



## **ACCELERATION PROGRAM GUIDELINES**

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## 1. Introduction

This document provides the overall framework under which a program will be selected and approved through the governance of Scale AI.

Scale AI will use a Scoring Grid to score programs. This Scoring Grid could be amended and in that case will be re-publicized to better reflect over time Scale AI Strategic Priorities, specifically on SME inclusion.

## 2. Acceleration Program Overview

The objective of the Acceleration program is to provide growth and scale-up support services to smaller companies focused on AI and intelligent supply chain products and services. The goal is to support a wide number of high-potential startups and SMEs in accelerating their growth and to provide a ramp for global leaders to emerge. The approach is end-to-end and will address a range of company sizes with relevant support models.

- Accelerate the generation and early growth of new companies by augmenting the magnitude and/or geographic footprint of incubators and accelerators.
- Attract more ventures as we go and provide connections with seed and growth investors that can bring added value to the scale ups.

Acceleration program will provide AI small and medium enterprises (SME) scale-up support and grow the world's best AI services and product providers **by supporting a range of programs and initiatives including incubation, mentorship and business connection building.**

## 3. Scale AI Definitions

- a. Organization
  - i. The ultimate recipient of ScaleAI funds that will administer and provide the Program.
- b. Program
  - i. Supporting activities, such as incubation, coaching, mentorship, customer and sector business development support, IP & commercialization support, product expansion, and access to capital facilitation through members. The objective is to develop global leaders and to support growth and scale-up of start-ups and SMEs.
- c. SME
  - i. Small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms that employ fewer than 500 employees globally.
- d. Startup<sup>1</sup>
  - i. A start-up is defined as a business that is two years old or younger.
- e. High-growth firm (HGF)<sup>2</sup>
  - i. A business with an average annualized growth rate of greater than 20 percent, over a three-year period.

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<sup>1</sup> Key Small Business Statistics - June 2016 - [https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_03018.html](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html)

<sup>2</sup> Idem

#### **4. Acceleration Program Beneficiaries**

Scale AI Acceleration program targets organizations that offer programs and supporting activities, such as incubation, coaching, mentorship, customer and sector business development support, IP & commercialization support, product expansion, and access to capital facilitation:

- a. Incubators focused on next-generation technologies.
- b. Accelerators supporting AI-based startups
- c. Innovation centres aimed at increasing collaboration across industry.

The objective is to develop global leaders and to support growth and scale-up of start-ups and SMEs. The benefits end results of their programs offering will be addressed to:

- a. Startups, SMEs and HGFs focused on building applied AI and intelligent supply chain products and services.

#### **5. Acceleration Program Offer**

Powered by Scale AI, the Acceleration program will invest up to \$20M over the next 3 years to fund AI supporting initiatives across Canada. Scale AI will support Acceleration program beneficiaries in two distinct manners.

- a. Scale AI will fund organization up to 50,000\$ per startup, SME or HGF focused on building applied AI and intelligent supply chain products and services that are supported and benefits from their program offering.

#### **6. Acceleration Program Selection Process**

Scale AI follows an objective and transparent process to review your program submission. Programs are reviewed first for eligibility, and then selected based on specific prioritization criteria.

##### **a. Phase 1: Eligibility**

Program proposals are reviewed by the Scale AI team to validate the program eligibility and provide early feedback on potential changes that could increase the likelihood of selection.

##### **i. Eligibility Application Content**

1. Overview
  - a. High-level summary of the program
2. Administering organization(s)
  - a. Description of partners involved
3. Impacts
  - a. General expected impact of the program
4. Timeline
  - a. Program duration and key milestones
5. Financial Summary
  - a. Program cost
  - b. Sources of funds, including current private funding and new private funding
  - c. Funding request to Scale AI

##### **ii. Eligibility Selection Criteria**

Eligibility criteria ensure that the program aligns with Scale AI strategic objectives. Following conditions are considered while determining eligibility of the program.

1. In Scope

- a. Programs must be aligned with Scale AI's strategy and focused on AI applied to supply chains.
2. Beneficiaries
  - a. Program must benefit startups, SMEs or HGFs.
3. Readiness
  - a. Program must have applicant executive endorsement, and must be launched and operational within a reasonable time frame after selection.
4. Location
  - a. Program must benefit Canadian-based startups, SMEs or HGFs.

