HACKTEX VIRTUAL TRAINING MATERIALS
VIRTUAL GUIDE ON ENTREPRENEURSHIP
Learning unit 2

From Idea to Opportunities

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Funding and Financial Management

Learning Unit 2 / Lesson 3
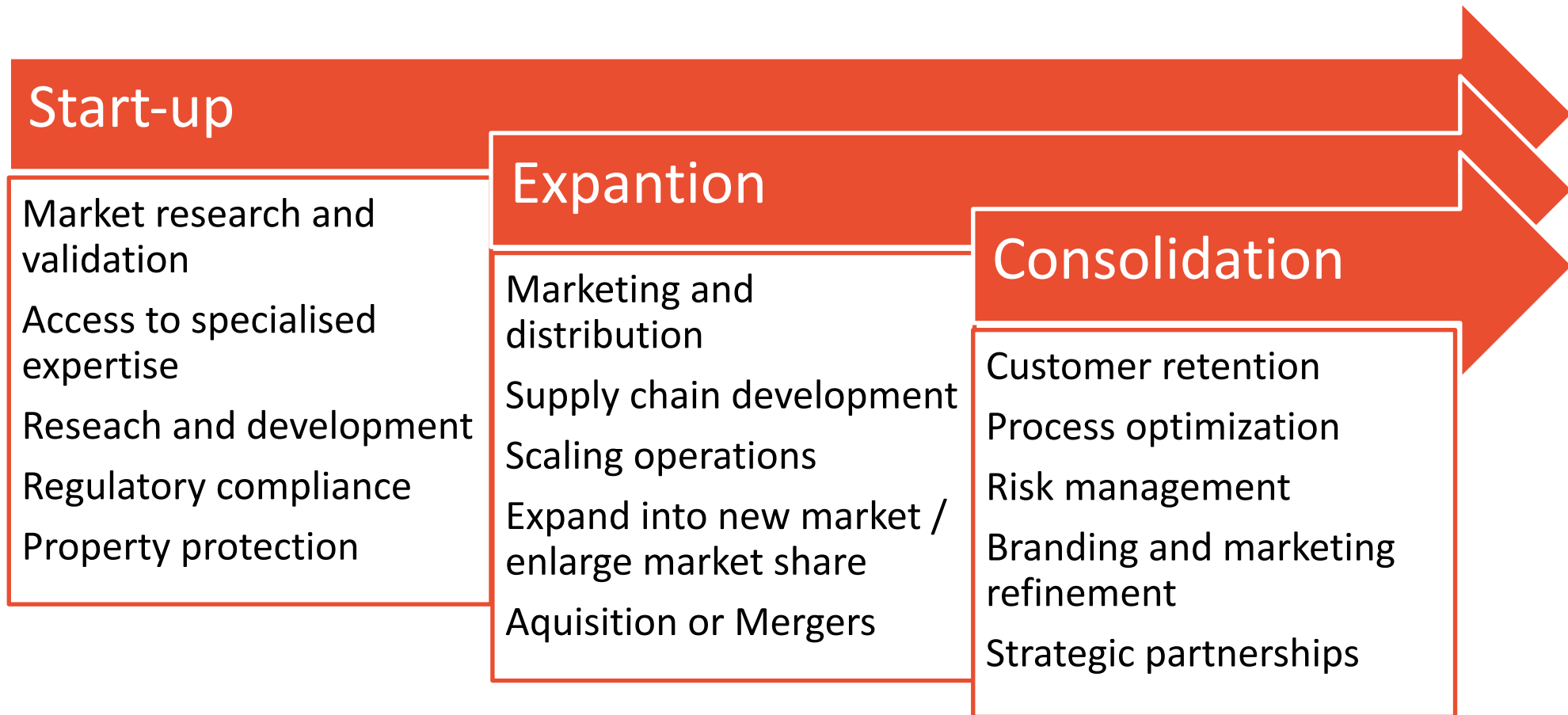
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Contents

