

 **SCOTTISH
EDGE**
ROUND 15

 **SCOTTISH
EDGE**

 HUNTER
FOUNDATION

#EDC

Supporting
Entrepreneurial Talent
2021

 **SCOTTISH
EDGE**

A woman with dark hair in braids, wearing a bright yellow dress, is smiling and holding a small, grey, geometric product. She is standing in front of several large wooden barrels. The barrels have the text 'MATUGGA DISTILLERS' and a logo on them. A large purple and blue geometric shape is overlaid on the left side of the image.

Do you have
the EDGE?

Scottish EDGE Round 18 key dates

Tuesday 6th July 2021

Application window opens (9.00am)

Tuesday 10th August 2021

Application window closes (2.00pm)

24th August to 17th September 2021

1st Stage Assessments undertaken

1st Stage Assessment Results sent out by

Wednesday 22nd September 2021

2nd, 3rd, 4th & 5th November 2021

Scottish EDGE Semi Finals

Wednesday 10th November 2021

Semi-Final results sent out

9th November 2021

Wild Card EDGE Final

11th November 2021

Social Enterprise EDGE Final

17th & 18th November 2021

Young EDGE Final (X 2 days)

30th November & 1st December 2021

Scottish EDGE Final Days (dates TBC)

Evening of Wednesday 1st December 2021

Awards Ceremony (date TBC)

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1. Scottish EDGE

Scottish EDGE is the main competition category, and all companies that apply and meet the eligibility criteria will be entered in to and assessed for the main Scottish EDGE competition.

This category also includes four special accolade awards: STV Growth EDGE, IBioIC EDGE, Circular Economy EDGE and Creative EDGE (see FAQ's and Eligibility for more details on these special awards). If you have an Innovative, High-Growth Potential business then you could win up to £100,000 plus a fantastic package of support from Scottish EDGE.

The application process consists of each business completing the Scottish EDGE Online Application Form (available from our website) and producing a 3-minute video presentation. Your application and video submission are then assessed by our independent panel of assessors against the following criteria: Value Proposition, Entrepreneurial Spirit, Impact, Business Growth Potential, Customer Focus, Utilisation of Funding (full details provided in the FAQs).

The Scottish EDGE category has three assessment stages:

1. 1st Stage Assessment of Application and Video Presentation
2. Live Semi-Final Presentation (3-min presentation followed by 7-minute Q&A)
3. Live Final Presentation (3-min presentation followed by 7-minute Q&A)

Winners of Scottish EDGE will benefit from:

- ▶ Funding of up to £100,000, taking the form of a **30% grant, 70% loan**
- ▶ Enrolment into the EDGE Alumni programme
- ▶ Package of Support from leading business organisations
- ▶ Plus much more

If your business qualifies to apply for Scottish EDGE and you don't win, you will be offered detailed feedback and signposting to our business development partners who will provide you with support to help you reapply.

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3. Young EDGE

Aged 18–30

At Scottish EDGE, we recognise that growing your business can be particularly challenging for younger entrepreneurs. Whilst Scottish EDGE is open to all who meet the Scottish EDGE criteria, an additional special category has been designed to support Companies whose Directors are all aged 18-30 (excluding Non-Exec Directors and Investors) in the form of Young EDGE.

Applicants who are eligible for the Young EDGE category will be assessed as part of the Scottish EDGE 1st Stage Assessment Process and, should they meet the scoring level required following assessment, will be invited to pitch live at the Young EDGE Final, for the chance to win one of the prizes up to £15,000 (Grant only). The assessment criteria for Young EDGE is the same as in the Scottish EDGE category.

Following the conclusion of the final assessment day, the judging panel will decide on the Young EDGE winners and also select the top prize winner, who will be awarded a place at a future Scottish EDGE Semi-final.

Young EDGE was first introduced at the start of 2014 and many of the Young EDGE winners have followed up their Young EDGE success by going on to win a Scottish EDGE award in a subsequent round of the competition.

Young EDGE applicants can also apply and be considered for the Scottish EDGE and Wild Card EDGE categories, if eligible. For any applicant who is focusing on applying for Young EDGE only, then you should apply for an amount of £10,000.





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A special category has been designed to support Companies whose Directors/Business Leaders are all aged 18-30.

4. Wild Card EDGE

Pre-Trading Businesses

Recognising that businesses can often require support to take their product or service to market, Scottish EDGE introduced the Wild Card EDGE competition category in 2015. Open to pre-trading businesses, winning a Wild Card EDGE award results in Scottish EDGE support in the form of a grant of up to £15,000 and access to our non-financial support package, provided by leading business professionals.

This is a judges' award category and requires the collective agreement of the assessment panel that you or your company has the innovative 'wow' factor. Innovation is not only about your product or service; it can be about you, your approach, your team, or the design or brand which you have adopted.

Applicants who are eligible for the Wild Card EDGE category will be assessed as part of the Scottish EDGE 1st Stage Assessment Process and, the assessment panel will decide which of the businesses will be invited to pitch live at the Wild Card EDGE Final, for the chance to win one of the prizes up to £15,000 (Grant only). The assessment criteria for Wild card EDGE is the same as in the Scottish EDGE category.