#### **b. Phase 2: Selection and Prioritization**

In this phase, the Organization will work in collaboration with the AI Ecosystem team to develop a detailed program proposal. The detailed proposal will be submitted to the Scale AI selection committee. Programs are prioritized based on our selection criteria. Programs are encouraged to involve private funding from the industry.

##### **i. Detailed Application Content**

1. Overview
  - a. Executive summary
  - b. Key metrics
2. Administering organization, management and team
  - a. Partner organizations
  - b. Management / executive team
  - c. Team, resources & experts
3. Detailed program description
  - a. Context and scope
  - b. Goal(s) and expected outcomes.
  - c. Beneficiaries
  - d. Structure, methodology and key activities
4. Market relevance
  - a. Market
  - b. Differentiation
  - c. Risk and mitigation
5. Impacts
  - a. For beneficiaries
  - b. For the ecosystem & Canada
6. Timeline
  - a. Program schedule, duration and milestones
7. Financials
  - a. Program costs
  - b. Sources of funds, including current private funding and new private funding
  - c. Funding request to Scale AI

##### **ii. Detailed Application Selection Criteria**

Scale AI is committed to accelerating the adoption and commercialization of AI in supply chains. As a result, the program application needs to meet certain requirements in terms of viability and contribution to the ecosystem. Your program is reviewed along with all other program submissions to ensure a fair and competitive prioritization. Scale AI uses the following categories to determine the business and ecosystem impact of your program.

1. Organization and Program Quality: 25% of points
  - a. Quality of the organization and program
  - b. Added value through cooperation
  - c. Realistic and clearly defined program management and planning
  - d. Financials
2. Strategic Alignment to Scale AI Strategic Plan: 30% of points.
  - a. In-scope
  - b. Applied knowledge and innovation
  - c. Technical challenge
  - d. Achievability
3. Business Impacts: 20% of points
  - a. Adoption of AI-powered supply chain
  - b. Potential beneficiary
  - c. Market assessment and risk
  - d. Differentiation
  - e. Program evolution and growth
4. Ecosystem Impacts: 25% of points
  - a. SME growth through access to supply chains
  - b. Generation of foreground IP
  - c. Skills and diversity development
  - d. Development of industry-informed academic research, learning and training
  - e. Benefits to the ecosystem

Scale AI will use a Scoring Grid to score programs. Evaluation criteria for each category will be noted on multiple questions. On each of these questions, a score has to be given, ranking from 1 to 5, 1 meaning very low, 2 low, 3, medium, 4 high, 5 very high. This Scoring Grid could be amended to better reflect, over time, Scale AI's Strategic Priorities.

### c. Phase 3: Selection Committee and Board Ratification

The collective judgment of the selection committee will play a large role in the program selection process. The selection committee includes members from Scale AI's management as well as independent advisors and researchers from the corporate and scientific communities. The stakeholders involved in the program approval process are listed below.

- i. AI Ecosystem Team
  1. The AI Ecosystem team works with organizations throughout the entire program lifecycle. They assess the eligibility of proposed program in collaboration with the applicants and other stakeholders.
- ii. Selection Committee
  1. The selection committee includes members from Scale AI's management as well as independent advisors and researchers from the corporate and scientific communities.
- iii. Ratification Board
  1. The ratification board members include individuals who are not officers or employees of Scale AI, and at least one of whom is a director of the board.

### d. Phase 4: Agreements

The Administering Organization and Scale AI need to sign a formal program agreement. Scale AI will provide a Master Program Agreement.

The contract phase will be limited to 1 month.

### e. Phase 5: Operations

In this operation phase, the Administering Organization will execute its program. To start, after the program cohort selection, Scale AI will validate the program participating ventures to set an initial funding estimates. The Administering Organization will execute its program, providing a mid-term and a completion report. Scale AI will assess progress through reports. Scale AI may participate as an observer in kickoff activities (program launch event, kickoff meetings, ...), end of program activities (closing meeting, demo day, ...) or other key milestone. Upon end report completion, Scale AI will verify the program graduating ventures to proceed with the final funding confirmation. Renewal will be subject to program performance review.

