

Innovation Adoption Program (IAP)

FAQ

What is the Innovation Adoption Program?

As part of TechConnect West Virginia's on-going innovation-based economic development efforts, and in collaboration with Innovation Works (IW), we have launched an Innovation Adoption Program, based on IW's successful model, which has been tailored to West Virginia's manufacturing sector.

The Innovation Adoption Program (IAP) provides funding to help small-to-medium sized manufacturing companies in West Virginia gain a competitive edge in the marketplace. The program is project-based and driven by the needs of manufacturing companies in areas such as new product development, operational excellence, and process improvement. The IAP also has a requirement that each project must be supported by a non-profit Center of Excellence (CoE) located in the State.

The key elements of the program include:

- A small-to-medium sized manufacturing company in the State has a project they want to execute that fits the criteria of the program
- TechConnectWV pairs that small manufacturing Company with a non-profit Center of Excellence located in West Virginia who has relevant capabilities to bring to bear in executing the Company's project
- The Company and Center define a SOW (tasks, schedule, deliverables, budget) and the Center works on the project for the Company on a fee-for-service basis
- TechConnectWV provides up to \$25,000 in project funding to help the Company pay for the Center's services; the amount of IAP funding allowable is capped at 50% of the total project costs

What was the motivation for the IAP?

There has been a renewed and growing focus on manufacturing in West Virginia, with state leaders urging action to increase the number of manufacturing jobs through on-shoring, increased exports, retraining, and support for small business.

Manufacturers today face many challenges operating in the global economy: more competition, increased technical competence of those competitors, cost pressures, market expectations, and the availability of a skilled work force. In response to global business issues such as: currency valuation, unreliability of supply chains, and increased transportation costs, manufacturing companies also need help in preparing to take full advantage of on-shoring opportunities. The marketplace has evolved to expect high product quality, rapid introduction of enhanced product functions, and quick delivery on orders. The challenge for manufacturers is to stay one step ahead, continue to innovate, become more productive and improve quality. Manufacturers understand that a commitment to innovation and technology are crucial to their future competitiveness.

What is the objective of the IAP?

The objective of the IAP is to help manufacturers located in West Virginia develop cutting-edge technologies that will accelerate their business development and growth, and enable them to gain a competitive advantage in local, national, and global markets.

The IAP is a project-based initiative that will provide a source of funding necessary to address the technology and/or new product development needs of existing manufacturers by connecting them with the prototyping, design, testing, and analytical capabilities of the State's higher education institutions

and non-profit Centers of Excellence. The desired outcome of this initiative is to make manufacturers in West Virginia more technologically innovative, productive, and profitable through the creative use of the State’s non-profit and university technology commercialization resources.

How does the IAP differ from TechConnectWV’s Startup West Virginia Manufacturing program?

A comparison of the two different programs is shown in the table below:

	Startup West Virginia Manufacturing	Innovation Adoption Program
Eligibility	Any sized WV-based company, non-profit university and research institutions	Manufacturing companies in WV with less than 250 employees; ; no start-up ventures
Solicitation	Competitive	Selective
Proposal required	Yes	No
Application required	Yes	Yes
Scope of Work required	Yes	Yes
Technology focus areas	Advanced energy, chemicals and advanced materials, biotechnology, and biometrics	No restrictions
Center of Excellence partners	RCBI only	RCBI to start, others as appropriate
Funding instrument	Grant agreement	Funding agreement with match requirements and repayment provisions
Funding limit	\$10,000	\$25,000
Funding recipient	Company	Center of Excellence
Funding beneficiary	Company	Company
Matching funds requirement	No	Yes, 1-to-1
Repayment provisions	No	Yes

Who are the stakeholders for the program?

The IAP involves three main stakeholders:

- **Manufacturing companies.** Manufacturing companies need to introduce new, technologically advanced products, reduce the time-to-market of new products, and continuously improve production processes in order to maintain or increase market share and improve profitability.
- **Colleges/Universities and non-profit Centers of Excellence.** The State’s colleges, universities, and non-profit centers of excellence have the capacity to do rapid prototyping for new product design, analyze production processes, and suggest new technologies and techniques to increase efficiencies on the plant floor. They also have an ample supply of well-educated workers in the form of professors and students to perform these analyses and to educate industry workers.
- **Non-profit economic development organizations.** Many regional economic development organizations are also tasked with providing business and technical assistance and training to existing manufacturers.