Following the conclusion of the final assessment day, the judging panel will decide on the Wild Card EDGE winners and also select the top prize winner, who will be awarded a place at a future Scottish EDGE Semi-final.



A young man with reddish hair, wearing a grey three-piece suit, is playing bagpipes. He is looking slightly to the left. The background is a blurred outdoor setting with a building and some greenery. The image has a dark blue overlay.

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Innovation is not only about your product or service; it can be about you, your approach, your team, or the design or brand which you have adopted.

Frequently asked questions

What are the competition categories within Scottish EDGE?

Scottish EDGE consists of three competition categories: Scottish EDGE, Young EDGE and Wild Card EDGE and four special accolade awards: STV Growth EDGE, IBioIC EDGE, Circular Economy EDGE, and Creative EDGE (see FAQ's and Eligibility for more details on these special awards). There is also a separate Social Enterprise EDGE part of the competition specifically for asset-locked Social Enterprises.

All companies that apply and meet the eligibility criteria will be entered in to and assessed for the main Scottish EDGE competition. Companies that subsequently meet the criteria for Young EDGE and Wild Card EDGE will also go forward and be assessed in these categories.

If eligibility standards are met a company can be considered for all three Scottish EDGE categories and could potentially win an award for Young EDGE and Wild Card EDGE and Scottish EDGE up to a maximum of £100,000.

Can you summarise the impact of Scottish EDGE so far?

Rounds 1-17 resulted in:

- ▶ 4231 applications being submitted
- ▶ 241 Scottish EDGE awards totalling just over £12.5m being presented
- ▶ 131 Young EDGE awards have been given out, totalling over £1.1m
- ▶ 114 Wild Card EDGE awards - over £1m
- ▶ 38 special awards, totalling over £3m, including the biggest ever individual Scottish EDGE awards of £150,000
- ▶ Total - over £17.8m awarded to Scotland's up-and-coming entrepreneurial talent

Since the first Scottish EDGE awards were made in February 2013 a total of:

- ▶ 2,255 new Scottish jobs have been created
- ▶ £412m of additional turnover has been generated
- ▶ £281m of external funding received
- ▶ Average applications per round - 245
- ▶ Average winners per rounds - 15 (for Scottish EDGE), 7 (for Young EDGE) & 7 (for Wild Card EDGE)
- ▶ Not counting 1st Round, over 50% of winners win on their 2nd, 3rd or 4th attempt at applying



It has been highlighted that a lot of businesses win on their 2nd, 3rd or 4th Scottish EDGE application attempt, why is that?

The fact that just over half of the past Scottish EDGE winners have been successful on either a 2nd, 3rd or 4th application attempt highlights the benefits of the expert support the applicants receive throughout the process and allows businesses to learn from their previous Scottish EDGE journey and come back at a future round with a well-structured application and an overall stronger business proposition.

The statistics also highlight that almost half of our winners win on a 1st application attempt so it is not necessarily the case that you will need to wait until your 2nd, 3rd or 4th attempt to become a winner.

It is also not the case that if a business keeps applying they will eventually be selected as a winner, each individual round of Scottish EDGE is measured on its own merit. Although, it is worth noting that in Round 14 an applicant won a Scottish EDGE award with their 7th application attempt, so resilience and perseverance can pay off.

Join the conversation



Eligibility

To be considered for Scottish EDGE (including Creative, Social, Circular Economy, STV Growth and IBioIC EDGE), Young EDGE or Wild Card EDGE, companies must meet all Scottish EDGE eligibility standards listed below. Additional eligibility standards must be met to be considered for Young EDGE or Wild Card EDGE.

Scottish EDGE Eligibility Criteria

- ▶ Your business has been Incorporated at Companies House (Scottish EDGE is open to Ltd Companies and registered Social Enterprises/ Charities only)
- ▶ Your business has been in operation for no more than 5 years, as at Scottish EDGE application window closing date? (Evidential proof required through Companies House check to confirm Incorporation Date. If Incorporation Date is greater than 5 years then HMRC Letter or Accountant's letter required to confirm trading activity has been less than 5 years. Evidence must be submitted as an attachment to your online application form)
- ▶ Your business is head-quartered in Scotland

Current sales turnover levels does not exceed £1m
- ▶ A minimum of 50% of the business ownership is attributed to Directors actively working in the business on a day-to-day basis.
- ▶ With support, your business has the potential to achieve new/increased cumulative sales of £200,000 over the next 3 years (the 3 year time-frame does not apply to companies in the specialist sectors of BioTech, Life Sciences, Technology and Energy)
- ▶ Over the next 3 years, with support, your business should be capable of creating new, sustainable Scottish jobs
- ▶ Your business embodies innovation and has an ambitious growth strategy with a future intention to export your service or product beyond Scotland
- ▶ Your business is not in administration or liquidation, and your company's Directors or key principals have never been prosecuted for fraud or disqualified from becoming a company director

Social Ent EDGE Eligibility Criteria

- ▶ Same as Scottish EDGE with the addition that your business plan should clearly demonstrate how your business enriches communities and makes a contribution to society, tackling social and environmental problems in Scotland, nationally or abroad.