- i. Funding Terms
  1. Program certified will be allocated a specific number of eligible ventures to support per year.
  2. Scale AI will fund up to 50,000\$ per supported startup, SME or HGF that have **graduated** from the program.
- ii. Funding Timeline
  1. On a cohort by cohort basis, based on the initial funding estimate
    - a. 40% upfront
    - b. 20% upon midterm progress report completion
    - c. 40% upon end report completion, and final funding confirmation based on program graduating ventures
- iii. Program Review
  1. [Progress report](#) at midterm to assess program progression
  2. [Completion report](#) at the end term to assess program delivery, results and impacts.

- iv. Funding Renewal
  - 1. Renewal will be based upon program performance review and approbation by the Scale AI team and selection committee.
- v. KPIs & Surveys
  - 1. All programs will need to track a certain number of KPIs. The list of KPIs will be included in the MPA.
    - a. [Program completion KPIs](#)
    - b. [Post-program KPIs](#)
  - 2. All programs participants will be surveyed to ensure quality control. The list of questions to be surveyed will be included in the MPA.
    - a. [Program completion surveys](#)

## 7. Acceleration Program Operations

Scale AI will put in place an AI Ecosystem Manager that will work closely with the applicants and other relevant stakeholders to provide guidance and explanation in the design of the Detailed Program Submission.

The AI Ecosystem Manager will work jointly with the applicants to refine their program submission and ensure alignment with the program selection criteria and develop a high-value and ambitious program with regards to Scale AI's goals. This preparation approach is proactive, supportive and inclusive.

The AI Ecosystem Manager will provide feedback and support to improve the program, notably regarding its expected contribution to Scale AI's objectives:

**a. Impact to the participants and beneficiaries:**

- i. Adoption of AI-powered supply chain
- ii. Return on investment
- iii. Employee development
- iv. Extent of Involvement of SMEs
- v. Linkages to post-secondary research

**b. Impact on the AI Ecosystem:**

- i. Development of innovative technologies
- ii. Macroeconomic impact (jobs, growth, exports)
- iii. Talent and diversity efforts
- iv. SME growth through access to a supply chain
- v. Network effect beyond participants
- vi. Valuable data or foreground IP shared with the ecosystem
- vii. Job creation and skills development
- viii. Development of innovative technologies
- ix. Development of industry-informed academic research, learning and training

**c. Impact on Canada and beyond:**

- d. A global advantage for Canadian businesses
- e. Other positive impacts outside the ecosystem
- f. New markets created/entered.
- g. Possible additional venture capital investments



## 8. Milestones

The following milestones are expected for all programs. Indicate a realistic planned date at the time of program submission.

- a. Eligibility confirmation: Scale AI team confirms that the program is eligible.
- b. Detailed proposal submission: Participants submit a detailed program proposal.
- c. Approvals by all participant executives: Participant stakeholders have obtained all required approvals to launch the program (e.g. any financial, compliance, partners and executive committees)
- d. Supercluster board approval: Scale AI Board has approved the program.
- e. Program start: Program execution activities begin (excludes program initiation, planning, etc.)
- f. Program end: All program execution activities end (excludes program closure)

## 9. Financials

All types of Canadian entities are admissible to Scale AI Acceleration program, and can present an application. Programs that involve private funding from the industry contribution will score better in the Financials subcategory.

### a. Eligible Contribution

Canadian entities whose funding qualifies as industry contribution include:

- i. For-profit organizations;
- ii. Not-for-profit organizations that facilitate and fund research and development and whose funding is received primarily from private-sector organizations;
- iii. Non-federal Crown corporations whose funding is derived from commercial activities;

### b. Ineligible Contribution

Canadian entities whose funding does not qualify as industry contribution include:

- i. The not-for-profit organizations not within the previously described scope;
- ii. Federal Crown Corporations;
- iii. Post-secondary institutions;
- iv. Federal, provincial territorial or municipal government sources.

## 10. APPENDIX

### a. Application Additional Information

This is a non-exhaustive list of other elements to capture that will be taken in consideration during the evaluation.

