

## DIZH Innovation Program: Founder Call - creation of spin-offs and start-ups in the context of digital transformation

With this call type, the innovation program supports market-, society- or culture-related entrepreneurial projects in the context of digital transformation. The Founder Call is intended to contribute to the creation of spin-offs and start-ups in the for-profit and not-for-profit sectors by employees and students of the partner universities.

The basic idea of the Founder Call is to provide low-threshold and early-stage start-up financing in order to advance the start-up process. This is to be done by financing the step from the pure start-up idea to the "proof of concept" of this idea. The aim is to demonstrate that a conceptually developed project can also be implemented in practice. Successful implementation of the project should convince participants, partners and investors that pursuing the start-up idea is promising.

The "proof of concept" can refer to a new product, a new service, an artistic or creative production, a new business or operating model as the basis of the aspired spin-off or start-up. A collaboration of applicants from different DIZH universities is not mandatory.

Funding is provided, for example, for the verification of feasibility assumptions (e.g. in the form of a market test), the creation and testing of a prototype for a product or service, and the testing of the idea in a pilot project. The support is paid to the university at which the applicant is employed after the project has been approved and not directly to private founders.

Projects for the 1st Founder Call can claim up to a **maximum of CHF 75,000** in funding from the DIZH Special Credit and may last a **maximum of 12 months** after the start of the project.

### Conditions for the DIZH Founder-Call

**Project application - content and structure:** An application comprises a maximum of three pages including a link to a three-minute application video that presents the core idea of the start-up to be tested, introduces the supporting players and outlines the entrepreneurial goals to be achieved. The application must address the following points (a Word template for submission is available on the DIZH website):

**Key content points:** The application should describe the range of services or products that the spin-off or start-up aims to provide, the target audiences (unique selling proposition in the market, market environment, market segments, potential customers, etc.) and how added value is to be generated for those addressed. It also needs to show which entrepreneurial and social impact goals are being pursued, what the motivation of the founders is, and how the founding idea relates to the applicant's work at one of the DIZH universities. If the application is submitted in cooperation with third parties (organizations, companies, etc., hereinafter referred to as "practice partners"), the role and function of these practice partners must be described.

**Feasibility and realization planning:** The application text outlines both the activities and milestones of the requested "proof of concept" project as well as the subsequent steps and measures in the realization planning of the founding idea, should the "proof of concept" financed by the Founder Call turn out to be positive. In particular, the organizational implementation as well as the financial sustainability must be demonstrated (in terms of securing the operation and existence of the spin-off, start-up and not-for-profit organizations). This can be done, for example, in the form of a short business plan, roadmap or other implementation plan.

**Linkage with supporting and target organization:** In the application text, the applicants state whether and to what extent they will use university infrastructures and support services in the implementation of the "proof of concept". It should be noted that, depending on the type of start-up idea, university-specific transfer processes must be observed (e.g. with regard to intellectual property); the contact persons of the transfer offices at the applicant's universities must be contacted in accordance with the input process below.

**Budget and financing:** DIZH Special Credit funds of a maximum of CHF 75,000 can be applied for (calculated without co-financing by universities). DIZH Special Credit funds may be used for personnel and material costs (including salaries of applicants), for the procurement of equipment and facilities (as long as they are below the threshold value<sup>1</sup>) and for third parties (subcontracting<sup>2</sup>). Expenses of any practice partners may not be financed by DIZH Special Credit funds.

As in other DIZH calls, applicants to the Founder Call must provide matching funds equal to the amount of the requested DIZH Special Credit funds. In this context, the applicant's previous contributions related to the submitted project may also be reported as matching funds (as in-kind contributions by DIZH universities). Such previous contributions may be claimed up to 12 months before the project is submitted. If practice partners provide cash contributions, corresponding letters (signed by authorized persons) must be enclosed. In-kind contributions by practice partners cannot be reported as matching-funds. Within the scope of own contributions, the partner universities may charge overhead costs as part of the total project costs (consisting of the special credit and the own contributions including overhead surcharge) in the amount of 20 percent<sup>3</sup>. In the budget calculation table (available on the DIZH website), the applicants indicate the specific form in which the own contribution is made. Funds from other DIZH programs may not be used as own contribution, and funds that have already been used for approved DIZH projects as matching-funds may not be counted again.

