



Supporting
Entrepreneurial Talent
2020



Do you have
the EDGE?

Scottish EDGE Round 16 key dates

9th July 2020
Application window opens

23rd July 2020
Application window closes at 2.00pm

5th Aug 2020 to 19th Aug 2020
1st stage assessments undertaken

By 21st Aug 2020
1st stage Assessments results sent out

2nd Sept 2020
Wild Card EDGE Final

7th, 8th, 9th & 10th Sept 2020
Scottish EDGE Semi Finals

17th Sept 2020
Social Enterprise EDGE Final

22nd Sept 2020
Young EDGE Final

30th Sept & 1st Oct 2020
Scottish EDGE Live Final

7th Oct 2020
Scottish EDGE Awards Ceremony

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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 five special awards: Higgs EDGE, Creative EDGE, Social Enterprise EDGE, Circular Economy EDGE and STV Growth 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 (£150,000 for Higgs EDGE) 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: Innovation, Entrepreneurial Spirit, Business Growth Potential, Customer Focused, Utilisation of Funding and Risk Awareness (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 the Scottish EDGE will benefit from:

- ▶ Funding of up to £100,000 (£150,000 for Higgs EDGE), taking the form of a **50% grant, 50% loan**
- ▶ Enrolment into the EDGE Alumni programme
- ▶ Package of Support from leading business organisations
- ▶ Plus much more

If your business qualifies to apply for the 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 or Higgs EDGE award in a subsequent round of the competition.

Completing an application form for Scottish EDGE will also confirm your entry in to the Young EDGE competition, if eligible. Please state your eligibility for Young EDGE by ticking the box on the online application form.





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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 man with light brown hair, wearing a grey checkered kilt and a matching jacket over a white shirt and tie, is playing bagpipes. The bagpipes have a black bag and three long, dark pipes with yellow and black rings. A red and white braided cord is attached to the top of the pipes. The background is a blurred outdoor setting with trees and a building. The image has a dark blue overlay with a diagonal line from the top left corner.

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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 five special awards within the Scottish EDGE category: Higgs EDGE, for Science, Technology and Engineering focused businesses; Creative EDGE, for businesses from within Scotland's Creative Sector; Social Enterprise EDGE, for social enterprises; Circular Economy EDGE, for entrepreneurs who are exploring circular ways of doing business; and STV Growth EDGE, for businesses specialising in consumer-based products.

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 (£150,000 for Higgs EDGE Award).

Can you summarise the impact of Scottish EDGE so far?

Rounds 1-15 resulted in:

- ▶ Over 3500 applications being submitted
- ▶ 218 Scottish EDGE awards totalling over £11.4m being presented
- ▶ 117 Young EDGE awards have been given out, totalling £1,010,000
- ▶ 101 Wild Card EDGE awards - £925,000
- ▶ 26 special awards, totalling £2.4m, including the biggest ever individual Scottish EDGE awards of £150,000
- ▶ Total – over £14.7m awarded to Scotland's up-and-coming entrepreneurial talent

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

- ▶ 3,079 new Scottish jobs have been created
- ▶ £151m of additional turnover has been generated
- ▶ £124m of external funding received (this is reflective of the R1-R11 winners as at 29th May 2018)
- ▶ Average applications per round – 230
- ▶ Average winners per rounds – 13-22 (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



ScottishEDGE



ScottishEDGE

Eligibility

To be considered for Scottish EDGE (including Higgs, Creative, Social, Circular Economy and STV Growth 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 and has an existing business bank account
- ▶ 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 Higgs EDGE and Creative EDGE) is only available to registered companies and therefore sole traders and partnerships are not eligible to apply in this category. However, since Round 10 sole-traders/ partnerships have been 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, Higgs EDGE, Creative EDGE or SEE 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 making a maximum sum available to you of £70,000 or in the case of the Higgs EDGE winner, £105,000. Please tell us about any private sector support you have received.

Tell me more about the Higgs EDGE special award

Higgs EDGE is a special STEM focused award within the Scottish EDGE category which is awarded to one Scottish EDGE finalist on the day of the final and carries the competition's largest potential prize amount of up to £150,000 (30/70 grant/loan split).

To be eligible for the Higgs EDGE special award, you must be able to demonstrate that:

- ▶ You have a high growth and scalable business with a key focus in the Science, Technology or Engineering sector.
- ▶ You are applying leading edge technology to an innovative product, which has the potential for large scale global commercialisation.

Tell me more about the STV Growth EDGE Award

STV Growth EDGE is a special award introduced in partnership of STV, offering support to one Scottish EDGE winning consumer-based product business across both Rounds 16 and 17.

The award comes in the form of £75,000 worth of 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. There are new business models, products designed with their whole life cycle in mind – all to keep products and materials in the economy for as long as possible. The new award is prize of up to £100,000 (30/70 grant/loan) for the top Circular business idea.

