IP Audit funding

- To help IP reliant businesses address their “IP health”.
- Administered by Scottish Enterprise (SE).
- Raise with SE advisor, or Business Gateway if business is not yet connected with SE.
- Business requires to be able to have some resource to implement recommendations.
- Business needs to be “post revenue” to very close to generating income.
IP Audit funding

- Develop proposal
- Develop objectives
- Could cover multiple items:
  - Drafting of key contracts, releases, artwork arrangements, author agreements, rights licenses, e-books terms – all of these are IP related
  - Core IP actions such as trade marking
  - Revising prior IP matters, such as existing contracts, infringement issues
  - Strategy development, such as orphan works, fair use, internet material use procedures
IP Audit funding - costs

- A total £3,000 contribution.
- £2,500 from SE.
- Business contributes £500.
Make it to Market funding

- Administered by Scottish Enterprise
- Access through SE or Business Gateway
- For SMEs
- To get your products or services ready to be exported to international markets
- Up to 70% of eligible costs
- Between £2,000 and £5,000
- Generally have to apply pre-project
- Show you can meet additional 30%
Make it to Market funding

- Overseas travel costs
- Expert consultancy
- Market research and sample development
- IP licensing and brand protection
- Guidance on overseas contracts
- Translation costs
By Design funding

- Administered by Scottish Enterprise
- Access through SE or Business Gateway
- For SMEs
- To improve design in your business
- 70% of project costs
- Packaging
- Website design, if part of a bigger project, and only 10% of costs
- Potentially branding, if part of bigger project
Other schemes

• Publishing Scotland, the Go-See fund, to allow trade fair attendance for first time, and Go-Digital, for digitisation

• Creative Scotland funding:
  – Regular Funding, for ongoing running costs, helping organisations to plan, operate and deliver their work over three years, and to change or develop their future plans
  – Open Project Funding, for support on their artistic or creative projects
  – Targeted Funds
  – National Lottery Awards for All

• UKTI Tradeshow Access Programme
• European Funding
Sponsorship

• A good way to raise funds
• Really up to you on what you agree as regards what you give and what you get in return
• Rights to have sponsorship noted in collateral and on product often included, financial support generally provided in return
• Capture these elements in a short form contract
Arts and Business

- If an eligible business attracts a sponsor for a project, A&B will match that sponsorship, £ for £
- Both in-kind and cash sponsorship are eligible, but must come from the sponsor’s own funds, goods or services
- Up to the value of £40,000 in any one financial year (running from 1 April to 31 March)
- Can apply for more than one grant in the year providing the total sum awarded is £40,000 or under
Links

• https://www.scottish-enterprise.com/support-for-businesses/develop-products-and-services/innovation-support
• https://www.scottish-enterprise.com/support-for-businesses/funding-and-grants/growing-your-business/by-design
• https://www.scottish-enterprise.com/support-for-businesses/funding-and-grants/growing-your-business/make-it-to-market
• http://www.aandbscotland.org.uk/funding/
• http://www.publishingscotland.org/about-publishing/funding/
• https://www.creativescotland.com/funding/funding-programmes
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Show Me the Money

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1 February 2019

Driven to deliver
How to finance your business

• Loans
• Grants
• Equity
• Crowdfunding
Form of funding - Loans

- Sources of loans
  - Banks
  - Various private and public sources
  - Family and friends
Advantages of Loans

• Provided for a specified term
• Generally not repayable on demand
• Fixed interest rates offer certainty
• Lender will not receive a share of your business
Disadvantages of Loans

- Penalties for early repayment are common
- Failure to make repayments will allow lender to enforce securities
- If security is enforced you may lose personal wealth, assets (including your home) depending on what assets are secured
- Events of default may force you to repay the full loan immediately
Form of funding - Grants

What are Grants?

• Given to a business for a specific purpose
• Available from a number of providers, including local councils, Scottish Government and the EU
• A grant is a specific sum of money which can be paid to a business in a number of different ways e.g. lump sum or staggered
Grants – how can I get one?

- Sourcing grants – Business Gateway, local councils
- Conditions – grants are commonly available subject to strict conditions
- Eligibility – depending on certain factors (including location, size of your business, purpose of the grant) certain grants may not be available to you
Sources of equity funding are:

- Private individuals
- Angel syndicates
- Venture capitals
- Corporates
- Crowdfunding
What does an investor look for?

- Unique selling point
- Demonstrable market
- Scaleable
- Management team
- A return
- SEIS/EIS qualifying
Advantages of equity funding

• No repayments or interest payments (unlike loans) as the return is the uplift in the value of the shares taken by the investor
• No security to be given (unlike loans)
• Sharing of risk and reward between you and the investors
• Investors can provide a platform for growth through financial stability and skills and opportunities through networks and contacts
Disadvantages of equity funding

- You will lose some control and ownership of the business
- Certain investors may only want to provide a financial investment and won’t assist through provision of skills or contact sharing
- A poor working relationship can affect the running of the business – get to know your investor before you commit to the investment
Cash isn’t always king! – additional considerations

- Is the investment structure right for the business?
- Working relationship between management and investors
- Common and structured goals for the business
- Encourage hard work – incentivise
- Exit planning
What is Crowdfunding?

Crowdfunding is a way of raising money by appealing to a large group of people (a crowd) and collecting from them a large number of small contributions that, when aggregated together, make a usable sum.
Types of Crowdfunding

- Donation
- Reward
- Equity
- P2P
Disadvantages of Crowdfunding

• If you do not hit your crowdfund target then all pledged funds are often refunded to the investors
• Your business idea is open to copycats unless you have put in place appropriate intellectual property protection (patents, copyright and trademarks)
• It takes a significant amount of time and effort to run a successful crowdfund
• Potentially a significant number of shareholders
• Can be dumb money
Advantages of Crowdfunding

• Increased brand awareness
• Sometimes less onerous legal obligations going forward
• Customer base
• Feedback on the product/service
• Cost effective marketing
Questions?
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