Your Social Enterprise must **(a)** have a social mission embedded in your articles and **(b)** have a legal clause in the articles that prevents the assets of the company being used for private gain and **(c)** have a requirement in your constitution that profits must be reinvested in the business or community.

Only asset locked Social Enterprises will be considered for this category.

Young EDGE Eligibility Criteria

Open to all businesses or sole-traders/partnerships whose Directors (excluding non-exec Directors) are all aged between 18-30 years old (ID will need to be provided to confirm).

Wild Card EDGE Eligibility Criteria

- ▶ Open to all businesses or sole-traders/partnerships who are pre-trading.
- ▶ Your business displays a highly innovative element around your product/service, your brand or you and your team.

I am a sole-trader, can I apply?

Scottish EDGE category (including special awards) is only available to registered companies and therefore sole traders and partnerships are not eligible to apply in this category. However, sole-traders/partnerships are eligible to apply in the Young EDGE and Wild Card EDGE categories.

My business has been incorporated for longer than five years, but I've been trading for less than five years, am I eligible?

Yes. Scottish EDGE is open to businesses who have been in operation for less than 5 years as at date of close of application window. Evidence will be sought to prove that your company has been in operation for less than 5 years. Company House checks will be done to confirm your Incorporation Date and if this is greater than 5 years but you have been trading for less than 5 years then a letter from HMRC or your Accountant will be required as evidence. This evidence must be submitted along with your Scottish EDGE application. Additional checks will be undertaken to confirm trading activity period.

Any company found to be providing false information will not be permitted to continue in the competition.

I applied to Scottish EDGE the last time - can I apply again?

Yes, you can apply for Scottish EDGE again. We have removed the maximum attempts of three, meaning that businesses who have previously applied three times can apply. However please note that a maximum number of attempts may be re-introduced for future rounds.

I am a past Scottish EDGE winner, can I re-apply?

You are permitted to apply for further Scottish EDGE support if you are a previous Young EDGE or Wild Card EDGE winner. However Scottish EDGE, and special award winners are not eligible for further funding from Scottish EDGE.

I've raised private investment. Does that affect the amount I can win from EDGE?

The Scottish EDGE Board have introduced a new rule for privately funded companies. If you have been successful in securing more than £250,000 in funding from private sector sources, you will only be eligible for the loan and not the grant portion of the award. This rule is applicable up until the date of when you would be announced as a Scottish EDGE winner. Please tell us, when completing your online application about any private sector support you have received up to the application date, and we will check further in the competition process whether any investment has been generated during the competition delivery period.

Do I need to have a Business Bank Account open to apply?

No you don't need to have a business bank account open to be eligible to apply but will need one if successful in winning an award, as

EDGE awards must be paid in to a business bank account.

Tell me more about the STV Growth EDGE Award

STV Growth EDGE is a special award introduced in partnership with STV, offering support to one Scottish EDGE winning consumer-based product business.

The award comes in the form of £75,000 worth of STV advertising airtime and a launch commercial to help grow your businesses. This award is in addition to your Scottish EDGE Award funding.

To be eligible for this Award, you must meet all Scottish EDGE eligibility standards and have a consumer-based product.

Tell me more about the Circular Economy EDGE Award

Circular Economy EDGE is a special award category introduced with Zero Waste Scotland funding to encourage and back entrepreneurs who are exploring more circular ways of doing business.

A circular economy is one that's sustainable, and as much as possible eliminates waste, everything has value and nothing is wasted. The award is a prize of up to £100,000 (30/70 grant/loan) for the top Circular business idea.

If you would you like to undertake an Energy Efficiencies assessment through Zero Waste Scotland visit <https://energy.zerowastescotland.org.uk/>. Visit <https://ceaccelerator.zerowastescotland.org.uk/> if you are interested in finding out more about the circular economy.

Tell me more about the Creative EDGE special award

Creative EDGE is a special award within the Scottish EDGE category for Creative Sector businesses. The award carries a potential prize amount of £100,000 (30/70 grant/loan split), which is awarded to one Scottish EDGE finalist on the day of the final. To be eligible for the Creative EDGE award, you must operate in one of the creative sector sub-sectors.

Tell me more about the IBioIC EDGE special award

IBioIC EDGE is a special award within the Scottish EDGE category for Industrial Biotechnology Sector businesses.

The award carries a potential prize amount of £100,000 (30/70 grant/loan split), which is awarded to one Scottish EDGE finalist on the day of the final or awards ceremony. As well as cash funding, the IBioIC EDGE Award winner will benefit from membership of IBioIC and mentoring to enable them to maximise the opportunity for growth both

The application process

How do I apply for Scottish EDGE, Young EDGE or Wild Card EDGE?

You only need to submit one application to be entered in to the Scottish EDGE, Young EDGE or Wild Card EDGE competition, where eligibility permits. All applications must be submitted using the Scottish EDGE Online Application Portal, which can be found on our website - www.scottishedge.com. No paper based or email applications will be accepted.

What if I'm late in applying?

The application portal will close automatically at the end of the application window. It will not be possible to submit an application after the stated deadline and no paper or email based applications will be accepted.

How long will it take me to complete my application?

Past winners have told us that it takes anything from half a day to several days to prepare their answers and a video pitch. It is key that you dedicate sufficient time that you are comfortable with to allow you to submit as comprehensive an application as possible, without taking the focus away from running your business. Only information provided on the application form and video pitch will be considered by the judging panel during the 1st stage assessment process.