- What is the program intake method?
  - Cohort-based or Continuous Intake?
- What is the program structure?
  - Structured and Time-bound (Length of Program) or Open-ended support services.
- What is the program type?
  - Co-work/office space
  - Laboratory space/maker space,
  - Business coaching/consulting/mentoring/leadership development,
  - Trade and export support (e.g. could include business development missions, internationalization, and any other activities linked to international market development),
  - Networking events and key introductions,
  - Access to funding,
  - Regulatory assistance,
  - Intellectual property education and assistance (e.g. could include patent, trademark and copyright evaluation, intellectual property strategy, protection and licensing),
  - Practical prototype/MVP development assistance,
  - Other.
- Which best characterizes the development stage(s) of the companies that this program targets?
  - Idea - Entrepreneur with an idea; a solution in search of a problem,
  - Discovery - Clearly articulated and plausible problem/solution statement and the capacity to test it,
  - Validation - A minimum viable product and evidence that it solves a real problem for an identified market,
  - Efficiency - Initial traction in a receptive enough market to build a business in,
  - Scale - Evidence that a scalable sale and marketing process have been established. Accelerating revenue/customer growth,
  - Mature - Stable profit from year to year.
- Does the program has a cost to the client?
  - Fixed fee (e.g. registration fees),
  - Variable fee based on project scope )(e.g. fee-for-service contracts),
  - Equity from client company,
  - No fee to clients.
- What type of funding is available through the ecosystem program? If any, please indicate a range based on the approximate average value per recipient (Ranges: \$1K-19K; \$20K-49K; \$50K-\$99K; \$100K-\$249K; \$250K+)
  - No funding,
  - Equity investment,
  - Grants (e.g. seed grants, awards, subsidies, non-repayable contributions),
  - Debt (e.g. repayable loans, lines of credit).
- What funding sources or revenue models apply to your program?
  - Federal government,
  - Provincial government,
  - City or municipal government,
  - Foundation,
  - non-profit granting body,
  - Client fees,
  - Real estate,
  - Corporate sponsorship,
  - Accelerator fund (fund management fees and/or returns),
  - Other (please indicate the other revenue model or funding source).

## **b. KPI**

Scale AI will review program based on a certain amount of Key Performance Indicators (KPI). KPIs will be included in the MPA. KPIs could be amended and in that case will be re-publicized to better reflect, over time, Scale AI's Strategic Priorities. KPI should be tracked for 5 years starting at the program completion.

- i. Application
  1. Geography of applicants
  2. Quantity of applicants
  3. Business Stage of applicants
- ii. Conversion
  1. Program completion of participants
  2. Program drop-outs from participants
- iii. Mentors/Network
  1. Quantity and quality
  2. Involvement
- iv. Longevity
  1. Survival rate
  2. Number of participants still in operations
- v. Funding
  1. Percentage of the participants that accessed capital for each type: equity, debt and grants.
  2. Total capital value for participants per each type: equity, debt and grants
  3. Number of seed round deals
    - a. Total amount raised in seed round deal
  4. Number of Series A deals
    - a. Total amount raised in Series A deals
  5. Number of Series B deals
    - a. Total amount raised in Series B deals
  6. Number of exits
    - a. Value of exits
- vi. Business growth
  1. Number of direct revenues generated?
  2. Number of indirect revenues generated?
- vii. Jobs
  1. Number of direct jobs created?
  2. Number of indirect jobs created?
  3. Number of direct jobs saved?
  4. Number of indirect jobs saved?
- viii. IP
  1. Number of IP elements generated?

## **c. Surveys**

Scale AI will survey program participants for program evaluation and quality control. We ask businesses supported by the program to participate in our evaluation to rate the effectiveness of the program in terms of helping their company grow. The focus will be on three primary types of support offered by programs:

- i. Business education
- ii. Capital access

- iii. Network connection

**d. Program Reports**

- i. Progress report at midterm
  - 1. Executive summary
  - 2. Key achievements
  - 3. Upcoming activities
  - 4. Key risks and mitigation plan
- ii. Completion report at end term
  - 1. Executive summary
  - 2. Key achievements
  - 3. Retroaction

**e. Program Payment**

After completion of the program over the given period, the Administering Organization needs to provide supporting documents, including

- i. Completion Report.
- ii. Program content, including the supporting activities that was delivered.
- iii. List of participating startups, SMEs and HGFs,
  - 1. Including all information, contact, proof of eligibility and each participant signature.
- iv. Financials supporting documents including the funding request.