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 following sub-sectors:

Advertising; Architecture; Visual art; Craft; Fashion and textiles; Design; Performing arts; Music; Photography; Film and video; Computer games; Radio and TV; Writing and publishing; Heritage; Software/electronic publishing; Cultural education

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.

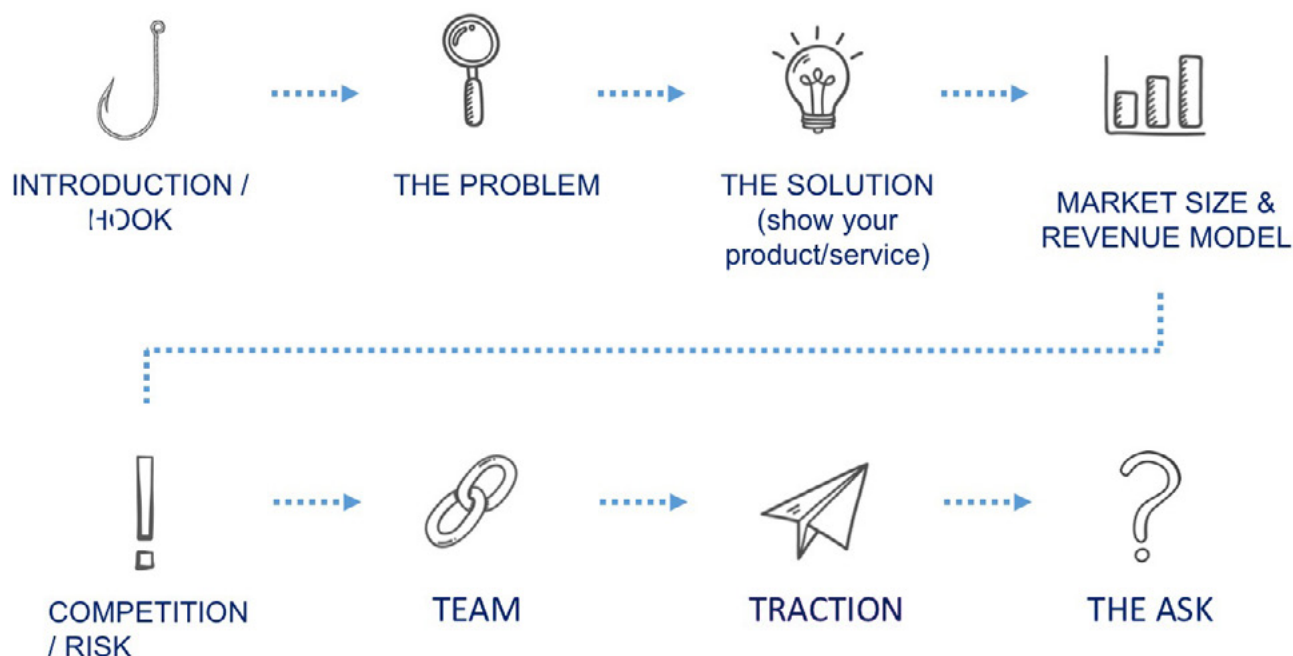
What should be covered in the 3 minute video?

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/EDGEPitch>

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.

Due to the circumstances presented COVID-19, for Round 16 only, all first stage assessments will be conducted internally by the Scottish EDGE team.

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 approximate 40 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 dinner two weeks after the live pitching final.

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):

Innovation

Is the product / process / service novel or being delivered in a novel manner?

If the product / process / service is not novel, is the applicant applying an innovative way of delivering the product/service to stand out from their competitors?

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

Has the unique product / service aspect or delivery model been clearly defined?

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?

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

Entrepreneurial Spirit

Does the business leader demonstrate spirit, ambition, drive and determination?

Does the individual or team evidence that they know what skills are needed to grow their business?

Has a team been established to drive the business forward? If not, have the key skills gaps in the business been identified?

Does the business leader display the leadership skills required to motivate and coach a team to deliver high-growth success?

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

Does the business leader have any industry specific qualifications to support the business ambitions?

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

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

Does the business strategy convey any environmental, social or "giving something back" benefits?

Business Growth Potential

Does the business leader clearly articulate their business growth strategy to achieve the projected turnover in 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?

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

Are there clear plans in place to continue to grow the business from within Scotland across the next three years and beyond?

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

Can the business leader clearly define what success looks like for the business across the next three years?

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

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 sustainability strategy in place and realistic details of the positive impact the product/service will deliver.

Customer Focussed

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

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

Does the business leader know the demographics for their perfect target customer base?

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

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?

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?

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?

Will the proposed spend breakdown help take the business forward in their entrepreneurial journey?

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

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

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 investment/grant funding support has already been received, has this been used to drive business growth and is the use and benefit of the proposed EDGE funding clearly defined and differentiated from any other funding received?

Are the people in place or to be recruited with Scottish EDGE support, in order for the company to achieve its business ambitions?

Risk Awareness

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

Has the business leader articulated a strong understanding of the competitive nature of the market they are operating in and shown what will allow them to positively stand out?

Is there a clear understanding of the funding and people requirements to ensure this business delivers on their business growth ambitions?