How do I submit the required 3-minute video pitch?

The video should be to the standard of that taken on a hand held mobile recording device or better – it is not necessary to pay for an external party to produce a professional video solely for this competition unless you really wish to do so. The standard does not impact on your selection – so long as it can be viewed, heard and shows the entrepreneur and any potential product. It is the content of the pitch which matters. We would encourage applicants to show their product or

service in the 3 minute video as this often helps bring your offering to life for the judging panel during the assessment process

YouTube is the preferred option for uploading video content and we would encourage applicants to amend their video to the **unlisted** option when uploading a video to YouTube (link below). The time limit for videos is 3 minutes maximum. Any video content beyond 3 minutes will not be viewed during assessments.

How to change video to Unlisted:
<http://bit.ly/EDGEUnlisted>

Once the video content has been uploaded to YouTube (or another preferred format i.e. Vimeo) then you must provide the full URL link on your Scottish EDGE Application where requested.

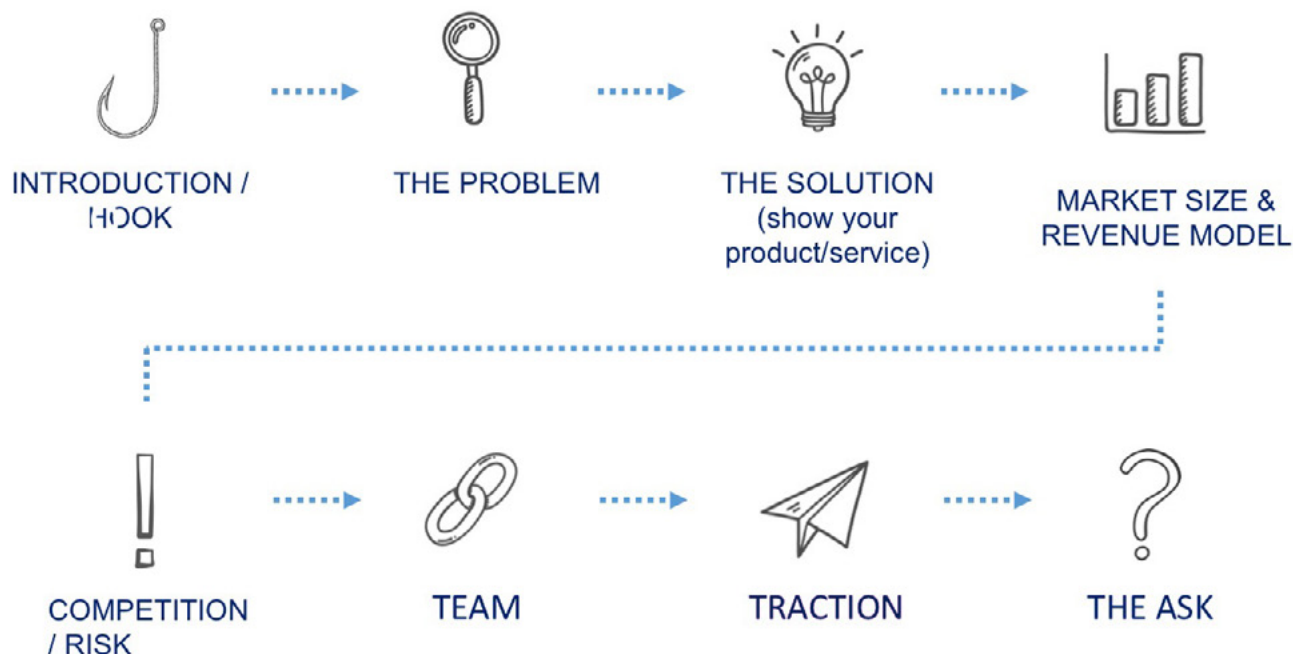
What should be covered in the 3 minute video?

The video offers the opportunity for you to showcase the business leader, team and product/service to the panel of assessors. The 3 minute video does not need to be the business leader speaking for 3 minutes, it can include a demonstration of your product or service, have customer testimonials or show some of the team hard at work.

The diagram to the right provides an overview from Royal Bank Entrepreneur Accelerator as to what they suggest could be included within the 3 minute video.

You can find example pitch videos here:
<http://bit.ly/EDGEPitches>

Suggested 8-steps to a perfect pitch*



*Please note: this diagram is intended to offer support guidance only, it is not mandatory to follow this process

What happens after my application has been submitted?

Following closure of the Scottish EDGE application window, all Scottish EDGE applications will be checked for eligibility and assessed against the Scottish EDGE assessment criteria.

The scoring is based solely on the evidence contained within your application form and your video.

After all applications have been assessed the top scoring businesses will be invited to pitch live in front of our panel of partner organisations and other business experts at one of our semi-finals.

The businesses who do not progress to the semi-final will receive feedback on their application to help take their business forward and to support any future Scottish EDGE applications and will also be given the opportunity to work with a Business Gateway advisor, if not already in place.

