

Q&A Webinar

Feasibility Studies / Pilot projects

1. What is the difference between a Feasibility Study and a Pilot?

A feasibility study is generally a paper-based technical, market or production study related to Advanced Manufacturing. It allows the partners to look at the feasibility of a new technology, process or the feasibility of scaling this up. Feasibility studies can range from \$50,000 to \$200,000 and are reimbursed at 50%.

A pilot project is specifically focused on something physical, a new advanced manufacturing process or the testing out a new process and must involve 2 or more SME's.

2. Could you elaborate on what you mean by the feasibility study being a "paper study"? If I am developing a new kind of manufacturing equipment, what is an example of a "paper study" for this equipment?

If developing an Advanced Manufacturing process/technology that includes something physical in the project, then a Pilot Project may be more proper. A Feasibility Study is more suitable for - the technical design, such as proving out the interface/ analysis of what is possible. See similar Q1, in this FAQ page.

3. What is the difference between a Pilot and a Major Project?

Pilot projects are only available to SME's. Project budgets can go up to \$500,000 and are reimbursed at 50%. Major projects are accessible by any size of organization provided that at least one SME is included in the partnership. Project costs go from \$500,000 to \$20M and are reimbursed at 44.4%.

4. Can software driven technology project receive funding?

Yes - if the software supports advanced manufacturing technology development applied to an identified commercial product.

5. Is an academic partner acceptable as a project partner?

Yes, an academic partner is an acceptable partner for a feasibility studies only provided that the other partner is an SME. Other funding streams require at least two industry partners. If there is a question regarding the structure, please contact us at project@ngen.ca.

Academic partners should be structured as sub-contractors within the financial workbooks,

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as NGen is not able to fund them directly.

The financial structure of the project needs to demonstrate meaningful collaboration. – A single SME can receive a full reimbursement of the funding.

A partner organization must be providing a meaningful contribution to the project of cash or in-kind that is 30% (or more) of the total project cost.

If a contribution of 30% or more is provided to the project by another partner, then a single SME within the project can receive a full reimbursement of the funding.

Feasibility Studies where in the rare instance that only 1 SME is receiving funding should contact Ngen to discuss the project.

6. Can the admin fee be paid in instalments instead of up front?

The admin fee is due at the time of contracting. This can be spread among the partners at the participants' discretion.

7. Where can we find examples of funded projects (especially pilots)?

Ongoing project funding announcements are posted in the news section of our website [here](#). You will also find examples in our 2019/2020 Annual Report [here](#).

8. What defines "Advanced Manufacturing"?

Advanced manufacturing is looking at innovative or cutting-edge technologies, processes, or business practises. It could incorporate advanced levels of digitization (Industry 4.0 and beyond), novel use of artificial intelligence in a process, new advanced manufacturing platforms or technologies, novel processing technologies, advanced robotics or 3D printing in non-traditional ways.

Furthermore, Advanced Manufacturing should consider what is advanced, novel, or unique for your sector. For example, what is standard in aerospace may be novel and unique in biomanufacturing or food. It really depends on what's advanced in terms of sector by sector specific.

In the application, you should clearly define the transformative advanced manufacturing

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aspects of the project and what new knowledge pertaining to advanced manufacturing is being created by each partner organization. Outline the current state-of-art manufacturing processes and technologies for your industry (or sector) and describe how this project pushes the boundaries in the context of advanced manufacturing.

9. How long is the application process?

The process length is determined by how long it takes the applicant to complete the application and accompanying documentation. Upon submission, the application will be assessed within a couple of weeks.

10. Are the 10 questions the same for feasibility and pilot projects? Is there a template?

The 10 questions are the same for all projects.

Further information can be found in our project guides [here](#) and our recent webinar [here](#) and presentation [here](#).

11. When does initial project assessment need to be completed before full project submission on Jan 27?

Project assessment is done in stages.

Stage 1 - Project screening.

Stage 2 - Financial Due diligence initiated.

Stage 3 - Completion of the 10 questions including appendices, financial workbooks (one workbook for each Partner) and IP strategy all need to be completed before full project submission.

If the documents are completed before the deadline, you can request NGen to review and provide feedback. We will provide feedback on a first come first serve basis and will be limited by internal NGen resource, we therefore encourage you to provide the documents as early in the process as possible.

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12. Can equipment be considered eligible cost if not related to advanced manufacturing?

The eligible costs are described in the project finance guides [here](#).

