South Carolina Innovation Challenge: Notice of Funding Opportunity**

January 31, 2014

The South Carolina Department of Commerce announced a new Office of Innovation for South Carolina in October 2013. The Office of Innovation is focused on strengthening the innovation and technology-based, job-creating power of the State of South Carolina. The objective of the initiative is to make South Carolina a top state in the nation to start and build a high-growth business. To do so, South Carolina must enable entrepreneurship and technology-based economic development successes in the state, foster commercialization of technologies, support the increase of capital to home-grown companies and raise the profile of the state's innovation assets.

#### I. Innovation Challenge Description

The South Carolina Innovation Challenge is open statewide. The notice of funding opportunity is for up to \$2.5 million in competitive funding for projects that focus on fostering technology-based economic development, entrepreneurship and innovation in any or all communities of South Carolina through university collaboration, local government participation or public-private partnership participation.

Projects must address one or more of South Carolina's Innovation Plan goals. The [South Carolina Innovation Plan](#) goals are the following:

- 1) Develop a critical mass of high tech/high impact companies.
- 2) Grow a supportive, connected innovation community.
- 3) Support access to capital for companies at all stages of development.
- 4) Grow workforce talent equipped to work for high tech/high impact companies.

Up to \$2.5 million in competitive grants may be awarded during this funding cycle. Individual awards have no minimum and will not exceed \$250,000. A demonstrated dollar-for-dollar match from non-state entities will be required for consideration of projects and award of funding. Match funding for this opportunity is defined as non-state dollars, which can mean federal, local or private dollars. Match funding for this opportunity does not include loans or credit. Projects are expected to leverage other public and private investments which serve as a catalyst for future development. Funding must be spent within the first year after the funds are drawn down.

Interested applicants will submit a Project Target Plan under the guidelines set forth in Section VI of this notice.

Project Target Plans will be the basis for determining project awards. For successful applicants, Project Target Plans will be the first step in an ongoing partnership with the Office of Innovation and will support progress towards performance targets.

Applicants may submit one Project Target Plan.

## II. Timelines

The initial announcement is being made on Friday, January 31, 2014. The application deadline is 5:00 p.m. EST on Friday, February 28, 2014. Applications received after this deadline will not be reviewed. If a second round of funding availability is announced, projects submitted after the February 28, 2014 deadline may be considered, but must be resubmitted under guidelines for that second round. Awards for the current funding round will be announced in the second quarter of 2014. Additional funding availability may be announced again in Spring/Summer 2014.

### III. Qualifying Applicants

- Private non-profit organizations
- State, county or municipal entities
- State educational institutions
- Chambers of commerce

### IV. Selection Process

- The Office of Innovation will review all of the submissions for completeness and eligibility. Each Project Target Plan will be considered on its own merits.
- The Office of Innovation may schedule a conversation with the key individuals implementing the project, and may schedule on-site reviews of the proposed project with key individuals on the implementation team.
- The Office of Innovation may follow up with partners/collaborators of the proposed project.
- The Office of Innovation may request amendments to the Project Target Plan based on conversations and meetings, as appropriate.

### V. Qualifications

Qualifying projects must meet the following parameters:

- Projects must be focused on technology-based economic development and/or support innovation and entrepreneurship in South Carolina by addressing one or more goals as identified in [South Carolina's Innovation Plan](#).
- Projects may be pilots or existing.
- Projects may be incubator and/or accelerator projects with committed entrepreneurs.
- Projects must have community and/or entrepreneur support.
- Projects must collaborate with a college, technical college, chamber of commerce, state university, innovation center, incubator/accelerator or economic development entity.
- Projects must have existing commitments of financial support.

Note:

- Projects that focus on technology and/or high growth sectors will stand out for pointing to the innovation plan's major focus on these kinds of companies; however, projects that assist committed entrepreneurs with innovative, growth-focused companies in any sector that show potential to impact the local, regional and state economy are eligible.
- Projects able to demonstrate a new approach that will aim to outperform an existing practice, or that could support long-term successes for innovation in South Carolina, will be given strong consideration.
- Projects showing a greater than 1:1 funding match ratio will stand out as ones that show strong ability for long-term success.
- Specifics of what will be eligible for funding will be determined based on the Project Target Plan details.