At the semi-final stage the applicants are again assessed against the same Scottish EDGE criteria as the 1st stage assessment and if you are successful in impressing the panel and are one of the top-scoring semi-finalists you will be invited to the Scottish EDGE final. The Scottish EDGE final will take place over two-days and at this event you will be asked to pitch live to a senior business panel.

After all the pitches at the final, the panel select the winners on the day and decide how much investment will be given to each winning business. The winners are then announced at an awards ceremony on the evening of the second day.

For businesses who are eligible for Young EDGE and Wild Card EDGE, they will be contacted separately following the 1st stage assessment process and will be advised whether they have been successful in progressing to the respective final for these categories. At the Young EDGE and Wild Card EDGE final, companies will pitch live to a panel of business experts, followed by a Q&A session, after which the panel will decide on whether the company will be selected as a winner or not. The assessment scoring criteria for Young EDGE and Wild Card EDGE is the same as Scottish EDGE throughout the whole process.

The assessment process

What is the Assessment Criteria?

Whilst the competition standard and level of expectation can often increase as you progress through the stages of the Scottish EDGE competition, the assessment criteria remains consistent across the 1st Stage assessments, the Semi-Final and the Final.

Young EDGE and Wild Card EDGE also have the same assessment scoring process but within Wild Card EDGE this will be interpreted slightly differently as these businesses are pre-trading.

The assessment criteria across all rounds is linked to the key requirements for Scottish EDGE and is as follows (including some examples of what the judges may look for in each area):

Value Proposition

Has the product/service offering been clearly articulated?

Is there a recognition and awareness of other similar and competing products, and has the applying business clearly articulated what makes their product/service better and more appealing to customers? - the point of difference could be around innovation or business model

Does the business have the plans and relationships in place to ensure a secure product supply chain and have a strategy for effectively managing any proposed manufacturing process?

Is there a clear sense that the key business risks are understood and can be addressed?

If IP is required, is clear ownership and freedom to operate demonstrated?

Has the key innovative element of the business offering been developed fully by the applying business?

Is the product/service easily replicated, and has the business demonstrated how they will alleviate concerns about being copied?

Entrepreneurial Spirit

Does the business leadership team have the right mix of skillsets to drive the business forward?

Does the individual or team evidence that they know what key skills are missing from the team to enable them to grow the business?

Is there sufficient commercial experience in the team or advisory network to enable the proposed growth plans to be achieved?

Can the business leader call on any past business successes or failings to help in the current entrepreneurial journey?

Has a network of business support advisers/mentors been established? Do they add value?

Are there strong business foundations in place to demonstrate this is an investable team with a robust plan for growth?

Impact

What core values and culture has the business leader / leadership team set out for the business?

With Scottish EDGE assistance, does the application suggest the ability to create new, sustainable Scottish jobs?

Does the business demonstrate a strong social impact focus or is there strong social intentions built in to the future plans of the business

Can the business leader / leadership team highlight any specific social impact activities they currently deliver or will aim to deliver - supporting Young or Disadvantaged People, Rural Community focus, utilising Local Suppliers, backing Community Initiatives? If so, how many people have been positively impacted by the Giving Back activities of the business?

Is there a current commitment to delivering inclusive practices as the business looks to grow e.g. Living Wage, non-use of Zero Hours Contracts, Workplace Diversity (including gender split, BAME, young people, disability).

Does the business outline a clear focus on delivering positive environmental impact? Is there a plan in place to support a Net Zero strategy

Is it clear that environmental impact is seen as an integral part of the business plans going forward

Does the business demonstrate any key activities, processes or future intentions to highlight a focus on circular economy

Does the business have metrics or targets for their social and environmental impact activities?

Has the business aligned their positive impact with any of the UN Sustainable Development Goals

Business Growth Potential

Does the business leader have a clearly defined revenue model for their products and services?

Does the business leader clearly articulate their business growth strategy and outline clearly how the 1st year projected turnover will be achieved and provide realistic plans for growth over the coming three years?

Is the business projecting to achieve the minimum level of £200,000 cumulative turnover across the next three years and are the plans for how to achieve this realistic?

For trading businesses, what level of turnover has been achieved to-date, and is the business on course to achieved current year sales forecast?

Does the business have a strong Go-To-Market / Commercial Strategy?

Has the proposed business offering been validated by the target market to evidence how the proposed growth plans are achievable and realistic?

If the business is going through a loss-making stage due to key development activities, are there plans in place to show how the losses will be sustained through the development phase?

Does the business leader know the number of product sales needed to grow over the next three years to achieve the projected turnover levels? Are these numbers realistic and achievable?

Is there a clear understanding around the cost of sales – product development, manufacturing, distribution, marketing etc

Can the business leader clearly define what success looks like for the business across the next three years? Are there plans in place for product/service development and/or expansion into new markets?

For pre-trading businesses, is there a realistic assumption of when the product/service will be ready for market?

For businesses still in the development stage, is there a clear strategy to evidence they can progress towards commercialisation?

For specialist sector businesses, is there a strong commercial strategy and a realistic timescale of when they will have a market-ready proposition?

For socially-focused businesses, is there a clear business sustainability strategy in place and realistic details of the positive impact the product/service will deliver.