- Analyse the specific financial needs for the smart and advanced textile sector

- Balance in the enterprise' financial structure

- Funding sources options

- The EU' main grant options for the enterprises operating into the sector

- Other resources to sustain the business development

Funding and financial management

Access to funding sources

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Need for funding in the sector

Start-up

- Market research and validation
- Access to specialised expertise
- Reseach and development
- Regulatory compliance
- Property protection

Expantion

- Marketing and distribution
- Supply chain development
- Scaling operations
- Expand into new market / enlarge market share
- Aquisition or Mergers

Consolidation

- Customer retention
- Process optimization
- Risk management
- Branding and marketing refinement
- Strategic partnerships

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Balance in the Financial Structure

Debt to Equity Ratio (D/E) $=$ $\dfrac{\text{Total Debt}}{\text{Total Shareholders Equity}}$

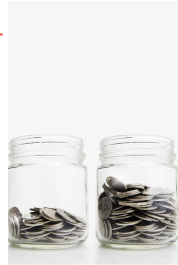| Debt / Equity < 3	Balanced Situation
3 < Debt / Equity < 5	Risk Situation
Debt / Equity > 5	Serious Risk Situation

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Search for funding – private investors

Business Plan

Venture Capital Investors

Private Banks / Investment Funds

Business Angels / Corporate Partnership

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Search for funding – national grants options

Projects / grant applications

Government grants

Collaboration with research institutions
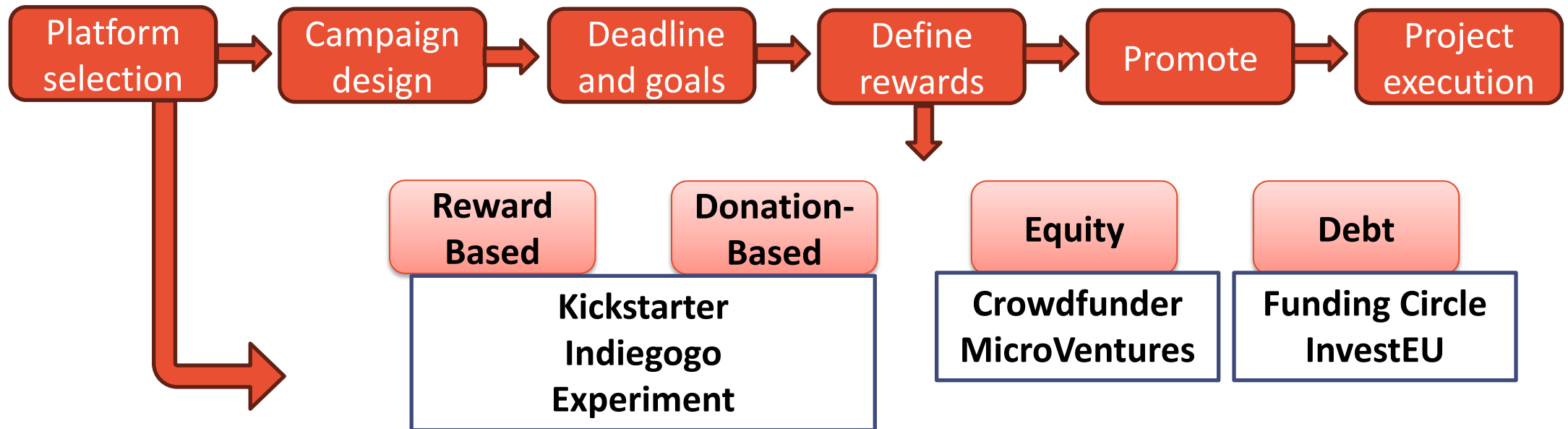
Industry specific grants and competitions

Legal reqs

Tax incentives or credits for R&D and investments in new technologies

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Crowdfunding

Whether you are developing new wearable technologies, high-performance fabrics, or smart textiles for various applications, crowdfunding can help you raise funds, create awareness, and engage with potential customers and supporters.