VI. Project Target Plan Submission Details

Project Target Plan submissions should include the following, in this order:

- 1) Entity name and full address
- 2) Type of entity (non-profit, etc.)
- 3) Project lead point of contact: name, title, mailing address, phone number and email address
- 4) Name of project
- 5) Funding request total (include dollar figure only)
- 6) South Carolina Innovation Plan goal(s) the project will address, with brief explanation
- 7) Please provide complete answers to each of the following questions:
  - a. Market and Your Customers
    - Define the number and characteristics of the customers your project will serve. If your project will serve a niche customer, please explain why you chose that niche.
    - Profile a small cross-section of the individuals typical of people to be served by the project. Explain why those people want the project or can be persuaded to try it.

- Provide names of and contact information for individuals who have expressed a strong interest in being customers of your project.
- Specify any groups whose involvement is critical for your project to work. Indicate why they will cooperate.

#### b. The Product

- Specify your key product.
- What are its key features, and comparative advantages over other products?

#### c. Performance Targets

- Specify the performance targets you are committed to achieving – what will occur for your customer if your project is successful?
- Indicate the reason for not setting lower or higher levels.
- List any adverse and/or beneficial consequences associated with reaching your targets.

#### d. Milestones

- What are the critical milestones which you must achieve to reach results (i.e. how will you show the project is on track to meet its targets)?

#### e. Key Individuals

- Profile those individuals who will have the most responsibility for shaping your product, connecting it to customers and achieving performance targets.
- For each individual above, demonstrate his/her skills and knowledge that show your team is the right one for the project, his/her ability to seize on timing to get things done and his/her commitment to stay with the project throughout implementation.
- If a team approach is being used, explain how strengths of each member are complementary.

#### f. Organization support (partners/collaborators)

- List any similar projects taken on by the parent group and the extent to which performance targets were reached.
- List the specific resources the implementing group will contribute to the project and that are critical to its success (if you are not achieving targets, what resources will be deployed to change that)?
- Note and justify the priority this project has for the implementers.

- What organizations/groups will you collaborate with?

g. Verification

- How will you verify the extent to which your performance targets are achieved?

h. Financial Projections

- Specify project costs on the basis of milestones and performance targets.
- Complete a quarterly cash flow projection based on receiving funding with a schedule starting in Q2 2014 and extending for one year.
- What match funding types of financial support (i.e., private corporations, federal grants, individual donations and foundations) will be employed for the project?
- What ratio of financial support to state funding will be required to meet the cost requirements (i.e., 1:1 match; 2:1 match)?
- Show whether and how the project would continue without investment from Innovation Challenge funding.

Details:

- Submissions will be accepted electronically as standard letter-size 8 x 11. The font for text should be Times New Roman 12-point. Spacing should be multiple at 1.5. Document(s) should be saved as a single PDF and be no larger than 8MB and emailed to [innovation@sccommerce.com](mailto:innovation@sccommerce.com).
- The project lead point of contact must sign and date the submission, verifying that the signatory is qualified to make the submission, and verifying the submission's accuracy and truth.
- Non-profits must submit the following additional documentation:
  - A certificate of good standing from the State of its incorporation
  - A copy of the organization's Articles of Incorporation and By-Laws

VII. Deadline

Responses are due to the South Carolina Department of Commerce Office of Innovation by 5:00 PM Eastern Standard Time, Friday, February 28, 2014.

### VIII. Questions or Requests for Clarification

Submit written questions and requests for clarification regarding this funding opportunity to [innovation@scommerce.com](mailto:innovation@scommerce.com) no later than 5:00 PM EST, Monday, February 17, 2014.

### IX. Due Diligence

The Office of Innovation will conduct a review and sort projects. Projects will be sorted by clarity of performance targets and their likelihood to be achieved, plus a look at how the project will reflect the relationship between dollars in and results out. After a verification process, a selection of awards and announcements will be made. Any submissions not receiving award will receive notice. Contracts will be completed with awardees as a final step.