Scoring Range

1 (Poor) - little or no evidence of the criterion being satisfied, and lack of clarity in the information/evidence presented: **2 (Weak)** - some evidence of the criterion being satisfied and some relevant information presented, however insufficient information/evidence is broad and lacking sufficient detail: **3 (Satisfactory)** - adequate evidence of the criterion being satisfied and some information presented appears robust, however some deficiencies exist in the areas assessed: **4 (Good)** - clear evidence of the criterion being satisfied and information/evidence presented is coherent, consistent and is justified: **5 (Excellent)** - strong evidence of the criterion being satisfied and information/evidence presented is of a very high level: coherent, consistent, justified, but also demonstrating advanced development or comprehensive strength

Customer Focus

Is the target customer base clearly defined? Has the business distinguished customer segments and their specific needs?

Is there evidence that the company's product or service has sufficient customer demand to allow for business growth?

Has sufficient customer/market research and validation been undertaken to suggest customers would purchase the company's offering?

Is there clear evidence of engagement with the target customer base? Is the level or stage of engagement clearly stated (sent an email vs. agreed contract in place)

Does the applicant have confirmed interest from buyers? If so, at what stage is this interest and will it lead to confirmed sales?

If sales have been made to customers, is there any strong customer feedback that can demonstrate value-add of your offering?

Does the company demonstrate a plan to offer their product/service beyond a localised market?

Has the applicant clearly demonstrated how they will approach and maximise the wider market opportunities?

Does the business see Scotland or an export market as the strongest customer base going forward?

Does the business leader understand the best marketing strategy to reach the key customer base? Has the business selected the appropriate marketing channels?

How important is a social media focus to the growth of the business?

Utilisation of Funding

Does the proposed Scottish EDGE award spend breakdown relate to the key essential areas to influence business growth?

Have the proposed spend costings been researched and evidenced as realistic?

Has the business demonstrated the difference and impact an EDGE award would have on their entrepreneurial journey?

Will the proposed spend plans have an overall impact on Scotland's economy?

What would be the difference in timeframe relating to getting to market or fulfilling high-growth potential between receiving an EDGE award or not?

Is further funding (other than via Scottish EDGE) required to achieve the growth set out in the application – if so how is this progressing?

If an EDGE award is part of a wider fund-raising campaign, has it been clearly articulated as to what specific steps the EDGE award would support?

Is there a clear understanding of the full funding required to take the product/service offering to a market-ready stage?

Who are the judges?

Throughout the Scottish EDGE journey our assessors are representatives of the Scottish EDGE partner organisations: The Royal Bank of Scotland, Business Gateway, Scottish Enterprise/ Highlands and Islands Enterprise, Hunter Foundation and Social Investment Scotland, as well as external business experts, entrepreneurs, and investors from across Scotland. We also have previous Scottish EDGE winners on our panel of assessors.

A different panel will be used at the different stages of the competition, i.e. if you progress to the live pitching semi-final stage, the panel you will pitch to will be different from the panel who assessed your application at the 1st Stage Assessments.

“ Feedback will be aimed at offering you support in improving any future Scottish EDGE applications and also aimed at supporting you on your business growth journey.

What are the key things to consider under each assessment criteria standard?

Here are a few hints and tips to consider relating to the assessment criteria:

Value Proposition

This is a new assessment criteria standard introduced for Round 17, but incorporates key assessment areas and questions asked in previous rounds. The key things this area focuses on are:

- 1) Can you easily articulate what your business product/service offering is? Between the video and application form you need to clearly articulate the business offering so the assessment panel members can clearly grasp the focus of your business.
- 2) You need to demonstrate an understanding of the competitive landscape that you operate in or intend to operate in. The EDGE panel understand that there will be other competitor products in the market, and they want to know that you have awareness of what else is out there in your space.
- 3) What is your Point of Difference? You need to get across what makes you different from current products in the market. This Point of Difference could be around innovation in your product/service or could be around a different business model offering. The panel want to know why a customer would use your product over other similar type offerings.
- 4) The key risk as you look to grow the business. All businesses face risks when attempting to grow and every business's risks will be different. Highlight the main risks to you in achieving your business growth ambitions and provide detail about how you will mitigate these risks.

5) Key Highlights. This is your opportunity to share some business highlights with the assessors. These could be around product developments, press coverage, awards, customer trials, sales, investment, anything you think will demonstrate positive traction.

Entrepreneurial Spirit

This is all about the people side of the business. This is your opportunity to share details of the experience and expertise of the business leaders and wider team. Remember to include details of yourself, as business leader, when completing this section.

There is usually an expectation from the assessors to see the business leader on the video. For the application form, best option is to set out separate paragraphs or bullet points for each individual person in the team and detail their background information and what they bring to the team. You will also need to detail any advisors and supporters you engage with to help on your business journey and explain what value they add to the business.

Impact

The purpose of the Impact assessment criteria is to focus on the growing trend of purpose-led alongside profit when a business is setting out its growth journey and values. This section focuses on what you are currently doing or have intentions of doing to deliver social or environmental impact. The assessment panel are looking for detail around the purpose-led values or initiative you have instilled within the business model and strategy and also to see how you plan to monitor and

measure the positive impact you deliver to people or the environment.