We would need more detail; therefore, we encourage you to connect with NGen staff offline at project@ngen.ca. Please be advised that any equipment needs to be related directly to the project, and the project should be aligned to NGen's advanced manufacturing mandate.

13. Can NGen fund advanced products, or only advanced manufacturing processes?

Aligned to NGen's mandate, only next generation/ advanced manufacturing projects can be funded. NGen does not fund product development, however a small allowance of project costs up to 5% maximum can be applied to product development, as NGen understands that sometimes, product development needs occur for compatibility with new Advanced Manufacturing processes/technologies.

14. Hockey Stick won't recognize my financial workbook file to upload; where do I go with HS questions?

For any issues regarding Hockeystick, please email project@ngen.ca - we will link you with the right person to help you directly.

15. HS is not yet updated to the new guides (ie new 10 Q's). I have answered the new questions in the old template; is this ok?

Yes, answering the new questions in the old format is fine. However, the questions have now been updated on Hockeystick - so please ensure you have answered to the new guide/ questions.

16. Is a company with less than 500 employees in Canada, but more globally considered an SME?

No, the threshold for an SME is 500 employees worldwide. An SME classification can occur if the Canadian SME is a foreign-owned company but maintains financial independence, with the foreign owner having an arms-length monitoring relationship (not a controlling relationship) with the Canadian operations. Establishing this acceptable SME designation, early in the Application process is recommended. Please contact projectfinance@ngen.ca

17. How does NGen help me to find partners?

We have an online Collaboration Corner on the website [here](#). Any member can search the membership database to find suitable partners and also the NGen staff are available to discuss partner opportunities contact us at project@ngen.ca.

18. Are there minimum SME size (employees / years in business) condition for NGen funding eligibility?

Feasibility studies and Pilot Projects fund SME's only and major projects must have at least 1 SME. The definition of an SME is a company with less than 500 employees world-wide. There are no additional requirements in terms of years of operation or revenue thresholds. NGen, however, conducts Financial Due Diligence for all partners investing into each project, to ensure the project partners can meet the funding obligations for each project. If you have questions regarding the Financial Due Diligence, please contact projectfinance@ngen.ca

19. Can NGen fund a project where the R&D occurs in Canada, but the future production will go to another country?

The intent of the NGen is to grow Advanced Manufacturing capability in Canada, therefore a project funded using Canadian Federal funding that results to commercial benefit or manufacturing in another country would not be eligible. If the benefits accrue within Canada, then this may be eligible please contact us to discuss further project@ngen.ca

Funded Project work must be done within Canada. Any subcontract or labour activities outside Canada may be eligible – but need to be pre-approved by the Ministry, which will require a very strong justification and evidence to prove the work cannot be done in Canada.

20. Also just to clarify, the maximum NGEN would reimburse is 250k for the pilot project is that correct?

Yes, the maximum NGen funding for a Pilot Project is \$250K – for a project with total project costs of \$500,000.

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21. If the product is novel (none existing in the current market), and the manufacturing process requires combination of multiple existing manufacturing techniques. Would this fit the scope of the pilot project?

Yes, the project needs to be focused on the novel manufacturing techniques that would be developed.

22. What if you are implementing a couple of projects but for the same facility, do you require different applications? What if cost exceeds the maximum for the project funding stream?

Each Pilot Project will be evaluated on its own merits. An application is required for each separate project. If the costs exceed the thresholds for a feasibility study or pilot project, the project should either be split into separate applications. Alternatively, the projects could be reviewed together under the NGen Major project funding stream, guide [here](#)). Common project outcomes could certainly make the Application development process less work for the Applicant, with similar vision/execution/market information. If a company is leading more than 1 project in parallel, we would recommend getting in touch with us at project@ngen.ca.

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23. Which costs are eligible?

The Finance Guide for Feasibility Studies is available on our website [here](#). The Capacity Study guide is available [here](#). For any unique questions about eligible costs, send an email with your question to projectfinance@ngen.ca

24. What is involved in the Financial Due Diligence process?

NGen is required to perform a review of each project participant to ensure they have the financial capacity to meet the financial obligations as set out in the project. Feasibility Studies and Pilot Projects are smaller projects – and require a lighter touch, which involves- Equifax check; details on how you intend to fund share (bank balance, etc). Found [here](#)

25. Is the cost of partner software license considered capital cost?

No, this is not considered capital. Typically considered another eligible cost – and the Applicant must demonstrate fair market value of software (private sales, price list or benchmark analysis of market).