**Schedule and Milestones:** The "proof of concept" projects in this call may not exceed a time period of one year. The application must briefly outline the beginning and end of the "proof of concept" work as well as the most important intermediate steps.

Applicants who have successfully completed the first round of submissions with an application video using the above application will be invited to a second round of submissions on November 17, 2023, in the form of a non-public event with pitch presentations.

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<sup>1</sup> Procurement of equipment, facilities and infrastructure that are indispensable for the project and have a useful life of at least one year. The following thresholds apply per acquisition: UZH: 10 TCHF / PHZH, ZHAW, ZHdK: 50 TCHF. Acquisitions exceeding these thresholds are classified as "investments" and must be procured internally by the university. These cannot be financed with DIZH Special Credit funds. On the other hand, purchases of equipment and facilities below this threshold may be reported for DIZH credit. Examples: Laboratory equipment, machinery, instruments, tools, hardware (including operating software), printers, vehicles, furniture, software, licenses, patents, etc.

<sup>2</sup> No more than 20% of the total project amount may be used for "subcontracting".

<sup>3</sup> The overhead surcharge applies at the level of the individual project, i.e. it is a fixed imputed surcharge per project. In total 25% overhead on primary funds and 20% of total project costs (including overhead) are incurred in a project and this is independent of the funding split.

**Evaluation criteria:** In selecting the projects to be funded, the Innovation Program is guided by the following criteria and associated indicators taken from the "Regulations for the DIZH 2020-2029 Innovation Program":

1. Impact: the project aims to implement research- and/or technology-based findings in society and the market and is accompanied by economic, social, political, cultural, artistic and/or ecological value creation. The focus should be on a practical question. *Essential indicators: feasibility, scope, relevance, differentiation from the existing, practical relevance.*
2. Topicality: The project addresses issues that are particularly important in the current social discourse. *Essential indicators: plausibility of the time-critical nature, follow-up financing.*
3. Technical quality: the project is based on the latest findings and meets the high standards of the disciplines involved. *Key indicators: relationship to the "state of the art", adequacy of methodology, own work.*
4. Inventiveness and risk-taking: the project has disruptive and future-oriented character and pursues radically new approaches. The innovative potential of the idea should be visible. *Key indicators: Novelty of the application, opportunities, risks, degree of disruption, innovation potential, unique selling proposition compared to competitors.*
5. Cooperation and disciplinary dialogue: The project contributes to the development of networks through its inter- or multidisciplinary character. *Key indicators: fit of the interdisciplinary system to the problem, synergy effects between universities and disciplines.*
6. Entrepreneurial mindset: The project should show a path towards the future "proof of concept" exploitation. Individuals should be identified and involved who ensure project continuation. A possible business case is presented; this can take the form of a brief presentation of a roadmap or other implementation plan, for example. *Key indicators: possible business case, roadmap.*

**Eligible Applicants:** All university employees as well as students of all DIZH universities whose employment extends over the duration of the project are eligible to apply for the Founder Call. If such employment does not exist (especially in the case of students or external doctoral students), applicants must provide proof of employment at an organizational unit of a DIZH university for the duration of the proposed project. For each application, a person with primary responsibility for the application is named, who is considered to be the contact person. If practice partners are involved, they must be financially and personally independent of the university partners<sup>4</sup>.

**Intellectual Property (IP):** With the submission of an application, it is assured that possible rights of third parties have been clarified and, if applicable, that the necessary rights of use are available. With practice partners, the rights are regulated in a case-specific agreement before the start of the project. The right of use of the partner universities involved in the project to use the results in principle free of charge for research and teaching in all areas of application must be ensured. In case of a commitment, IP issues will be regulated according to the regulations for the innovation program DIZH 2020-2029 (§7). The contact persons of the transfer offices of the respective DIZH universities can be contacted for further inquiries.

