

ANNEX A

April 2014

FACTSHEET Accreditation@IDA

One of the challenges that small Singapore-based technology companies face is the lack of opportunities to effectively compete for projects, especially for companies that have few or no references. This often culminates into a vicious cycle where projects are awarded to large established companies while these companies are denied the opportunities to build up their track records.

As Singapore moves towards becoming a Smart Nation, one of IDA's priorities is to build the technology industry through assisting the growth of our young and promising Singapore-based technology companies. Through the Accreditation@IDA, these companies can gain visibility and the chance to win greater project opportunities from buyers from large enterprises and the Government.

About Accreditation@IDA

Accreditation@IDA seeks to achieve the following objectives:

- Accredite promising and innovative Singapore-based technology product start-ups to establish credentials and position them as qualified contenders to government and large enterprise buyers;
- Provide potential buyers assurance on the accredited companies' product core functionalities and ability to deliver; and
- Build an innovative technopreneur ecosystem to drive economic growth, inspire the younger generation, and build more innovative products and technology companies that can scale overseas.

Target Audience

Accreditation@IDA targets Singapore-based companies that develop and own innovative high-growth infocomm products in the enterprise market. Companies would be required to meet the following pre-qualification criteria for Accreditation@IDA:

- Singapore-based:
 - Registered in Singapore (ACRA statement on coy incorporation)

- Substantial level of value-added economic activities conducted in Singapore, e.g. R&D activities, Test bedding, IP mgmt and Technical support
- Annual revenue < \$10m (group level)
- Innovative enterprise product, with focus on software
 - Coy must be product owner, i.e. owns the IP / patent for the product and not a reseller / distributor
 - Product must demonstrate strong value proposition and competitive advantage to competitors / alternative substitutes in the market

IDA would subsequently shortlist the companies for accreditation evaluation based on the following criteria:

- Management:
 - Company has clear business plan on how to grow the product and business
 - Company has strong management team with established track records and low key man risks
- Financials:
 - Company has viable financing and/or fund raising plan going forward to sustainably operate
- Customers:
 - Company has clearly identified customer segments and demonstrated demand
 - There is a sizeable addressable demand for the product to support the business plan

Strategies to help companies win work

For buyers from the Government and large enterprises, the accreditation process would provide an independent third party evaluation of the companies' claimed product core functionalities and ability to deliver.

For small Singapore-based technology companies, being accredited will open up more opportunities for their products and solutions to be showcased and eventually bought.

As part of the strategies to open up opportunities for these companies, we will be introducing initiatives to streamline and ease Government procurement from the accredited companies through:

- Facilitating Government's innovation procurement from accredited companies
The process whereby government agencies request for proposals and procure from accredited companies is being reviewed. This is to help facilitate Government agencies' access to the innovation that these companies can provide, as these companies have already been pre-qualified through the Accreditation process.
- Accreditation status as an alternative to EPPU financial grading in Government tenders
Expenditure and Procurement Policies Unit (EPPU) financial grading, which is benchmarked solely on a company's revenue and net tangible assets, is sometimes used by Government agencies in tender evaluation as an indicator of a company's financial capacity to handle a project. However, young technology companies may not be able to meet the stated EPPU financial grades which then limit their ability to bid for a project. As such, the accreditation framework is being developed to enable accreditation status to be considered in place of EPPU grading for start-ups.

Process/Framework

Through the accreditation process, IDA aims to provide assurance to the Government and large enterprise buyers on the core functionalities of the product and the ability of the accredited companies to deliver, so as to remove the perceived procurement risks associated with the smaller early stage companies.

To enable a reasonably comprehensive assessment, the accreditation evaluation would cover three key areas as depicted in the following diagram (see Figure 1).

