

ENTERPRISE

LEIDEN

FUND

Enterprise Leiden Fund provides a loan to ambitious and enterprising people. The funding enables you to focus on enhancing your entrepreneurial skills and developing the business idea. The funding can, for example, be used to pay your rent, establish your company, obtain specialist advice on legal, marketing or commercial issues, etc. Besides funding, Enterprise Leiden Fund provides fundamental access to a relevant network of experts with proven track records and contacts at (international) companies and institutes. Enterprise Leiden Fund connects recipients to a network of people who are willing to coach, mentor and/or share their entrepreneurial story. The Enterprise Leiden Fund loan is capped at € 30.000 per application (with a maximum of four individuals per application) and should cover projects with a timeline of no more than one year.

Conditions

In order to be eligible to receive an Enterprise Leiden Fund loan the following criteria must be met:

- The company is no more than three years old
- The business has potential for societal and economic impact
- The business has a potential benefit to the Leiden regional economic infrastructure
- If (a) founder is a student, she/he must have completed her/his bachelor's degree
- The company should have freedom to operate.

Terms

If a loan is granted, the following terms will apply:

- the loan will be issued in tranches, each tranche will be a multiple of €7.500 and is triggered by achieving pre-agreed milestones;
- each loan tranche will consist of a separate loan agreement;
- the loan tranches will be issued in the course of no more than one year;
- the loan will be subordinated ('achtergesteld');
- the principal amount and interest due will have to be repaid within 18 months or 36 months after the tranche is granted;
- interest on each loan tranche of €7.500 will be €150 (2%, 1,33%/year) if the amount owed is repaid within 18 months and €500 (6,67%, 2,22%/year) if one chooses to extend the loan to 36 months; and
- further relevant and reasonable conditions set by the fund committee.

Application process

In order to apply for an Enterprise Leiden Fund loan the following procedure should be followed.

1. **Intake** – A meeting with the fund manager of Enterprise Leiden Fund Tim de Jong (t.m.de_jong@luris.nl)
2. **Preparation** – Fine tuning the plan in coordination with the fund manager until standards for application are met
3. **Application** – Submit the final application, the fund manager will determine whether the application meets the formal requirements
4. **Pitch** – The applicant is invited to pitch the plan to a committee which can consist of the fund director, a representative of Rabobank and an entrepreneur within five weeks of handing in the final application
5. **Decision** – The committee will come to a decision based on the application and pitch
6. **Offer** – The fund manager will notify the applicant, ultimately within one (1) week of the pitch, of the decision. A positive decision will result in an offer, including the amount, milestones and other conditions for the loan.
7. **Acceptance** – If the applicant accepts the offer, the fund manager will arrange setting up accounts and providing a loan agreement including a loan schedule.
8. **Follow up** – After the applicant has received the loan, the applicant will inform the fund manager on developments on a regular basis.

1. Intake

An applicant should schedule an intake meeting with the fund manager to state an interest in applying for an Enterprise Leiden Fund loan. The fund manager will assess the idea and fit with the conditions and goals of the Enterprise Leiden Fund. The fund manager will assess the status of the idea and determine what should be done to come to a formal application. Regardless whether an applicant likes to continue in the application process or not after this meeting, the fund manager may be able to help the applicant with relevant contacts and other resources to assist in taking the idea further.

2. Preparation

If one decides to go ahead and apply for an Enterprise Leiden Fund loan the applicant has to prepare an application so the idea and plan for execution can be reviewed. The fund manager will be available to provide feedback in what can be an iterative process to improve the quality of the application. It is ultimately up to the discretion of the applicant to decide to formally apply for a Enterprise Leiden Fund loan.

3. Application

If the applicant deems the application ready to be reviewed she/he sends the application to Enterprise Leiden Fund manager Tim de Jong: t.m.de_jong@luris.nl. The application should be accompanied by a recent copy of the applicant's passport, and if the applicant is a student, a copy of the applicant's bachelor's

degree.

All correspondence will be in English and made through Luris, the Knowledge Exchange Office of Leiden University and Leiden University Medical Center. Each application will be reviewed by the fund manager. All submitted documents and correspondence, including drafts and the pitch, will be treated as confidential. All members of the fund committee will be bound by a requirement to maintain confidentiality and avoid conflicts of interest.

4. Pitch

If the application does not meet the standards in quality and contents, the applicant will be informed by the fund manager which part(s) of the application failed to meet the requirements. Applicants can re-submit their application. If the application meets the above standards in quality and contents, the fund manager will forward the application to the fund committee and the applicant will be invited to pitch within five (5) weeks of receiving the application.

5. Decision

The application and pitch will be evaluated by the fund committee, which may consist of members representing Enterprise Leiden Fund, former recipients of Enterprise Leiden Fund funding and relevant experts. The fund committee will base its decision on both the application and the pitch given by the applicant. The application and pitch will be evaluated on the basis of:

- the action plan including the budget, proposed deliverables and milestones;
- the motivation and ambition of the applicant;
- the pitch of the applicant and the reviews of the fund committee;
- the fit of the application with the profile and priorities of Enterprise Leiden Fund;
- the potential benefit to the Leiden regional economic infrastructure;
- the potential societal and commercial impact.

6. Offer

The fund manager will notify the applicant, ultimately within one (1) week of the pitch date, of the decision of the fund committee. A positive decision will consist of a loan agreement, which will contain (at least) the amount, milestones and the conditions mentioned above.

7. Acceptance

If the fund committee offers the loan and the applicant accepts, the fund manager will manage the follow-up of the applicant's project. The agreed upon loan will be a personal loan and will be provided via a specific account at the Rabobank, opened for this purpose. The agreed upon sums will be made available according to the loan agreement. Release of the money is dependent on meeting specific criteria, also agreed upon beforehand. These criteria can be event specific (e.g. milestones) or time dependent (e.g. monthly allowance).