**Submission process and duration:** For the submission of applications, the template and for the calculation of the budget, the table must be used, both of which can be downloaded at [dizh.ch/innovationprogram](https://dizh.ch/innovationprogram) (latest from May 2023). Further information on submission modalities can be found at the same web address.

<sup>4</sup> Independence is guaranteed if the natural persons involved on the part of a DIZH-related university:

- do not work for a practice partner at the same time;
- have no economic interests in the business activities of a practice partner and do not financially support a practice partner for other reasons.

Legal entities working together as university members and practice partners are considered independent of each other if none of the parties holds 20% or more of the participation rights of the other partner.

The submission process for the Founder Call 2023 of the DIZH Innovation Program is structured as follows:

1. Call for proposals and first round of submissions
  - a. Publication of call for proposals: April 18, 2023
  - b. Opening of submission portal: beginning of June 2023
  - c. Deadline for applicants to submit projects: September 5, 2023, 12 p.m.
  - d. Decision on the first round of submissions/ possible invitation to the second round of submissions: October 2023.
2. Contact persons of the transfer offices of the universities (see below) and submission of confirmation of employment by the university by the applicants (if students), who are invited for the second round of submissions (pitch presentations): November 2023
3. Second round
  - a. Pitch presentations: November 17, 2023
  - b. Communication funding decision: December 2023
4. Project launch
  - a. Earliest start date for projects: January 1, 2024.
  - b. Latest start of projects: April 1, 2024.

The following transfer office contact persons apply at the universities:

- ZHdK: [zhdk.forschung@zhdk.ch](mailto:zhdk.forschung@zhdk.ch)
- ZHAW: Florian Berner ([befl@zhaw.ch](mailto:befl@zhaw.ch))
- PHZH: Andrea Piga ([andrea.piga@phzh.ch](mailto:andrea.piga@phzh.ch))
- UZH: Wolfgang Henggeler ([henggeler@unitecra.ch](mailto:henggeler@unitecra.ch))

## Background

### Digitalization Initiative of the Zurich Higher Education Institutions (DIZH)

Digitalization places great demands on the economic, technological and social innovative strength of the Canton of Zurich. Society is undergoing a fundamental transformation as a result of digitalization. This process offers great opportunities in all areas of society, but also requires new skills and poses new challenges for society, culture, business and science. It is a joint task of all these players to meet the opportunities and challenges and to generate innovations.

DIZH wants to strengthen the Canton of Zurich's competitiveness as a hub for research and development. The initiative aims to help industry and society take advantage of the opportunities offered by digitalization and use them to benefit the greater Zurich area.

The mission of Digitalization Initiative of the Zurich Higher Education Institutions (DIZH) is to promote cooperation on digitalization issues between higher education institutions in Zurich. The University of Zurich (UZH), Zurich University of Applied Sciences (ZHAW), Zurich University of the Arts (ZHdK) and Zurich University of Teacher Education (PHZH) are part of the DIZH network, which aims to advance research, innovation and education on digitalization by using interdisciplinary approaches.

### Innovation program

DIZH's innovation program is one of the initiative's core components. Our partner universities are running various types of innovative digitalization projects with the private and public sector. This is intended to bring research findings closer in line with practical real-world applications and also allows researchers to consider the needs and experiences of their partners in industry and government. Here the following characteristics of innovation play an important role: being open to taking risks, incorporating a variety of disciplines, creating value and working together.

Funding from the innovation program will be distributed in a transparent and competitive process. The focus is on funding projects that generate innovations that enable the new possibilities of digital transformation in the first place or expand these possibilities. To this end, different calls are launched each year. The calls launched as part of the DIZH Innovation Program are explained in the "Concept for the Innovation Program".

The "Concept for the Innovation Program" and the "Regulations for the DIZH Innovation Program 2020-2029" are available at [dizh.ch/innovationprogram](https://dizh.ch/innovationprogram).