Platform selection → Campaign design → Deadline and goals → Define rewards → Promote → Project execution

Reward Based

Donation-Based

Kickstarter
Indiegogo
Experiment

Equity

Crowdfunder
MicroVentures

Debt

Funding Circle
InvestEU

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European Union' main grant options

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Search for funding – EU grants

Horizon Europe
Cluster 4: Digital, Industry, and Space

Horizon Europe is the European Union's research and innovation funding program (2021-2027). Cluster 4 specifically focuses on advancing digital and industry technologies, which can include funding opportunities for smart and advanced textiles research and development.

Funding rate: No-profit 100%
Profit 60%

Budget per project: from 1 to 20 mln approx (depending on the call)

Starting TRL: approx from 3 to 5 (depending on che call)

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Search for funding – EU grants

European Regional Development Fund (ERDF)

The ERDF provides funding to support regional development projects across the EU. In some regions, there may be opportunities for funding advanced textile projects, according to the regional priorities.

The Member States' administrations choose which projects to finance and take responsibility for day-to-day management.

Funding rate: 80 or 85% Less developed regions / 60 or 70% transition regions / 40 or 50% more developed regions

No minimum project size.

Regional based managing authorities

Different national programs

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Search for funding – EU grants

Eurostars

Eurostars supports innovative R&D projects led by small and medium-sized enterprises (SMEs). Smart textile companies may be eligible for funding. The program supports projects with a clear market orientation; R&D activities should have the potential to lead to new or improved products/services that can be commercialized.

Funding rate: decided by each national funding body

Starting TRL: 4 -6

Applicant: Innovative SME

Partnership: at least two entities from two countires

Duration: usually up to 3 years

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Search for funding – EU grants

European Innovation Council Accelerator

The EIC Accelerator (formerly known as SME Instrument) is open to innovative projects across all sectors, it provides support (funding, mentoring and networking) to high-potential, deep tech single companies, including those in the field of advanced textiles, to help them scale up and compete globally.

Funding type:

Grant	Investment
- Up 2,5 mln - aim TRL 8 - 24 months - Funding rate 70/100%	- Up 15 mln - Aim TRL 9 - 7 – 10 years

Applicant: Innovative SME

Challenge / Open

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Support for Smart Textile Entrepreneurs

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Accellerators and Incubators

INCUBATORS

Provision of comprehensive support and resources to early-stage startups, from ideation to the product launch.

MIT Textile Academy

Centre for Advanced Textiles (CAT)

Fashion for Future

ACCELERATORS

Short-term, intensive programs that aim to accelerate the growth of startups that have already demonstrated some traction or progress.

Fashion for Good Accelerator

Plug and Play – Fashion for Tech

SmartX Accelerator

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Knowledge sharing and access to facilities

KNOWLEDGE SHARING

Knowledge sharing in the field of smart textiles is fundamental for fostering innovation, collaboration, and advancements within the industry. It is important to join:

Industry Associations and Networks

Industry events and conferences

Online Communities and Forums

ACCESS TO FACILITIES

Access to advanced labs and testing facilities allows researchers and engineers to explore new materials, fabrications techniques, and technologies.

Research Institutions and Labs

Maker spaces

Business development centers / mentors

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Conclusions

- Funding is a constant needs in the entreprise journey

- It is important to analyse the need for fundings, giving priorities among the different items and adopting a financial structure able to foster the business development while keeping the risk under control

- There exist different fundings options; diversifying funding sources, in accordance with the overall financial strategy and long-term goals, can help reduce risk and provide flexibility in managing financial needs

- Europe offers different kind of grant programs and supporting instruments that can be exploit to sustain the business operations, expansion, or specific projects

- Resources and support systems for entrepreneurship are fundamental to maximize your chances of success as a smart textile entrepreneur

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Partners:

Innovative smart textiles & entrepreneurship / 2021-1-RO01-KA220-HED-000027527

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