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

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

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

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



Who are the judges?

Throughout the Scottish EDGE journey our assessors are representatives of the Scottish EDGE team, 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 most common reasons for businesses not progressing to the latter stages of the Scottish EDGE competition?

Applications are based upon the evidence which the applicant displays and the most common findings from each category amongst unsuccessful applicants across the previous rounds were typically:

Innovation

From the evidence given on the application form and video it was not always clear how the product/service/process/model actually worked and how it would benefit customers. Many businesses did not showcase their product/service/process during their video pitch and this often left the assessors asking "what is the product?", "what does it look like?", "how does it actually work?" Also there is a lot of competition in the market place for products and services and companies often don't confirm recognition of this and advise how they are going to stand out. Tell the panel your USP.

Entrepreneurial Spirit

The business leader does not convey the passion and drive required to take the business forward to become a high growth business. There are often occasions when the business leader is not seen on the video pitch at the 1st stage assessments and this makes it difficult for the assessment panel to judge on entrepreneurial spirit, which often leads to a lower score in this category.

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 and market research to evidence the demand for your product. 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 well backed-up with strong customer demand. Not demonstrating how turnover will be achieved will typically then have a knock-on effect on the ability to create sustainable jobs.

Also, applicants don't always articulate a well thought through go-to-market/commercial strategy and highlight who in the business or support network experience to help deliver this strategy.



Customer Focussed

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. 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. If you are selling or planning to sell your product out with Scotland tell the panel about this and detail how you are/will go about it and why you have chosen this path.

Utilisation of Funding

The plan for how the company will spend the requested Scottish EDGE award funding should convey the best solution to support enhanced business growth.

Risk Awareness

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. Let the panel know that you are thinking about the risks you may face and that you are prepared for the roller coaster journey of growing a business. It is good to state an awareness of any competition that you have, but to follow this up by advising how you will differentiate from your competitors and ultimately stand out in your chosen sector.

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 or founding team. However, it is acceptable for funds to be used to support new recruits to the business team.

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.

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 16, 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. There is one **Higgs EDGE** special award winner of up to £150,000 and **STV Growth**, **Creative EDGE**, **Social Enterprise EDGE** and **Circular Economy EDGE** each have one winner of up to £100,000. There are around seven winners in the **Young EDGE** category each round and also around seven winners in the **Wild Card EDGE** category.

What can my company win?



Scottish EDGE

Companies can apply for and win awards up to a maximum of £100,000 (up to £150,000 for Higgs EDGE). All Scottish EDGE and Special Awards awards are offered on a **50:50** 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.

I see the prize element is now a 30:70 grant/loan split, how does this work?

As a strong purpose-led organisation, the Scottish EDGE Team and Board have long had a desire to reduce our dependency on public sector funding. As such, for Round 16 of the competition the split for all Scottish EDGE category awards will be 70% Loan / 30% Grant (all Young EDGE and Wild Card EDGE awards will remain as Grant only awards). Whilst this change helps Scottish EDGE's drive towards self-sustainability, this also offers the winning businesses additional private-sector non-dilutive loan funding which can be utilised to grow their business but also match-fund other grant schemes where appropriate. All Young EDGE and Wild Card EDGE awards will remain as Grant only awards.

An example of the impact the 70/30 split will have on future EDGE winners in comparison to the previous round is shown below:

Average award prize for Scottish EDGE category across Round 14 & 15 which were delivered in 2019 was £65,000. For Round 14 & 15 all awards were 60% Loan and 40% Grant. All Scottish EDGE awards are offered to winners across two equal tranches and on a £65,000 award, each tranche would be £32,500 which then has the loan/grant split attributed to it:

- Round 14/15 (60% Loan) – one tranche of the £65,000 award would be £32,500, of which £19,500 would be in the form of a loan. If the business paid the £19,500 back over 5 year at interest rate of 7.7% APR this would result in payments of £390 per month. These terms could then be replicated for the 2nd tranche of the award
- Round 16 (70% Loan) – one tranche of the £65,000 award would be £32,500, of which £22,750 would be in the form of a loan. If the business paid the £22,750 back over 5 year at interest rate of 7.7% APR this would result in payments of £455 per month, which is an increase of £65 per month compared to previous round. These terms could then be replicated for the 2nd tranche of the award.

(flexible loan terms are offered for each winning business dependant on the stage of the business and these will be discussed with a Scottish EDGE Relationship Manager).

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

- ▶ 4% Fixed Flat-Rate Interest (this equates to a rate of approximately 7.7% APR)
- ▶ Maximum five year repayment term
- ▶ A reduced repayment period of up to 6 months is available for trading businesses and up to 2 years for pre-trading businesses and will be discussed and agreed on a case by case basis.
- ▶ 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 £25 to £125, agreed on a case by case basis
- ▶ 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, Higgs EDGE, STV Growth EDGE, Creative EDGE, Social Enterprise EDGE and Circular Economy 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 30% Loan and 20% 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.

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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