How does IAP work in practice?

The following steps are typical for the life cycle of an IAP project:

1. **Qualification** – because the IAP pairs small-to-medium manufacturing companies with non-profit Centers of Excellence, the first major activity that occurs as part of the program is for the

IAP Program Manager to meet regularly with companies, county economic development groups, and Centers of Excellence to build and maintain a deal flow pipeline.

2. **Project Identification and Definition of a SOW** – when an appropriate project is identified, the IAP Program Manager then works with the Company to identify a Center of Excellence that can provide the relevant R&D capabilities to accomplish the project goals. The IAP Program Manager also works with both the Company and the Center of Excellence to create an appropriate statement of work (tasks, schedule, deliverables, and budget) for the project that is acceptable to all parties.
3. **Application to TCWV for IAP Funding** – after a SOW is defined for the project, the Company can then apply for IAP funding.
4. **IAP Project Execution** – once an IAP project is approved for funding, the SOW drives the execution of the project from that point forward.

Who is eligible to participate in the program?

To be eligible for project funding through the IAP, a company must be:

- located in West Virginia
- an actual manufacturer, i.e., a company that actually builds and sells a product(s) and/or system(s) in the marketplace (retail and service companies are not eligible)
- one that has been in business for more than 3 years
- a small to medium-sized manufacturing company, i.e., one that employs less than 250 workers in West Virginia; and
- one that has not received IAP funding in the past 5 years

What is the profile of a typical IAP project?

IAP projects generally fall into 1 of 3 different categories:

1. New product development
2. Process improvement
3. New manufacturing processes

The program is driven by the needs of manufacturing companies, so the scope of an IAP project tends to be tailored to their specific requirements, but in general fall into these areas:

- mechanical, chemical or electrical product engineering and design
- rapid prototyping of product designs
- product validation and testing
- improved engineering or manufacturing processes
- industrial analysis and overhaul of existing manufacturing techniques
- robotic assembly or machining design for new manufacturing processes
- machine customization for product manufacturing
- advanced fabrication techniques
- other projects that improve the competitiveness of existing manufacturers

What is the source of IAP funding?

IAP funding has been provided by the Claude Worthington Benedum Foundation, which has making investments in innovation-based economic development programs in West Virginia.

What is a typical period of performance for an IAP project?

IAP projects can be as short as 1 month, but most last for 9-12 months. In general, the period of performance for an IAP project is limited to 12 months.

What is the application process for trying to secure IAP funding for a project?

The following documents must be submitted to the IAP Program Manager as part of the process for a manufacturing company to apply for IAP funding:

- IAP project application form
- copies of the Company's financial statements for its past two full fiscal years
- signed statement of work between the Company and Center of Excellence outlining the work to be performed on the IAP project

How are IAP projects selected and approved for funding?

The IAP does not have a pre-set application deadline, but rather, accepts applications for new projects as they are identified, qualified, and proposed throughout the year. The IAP Program Manager works with the Company and CoE to make sure all of the required documentation (i.e., project application form, financial statements, and project statement of work) is submitted as part of the application process.

How much IAP funding is available from TechConnect for an IAP project?

TechConnectWV can provide up to \$25,000 to help the Company pay for the support and services rendered by their CoE partner. The Company must match the IAP funds at least 1:1, and thus, the total amount of IAP funding allowable is capped at 50% of the total project cost.

How does the matching funds requirement work?

Companies are required to have at least a 1:1 ratio of cash matching contributions to IAP funds. Resources dedicated to the company may be considered as matching contributions if the associated costs are incurred during the IAP project period of performance or the preceding three months.

Who can I contact to learn more about the IAP?

You can get further information about the program by contacting the IAP Program Manager via e-mail at iap-pm@techconnectwv.org.