8. Follow up

The recipient of the loan must report to the fund manager as frequently as agreed upon to avoid unnecessary debts and to make sure the money is used for the agreed upon objectives. In addition, both recipient and the fund manager need to make sure that the plan remains feasible.

Application guidelines

An application must include the following items:

1. the business idea (the intended customers, the customer need which he/she hopes to fulfill and alternatives customers have);
2. a motivation why the applicant believes she/he is the right person to bring this idea forward;
3. the goals he/she wants to achieve (including enhancement of entrepreneurial abilities and idea development);
4. how these goals will be achieved (deliverables);
5. a timeline for achieving them (of maximum one year);
6. a detailed budget (of maximum € 30.000) for doing so;
7. possible milestones (e.g. based on deliverables);
8. possible risks (risks that could ultimately result in abandonment or failure of the business);
9. any other information the applicant can provide to strengthen their case.

1. The business idea

The applicant should describe the business idea. Dependent on the stage of development of the idea, the description of the business idea could provide an answer to the following questions:

- What is the problem the business will solve?
- Who are the (intended) customers of the business?
- What are the alternatives to the customers?
- What is the solution/product of the applicant and why is it better/also needed?
- How is the business going to deliver its solution to the prospective customer?
- How does the applicant think the business can monetize this solution?
- What are the most important hurdles the business has to overcome to be a success?
- What are the most important risks that could ultimately lead to failure of the business?
- What is needed to improve/enhance the business idea and the resources to execute the idea?

A basic idea the applicant wants to develop should cover at least the first four questions. Providing information answering the other questions is encouraged if the applicant is further in developing the idea and business plan.

2. Motivation

The application should describe why the applicant('s team) is a perfect match for the business idea.

Questions that can be addressed:

- What is the motivation of the founder/team to be in this business?
- Why is the founder/team the right match to make this business idea a success?
- Where could the founder/team improve on to be even better equipped to make the business a success? What does the founder/team miss at the moment?
- How does the founder/team intend to achieve these improvements? (Examples: Enhance own skills, find another team member, hire/outsourcing certain activities)
- What resources (time, money, intellectual property (IP), etc.) does the founder/member intend on committing to the business?

3. Goals

The goals should have clear deliverables, such as the completion of a business plan, the participation in a relevant master class or a meeting with an experienced entrepreneur. The motivation must show that the applicant has the ambition and the drive to explore the challenges and options of setting up your company and has a grasp of his/her own individual needs to grow as an entrepreneur.

The applicant's ambitions are the key to success, therefore it is she/he who proposes the goals. As the funding is intended to strengthen both the person and the idea, the goals should be tied to enhancing the applicant's entrepreneurial abilities and developing the business idea.

Entrepreneurial abilities

Goals relevant to enhancing entrepreneurial abilities can focus at improving skills and/or competencies. Such improvement is beneficial to the business idea and execution and is more than likely to enhance employability in the wider society. Examples of such goals include:

- participating in bookkeeping courses;
- receiving leadership training;
- developing team working skills;
- receiving coaching or mentoring of entrepreneurs and/or experts.

Business idea

These goals should be aimed at validating the business idea, especially in relation to the intended customers and their (perceived) needs. Examples of such goals include:

- developing a market strategy;
- completion of business plan;
- user testing, customer panels;
- consultation of experts in the relevant field.

4. Deliverables

The application should set deliverables tied to the goals the applicant will work on achieving during the project year. These deliverables can be broadly described. Examples of such include:

- create a minimum viable product;
- get paying customers;
- get follow up investment.

5. Timeline

The application should provide a proposed timeline that shows when the applicant will work on the different deliverables and when deliverables are planned to be completed.

6. Budget

The applicant should provide a budget of the financing needed to complete each milestone, deliverable or goal. If the budget for the project year exceeds the maximum of €30.000 available from Enterprise Leiden Fund, plans for additional funding sources should be in place.

7. Milestones

Besides timing and budget the application should provide milestones that measure (partial) completion of (sub-)goals/deliverables. These milestones help define success and can be conditional triggers for the payment of tranches.

Examples of milestones:

- first draft business plan submitted to expert;
- completion of accountancy course;
- ten (potential) customers visited and written report thereof;
- pitched to investors;
- applied for venture funding (e.g. venture challenge);
- participated in Start-up Experience;
- established pricing arrangements with suppliers.

8. Risks

The applicant should address the risks that could lead to drastic changes in plan or might ultimately lead to abandoning the business idea. By identifying these risks the applicant can show that she/he has a grasp on what challenges she/he faces and forces the applicant to think about what should trigger a change of strategy and reconsidering the business idea. Examples of risks that could face a beginning business:

- the market does not appear to be interested in the offering;
- the company finds out it does not have and is not able to acquire the necessary resources to execute the business idea;

- the founder/team sees better (employment) opportunity elsewhere and does not want to continue;
- it is found out that there is no freedom to operate after all.

9. Other information

The applicant is encouraged to provide information other than mentioned above if available. Examples of such information:

- **Business plan.** If an applicant has already prepared a full business plan it should be provided and the applicant can refer to the business plan in the application adding information where necessary, rewriting the whole plan for purpose of this application only is not needed.
- **Financials.** An applicant may have been operating for a while and may have done investments and may even had some revenue from customers. If this is the case, the applicant should add the financials of the business to date. If an applicant has made financial forecasts these should also be included.
- **Letters of support.** If an applicant is able to provide letters of support from (prospected) clients, suppliers and other (potential) stakeholders, these can show some external validation of the business idea.
- **Technical/scientific information.** If the business idea relies on the exploitation of a technical or scientific innovation, some background on the innovation can help an expert assess the potential of the idea.