

17 August 2009

CALL FOR PROPOSAL

TECHNOLOGY INCUBATION SCHEME

1. The National Framework for Innovation & Enterprise (NFIE) aims to drive innovation and entrepreneurship in Singapore through new initiatives that would spur the growth of technology commercialisation. The Technology Incubation Scheme (TIS) is a scheme under NFIE where the National Research Foundation (NRF) will co-invest in Singapore-based high-tech startups accommodated in a number of selected technology incubators. An option will be given to the incubators to buy out NRF's equity share. Details of the scheme are given in Annex A. It is similar in principle to the Israel's Technological Incubator Programme (see <http://www.incubators.org.il/>).

2. NRF invites suitable parties to submit proposals for the management and operation of such technology incubators. These incubators should have mechanisms to select high-quality startups, provide physical space to house them, and give them the necessary support (mentoring, access to customers, assistance to secure follow-on funding etc.) during the incubation period.

Proposal Submission

3. Interested parties are invited to submit a proposal to NRF with the following details (a template for proposal submission is given in Annex B):

- a. Description of Incubator:** Organisation structure, operations, staffing
- b. Incubator Managers:** Bio-data and track record of incubator managers
- c. Description of Incubation Process:** Process for selection and nurture of startup companies in the incubator; plans for helping incubatees to secure follow-on funding after graduating from the incubator.
- d. Funding:** Proposed mechanism to fund the set-up and operation of the incubator.

4. All proposals should be submitted by email to nrf_contact@nrf.gov.sg. Your email should have the following subject heading: "Technology Incubation Scheme - <insert Incubator Name>". Three hardcopies of the proposal should be sent to NRF at the following address:

Director (Projects)
National Research Foundation
100 High Street, #03-02, The Treasury
Singapore 179434
Republic of Singapore

5. All email proposals must reach NRF no later than 17:00 hrs on 30 Sept 2009. The accompanying hardcopy submission should reach NRF no later than 17:00 hrs on 2 Oct 2009.

Eligibility

6. All interested parties with experience in startup incubation, venture funding or high-tech entrepreneurship may apply.

7. A briefing will be held on 28 Aug 2009, 4:30pm. Please RSVP your attendance for the briefing to Ms Sabrina Tai (email: sabrina_tai@nrf.gov.sg, tel: +65 63329147) by 26 Aug 2009. Details of the briefing venue will be sent to those who have registered their attendance. Queries may also be sent to Mr Lee Seong Per (email: lee_seong_per@nrf.gov.sg, tel: +65 63329008).

DR FRANCIS YEOH
CEO, NRF

Terms of Technology Incubation Scheme

Co-Investment Terms	
Funding Quantum	Co-funding of up to 85% of total investment into each company, up to a maximum of S\$500,000 per investment from NRF. The incubator manager should provide at least 15% of the investment into the startup company.
Eligible Incubatees	High-tech start-up companies based in Singapore
Equity Stake	NRF and the incubator manager will take equity in the company in direct proportion to their investments. The NRF investment will be in the form of a convertible bond.
Maximum Share of Company¹	The investment in the company should not dilute the founders' share of the company to less than 50% as a general rule.
Buyout Option	NRF will offer an option for its share in the company to be bought out, at a price of 1.1 times capital in the first 2 years, and 1.15 times capital in the third year. Such an option will allow incubator managers and investors to have a greater share of the upside of successful companies, while limiting their downside risks.
Requirements on Incubators	
Incubator Manager	There should be at least one full-time incubator manager to provide active mentoring to the incubated companies.
Link to IHL	Incubators need to have a link to a Singapore institute of higher learning (IHL)
Physical Space	The incubator should provide suitable physical space to house the incubatees.
Operating Expenses	Operating expenses will not be provided by the scheme. Incubators should demonstrate the ability to cover their operating expenses.

Selection Process

NRF will select the incubators that will participate under the TIS scheme based on the quality of proposals submitted as assessed by a panel of experts.

¹ This is to ensure that the founders remain committed to the success of the company. As this is likely to be the first venture investment in the company, it is necessary to ensure that the founders have sufficient stake in their company.

Proposal Submission for Technology Incubation Scheme

Incubator Name	
Incubator Managers	<Please give the names of incubator managers here. Detailed CVs and/or biographies should be attached to the submission. Details of the managers' start-up related experience should be highlighted in the CVs/biographies.>

Organisation Structure

Please describe the incubator's organisation structure and include linkages to external parties that are relevant to the incubator operation.

Incubator Operation and Staffing

Please describe the incubator operation in detail. Provide details of the role played by the incubator managers and other staff, as well as other external partners that the incubator may engage. Please present the bio-data of individuals who would be involved in the incubator operation and state the time commitment of each person.

Incubation Process

Please explain the process for selecting suitable incubatees, the approach to nurture and support these companies and the mechanisms to help them secure follow-on funding.

Funding

Please describe how the start-up and operating costs of the incubator would be supported. Indicate clearly the source (whether from the incubator's own capital or from 3rd party investors) and the quantum of funding that the incubator would be able to access. Provide details of investors in the incubator operation

Performance Indicators

Please propose suitable performance indicators for the operation of the incubator. E.g. number of companies incubated, number of incubatees securing follow-on funding, and any other pertinent measures.