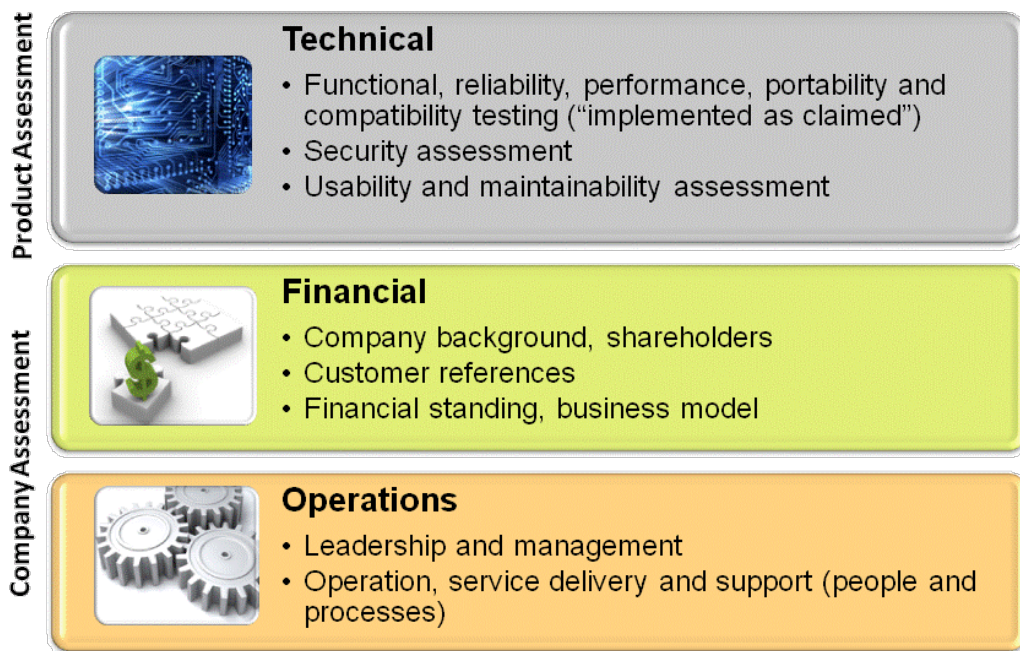


Figure 1: Key areas for accreditation evaluation.

The three-stage process for Accreditation@IDA is illustrated in Figure 2 below. The accreditation status would be valid for 18 months and companies would have to be routinely reviewed by IDA to ensure the validity of the status.

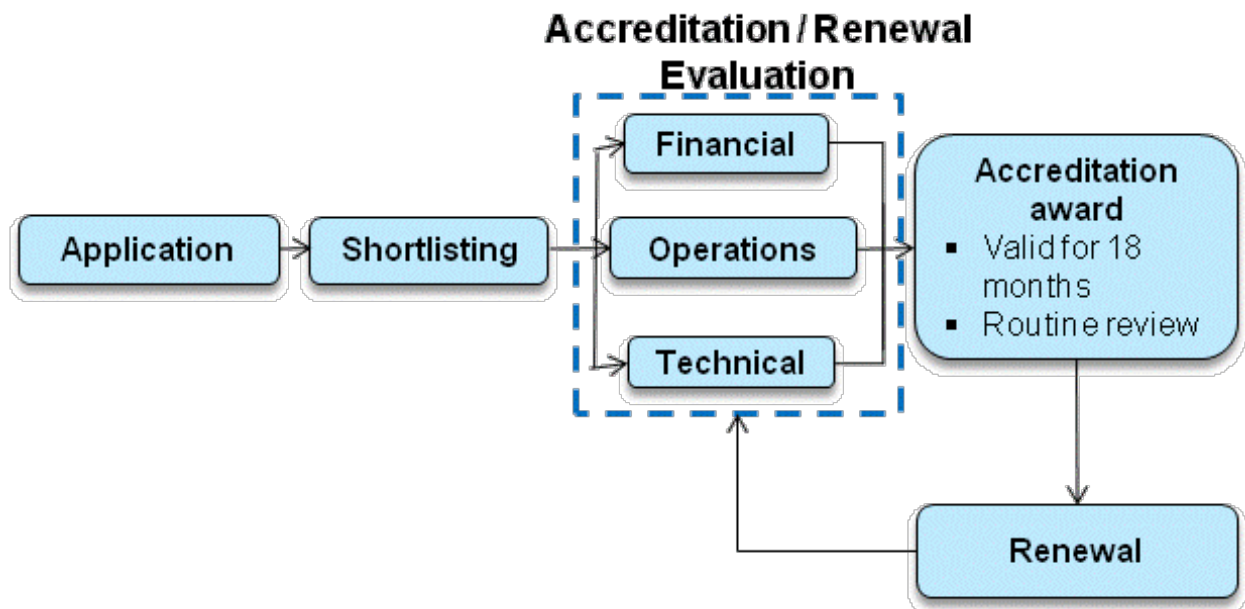


Figure 2. Accreditation@IDA process

We target to officially open the Accreditation@IDA for application in July 2014. More information about the registration process would be made available on IDA website in July 2014.

For media clarification, please contact:

Infocomm Development Authority of Singapore

Grace Chiang (Ms)

Manager, Corporate and Marketing Communications

Tel: +65 6211 3863

E-mail: grace_chiang@ida.gov.sg