Business Growth Potential

Companies often do not provide sufficient evidence or provide detailed and realistic figures with strongly weighted evidence, in the financial assumptions section, to evidence that the business can achieve the required increased turnover levels over the next 3 years. This can often be down to the business pre-trading or just recently started trading, and in these circumstances the panel would expect realistic financial assumptions with sufficient customer validation and market research to evidence the demand for your product – a key question in this section is “has the business outlined how they plan to achieve the projected forecast figures?”.

There is also sometimes a tendency to over-inflate projected figures in order to impress the judges, with many businesses stating that their projected turnover after 3 years could be £10m(+) but this will have an opposite effect if it doesn't seem realistic and is backed-up with strong customer demand.

Also, applicants do not always articulate a well thought through go-to-market/commercial strategy and highlight who in the business or support network has experience to help deliver this strategy. If you are currently trading and making sales, then ensure that you detail what sales success you've had to date.

Customer Focus

Companies often do not provide detailed evidence that the product or service that they offer is attractive to customers and they have customers who are willing to buy this. The panel don't want to hear that you will capture 1% of a £100 million market. They'd rather hear about the 100 potential customers you spoke to and their desire to buy your product. Customer validation is crucial, and

you also need to outline what stage key customer contact is at – have you made initial contact by email or are discussions getting closer to sealing a contract. When the business is pre-trading or in its early stage you need to prove to the assessment panel there is a desire for your product.

Tell the panel about any customer research you have done and what this tells you. If too early for customer research, tell the panel when this will become part of your journey. Also, it helps strengthen your case as a high growth potential business, when you are selling or have plans to sell your product or service to the wider UK market and beyond.

Utilisation of Funding

In this section each business will outline the plan for how the company will spend the requested Scottish EDGE award funding and this should convey the best solution to support enhanced business growth. The assessment panel will want to see a list of what you want to spend the funds on and what impact these elements would have on the growth journey of the business. Also, if the EDGE funding is part of a larger fundraising campaign then you need to ensure the assessors know what your plans are for the additional funding and at what stage you are at with discussion with investors etc.

Is there anything that is not an acceptable use of the funding?

The purpose of Scottish EDGE awards are to take a business forward in their entrepreneurial journey and the funds can be used for any legal forward planning purpose.

Scottish EDGE awards cannot be used as a contribution to the salaries of existing directors, founding team, or key existing staff members. However, it is acceptable for funds to be used to support new recruits to the business team. Please note Scottish EDGE awards also cannot be used to repay Director loans.

Is feedback available after I've applied?

Following each stage of assessments, each unsuccessful applicant will be provided with a selection of key feedback points from the assessment panel, with a view to this feedback giving some guidance on how best to take the business forward and to help support any future Scottish EDGE applications. The feedback offered will be the consensus of the full panel from the assessment day.

Each applicant will also be given the opportunity to work with a Business Gateway advisor to review their application and assessment feedback.

Semi-final and final presentation

At the semi-final and final, how long do I present for?

If you are successful in reaching the semi-final or final, then you will be asked to pitch for 3 minutes live in front of our panel of judges, this will be done virtually in round 18, and after your pitch the panel will have a further 7 minutes at the semi-final stage and final to conduct a questions and answer session with yourself.

Can more than one person present at the semi-final and final pitching events?

Yes, there is no restriction on the number of people who can pitch for the business but you must be a director or key business principle to pitch on behalf of the business and the expectation is that the majority shareholder is one of the representatives for the company during the live pitch. However, to remain professional and ensure that you keep the judges focused on you during the pitch we would recommend that no more than two people pitch on behalf of the company.

Am I allowed Power Point slides at the semi final and final pitching events?

Yes, however, we cannot provide means to present slides during the semi-final, Young EDGE final and Wild Card EDGE final pitches. You will be allowed to use your own laptop or device to present and display a maximum of five Microsoft Power Point slides if you wish to do so. Slide presentation facilities are available for Scottish EDGE finalists, again for a maximum of five Microsoft Powerpoint slides.

You can also showcase your product to the panel at the semi-final and finals stage by bringing along a product, a brochure or laptop/iPad to help bring your product/process/service to life. Please note that the showcasing time will form part of your overall 3 minute pitch and 7 minute Q&A allocation, therefore it will be up to you to decide when best to showcase the product/process/service to the panel.

If presenting virtually, you can use the 'share screen' function to show visuals of your product or service offering.



Winners & funding

How many companies win an award?

There is no set number of winners in the Scottish EDGE category and this normally varies from round to round. The Scottish EDGE category will also provide the winners for the special category accolade awards - STV Growth EDGE, IBioIC EDGE, Circular Economy EDGE, and Creative EDGE. There will also be one or two winners selected for the Social Enterprise EDGE part of the competition. There are around seven winners in each round in the Wild Card EDGE category, and due to an increased focus on supporting younger entrepreneurs there will be around 14 winners in the Young EDGE category.

What can my company win?



Scottish EDGE

Companies can apply for and win awards up to a maximum of £100,000. All Scottish EDGE and Special Awards are offered on a **30:70** Grant/Loan split. Businesses cannot apply for a Scottish EDGE Grant only.



Young EDGE

Companies who meet Young EDGE criteria, can win awards up to **£15,000**. The expectation is there will be one top prize winner of £15,000 in each round with other winners winning prizes of up to £10,000. These awards are in the form of a grant.



Wild Card EDGE

Companies who meet Wild Card EDGE criteria, can win awards up to **£15,000**. The expectation is there will be one top prize winner of £15,000 in each round with other winners winning prizes of up to £10,000. These awards are in the form of a grant.

In addition to financial awards, all EDGE winners are provided with a package of support from business experts, including a business mentor, to help the business grow.



Winners & funding

My company has been chosen as an award winner. How do I get my money?

50% of any funds awarded, or in the case of Young EDGE and Wild Card EDGE, 75% of any funds awarded, will be given upon the award being granted and winner's contract being signed. Certain milestones, as outlined in your application form, will be agreed with you in a contract following an initial meeting with an EDGE Relationship Manager and any funding awarded must only be used to fulfil these milestones. Once you have achieved these milestones or demonstrated that you are on the way to achieving them within the agreed time scales, the final payment will be made.

All Scottish EDGE awards are 30% grant / 70% loan and loan terms will be discussed with each winner during their initial support meeting with the Scottish EDGE Relationship Managers. All Scottish EDGE winners will meet with the Scottish EDGE Relationship Management team following their award. The purpose of this meeting is to develop an action plan for supporting the winning business, to agree the milestones that will be inserted in to the Scottish EDGE winner's contract and agree loan terms for the loan element of the award. The Scottish EDGE Relationship Management team will also review submitted cashflow forecasts at these meeting to determine financial sustainability of the business going forward.

In addition to each Scottish EDGE monetary award, each winner also wins a fantastic support package offering

In addition to financial awards, all Scottish EDGE winners and finalists are entitled to access a support package offering. You will also be enrolled into the EDGE Alumni programme, where you will get access to events, peer to peer learning and training to enhance your skills and grow your network.

Packages of support vary in each round and will be discussed with each winner accordingly. The dedicated Scottish EDGE Relationship Managers will help you access the relevant support to grow your business.

Loan terms

- ▶ 5% Fixed Flat-Rate Interest (this equates to a rate of approximately between 9.5% - 9.7% APR)
Maximum five year repayment term
- ▶ A reduced repayment period may be available for pre-trading businesses and will be discussed and agreed on a case by case basis by the Scottish EDGE Relationship Managers
- ▶ If a reduced repayment period is taken the business will be expected to make a contribution to the interest by making a nominal monthly repayment of £50 to £125, agreed on a case by case basis
- ▶ Loan repayments will commence the month following the drawdown of the loan funds and all payments are made monthly on the 28th of the month
- ▶ If loans are repaid within 24 months the amount of accrued interest to this date will be waived, which we hope will encourage early repayment
- ▶ If a repayment plan is set up for a 24 month period, then no interest will be applied in the calculation. However if the loan is not paid within the 24 month period, interest will be back-dated to day 1 of the loan
- ▶ Interest will accrue to the date of repayment. So, if the loan is taken over five years but paid within four the interest will not be payable for the fifth year
- ▶ We will not take personal guarantees or any other form of security
- ▶ All loans awarded are provided by Scottish EDGE C.I.C.

Part of the award is de minimis funding, how does this affect me?

The grant element of all Scottish EDGE, Young EDGE, Wild Card EDGE, STV Growth EDGE, Creative EDGE, Social Enterprise EDGE, Circular Economy EDGE and IBioIC EDGE is classed as de minimis funding (state aid) and can't be used as match-funding against any other public funding grant applications. The loan element isn't state aid and therefore can be used as match-funding.

It is necessary for any business applying for funding from the public sector to disclose whether previous awards have been given as 'de minimis aid' and to ensure that you do not breach EU funding levels. Details of this and further support relating to de minimis funding can be found at:

<http://www.scotland.gov.uk/Topics/Government/State-Aid/if-its-aid/deminimis>

If you win a Scottish EDGE award, a member of the team will discuss with you the details of your Scottish EDGE winner's contract, this includes agreeing milestones and the proposed loan terms. The milestones are effectively the elements that you must spend the award on and are driven by the Spend Breakdown proposal you will submit in a Spend Breakdown Form. When these are agreed we can prepare your contract and following your review and signed approval, we will process the first tranche of your award. The first tranche will consist of 50% of your overall funding prize and will be split 35% Loan and 15% Grant.

The second tranche of your award will be released once you have spent (or almost spent) the first tranche of funding pending a detailed review of business, financials and milestone accomplishments. You will be given up to 12 months to claim the second tranche of funding after receiving the first.

Applicants must be within the de minimis allowance to obtain this support at the point of any award being granted. De minimis is important and complicated, particularly for the sectors which are severely limited in what they are allowed to receive e.g. - Primary Agriculture, Processing and Marketing of agricultural products. De minimis award funding can also impact upon future SEIS funding.

We would encourage all applicants to always seek appropriate financial advice prior to receiving any grant funding.

All Scottish EDGE award grants are taxable if you are trading and non-taxable if you are pre-trading. All winners are encouraged to seek professional advice on the tax implications of grant funding support.

Further info

Still have questions?

Visit the contact us page at www.scottishedge.com to find out more or email steven.hamill@scottishedge.com with your questions.



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