Fact Sheet

ACCREDITATION@SGD & SG:D SPARK PROGRAMMES

Executive summary

1. Accreditation@SGD (launched in 2014) and SG: D Spark programmes (launched in 2018) play a key role in accelerating the growth of Singapore-based enterprise tech product companies and promising start-ups. Accreditation@SGD helps growth stage Singapore-based tech companies succeed through winning contracts with government agencies and large enterprises, as well as facilitating new growth capital into the companies. SG:D Spark aims to support promising early stage B2B and B2C Singapore-based start-ups build their business and compete through government support and industry tools, such as curated masterclasses and 1-on-1 clinics in areas of fund raising, deal structuring, go-to-market strategies as well as talent acquisition.

2. To-date, our portfolios of Accredited and Spark companies has achieved a median CAGR[1] of at least 40% during their time with the programme. More than 100 Accredited and Spark companies created a project pipeline worth over S$814 million, comprising over 6,100 Government and enterprise project opportunities.

3. The programmes have also increased business traction and attractiveness for growth capital investment. As a collective portfolio, both Accredited and Spark companies, saw an average 2X growth in revenue, from when a company joined the programme to-date. Collectively, portfolio companies also expanded headcount by 1.8X on average during their time with the programme, creating more than 1,100 new jobs in the tech ecosystem for Singapore.

4. To-date, more than $450M of new growth capital has been invested in portfolio companies during or after accreditation. 11 companies had successful exits through acquisitions and IPO, reflecting the pace of growth of the local tech ecosystem, and entrenching Singapore's position as a Global-Asia node for tech and innovation.

5. These latest figures and real growth seen by the companies are indicative of the portfolio's economic contributions to Singapore's overall tech ecosystem.

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[1] CAGR: Compound Annual Growth Rate

ACCREDITATION@SGD

Overview

1. Accreditation@SGD accelerates the growth of promising Singapore-based tech-product companies to establish credentials, build business traction, grow, and compete in the global market as accreditation opens up more opportunities for their products to be showcased and bought. For buyers from the Government and large enterprises, the accreditation process provides an independent third-party evaluation of the companies' product core functionality claims and ability to deliver.

2. The Accreditation@SGD Scheme aims to enable these companies to:

    a. Establish credentials with potential buyers and investors through providing independent testing and evaluation of enterprise product companies' product core functionalities and their ability to deliver against the requirements under Accreditation@SGD, as well as, branding associated with the Singapore Government;

    b. Build traction through regular market access platforms and match-making of Government and Enterprise demands to these companies; and

    c. Scale globally through Accreditation@SGD's promotion of the companies through various media, exhibitions and collaboration with other Government agencies to reach global enterprises and overseas Government bodies.

Objectives

3. The key objectives of Accreditation@SGD include:

    a) Accredit promising and innovative Singapore-based high-growth ICM product companies to establish credentials and position them as qualified contenders to government and large enterprise buyers.

    b) Provide potential end users with the assurance of the accredited companies' product core functionalities and ability to deliver.

    c) Build an innovative technopreneur ecosystem to drive economic growth, inspire the younger generation, and build more innovative products and tech product companies that can scale overseas.

Qualifying and Shortlisting Criteria for Accreditation@SGD

4. Companies are required to meet the following pre-qualification criteria for Accreditation@SGD:

a) Singapore-based: Registered in Singapore with substantial level of value-added economic activities (e.g., R&D activities, test bedding, IP management and technical support) conducted in Singapore;

b) Annual revenue of less than S$100 million at the group level;

c) Innovative enterprise product, with a focus on solutions which can contribute to the Digital Economy (e.g. artificial intelligence, IoT, cognitive communications, future communications, robotics, cybersecurity and analytics), or Common-criteria certified security product;

d) Company must be the product owner (i.e. owns substantial IP / patent of the product and not a reseller / distributor);

e) Product must demonstrate strong value proposition and competitive advantage to competitors / alternative substitutes in the market

5. IMDA will subsequently shortlist the companies for accreditation evaluation based on the following criteria:

a) Management: The company has a clear business plan on how to grow the product and business; The company has a strong management team with established track records.

b) Financials: The company has viable financing and/or a fund raising plan going forward to operate sustainably.

c) Customers: The company has clear identified customer segments and demonstrates demand; There is a sizeable addressable demand for the product to support the business plan.

Accreditation Evaluation

6. Through the accreditation process, IMDA 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 companies.

7. The three-stage process for Accreditation@SGD is illustrated in Figure 1 below. The accreditation status would be valid for 18 months and companies would be reviewed by IMDA to ensure the validity of the status.
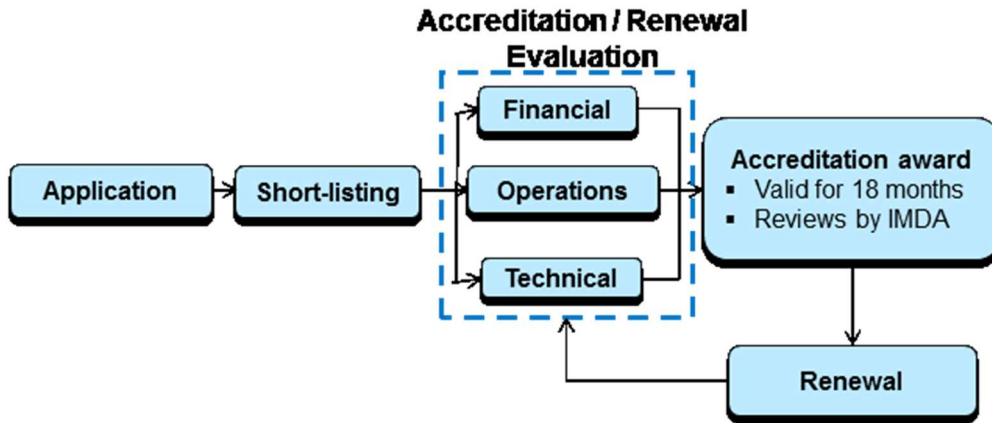
Figure 1. Accreditation@SGD process

8. To achieve accreditation, companies are evaluated on three aspects: Technical, Financial and Operations, as shown in Figure 2.

Figure 2: Key areas for accreditation evaluation.

SG:D SPARK PROGRAMME

Overview

1. The SG:D Spark Programme is a scheme aimed at addressing the key challenges and supporting the growth of promising Singapore-based start-ups through selected Government tools as well as creation of a vibrant, collaborative ecosystem and network.

Objectives

2. The key objectives of SG:D Spark include:

   d) Uplifting the capabilities and supporting the initial growth of promising start-ups through a hybrid of Government grant tools and support from leading industry community partners;

   e) Providing opportunities for promising enterprise tech start-ups to pitch and build initial reference customers in Singapore leveraging Government demand, and

   f) Building a vibrant Singapore tech community and network that promotes problem-solving and collaboration with peers and ecosystem partners to drive the growth of Singapore's tech ecosystem.

Target Audience

3. SG:D Spark targets promising Singapore-based tech start-ups in their earlier growth stage that develop or offer innovative ICM products or services for both enterprise and consumer markets.

4. Companies must be assessed by IMDA to meet the following enrolment criteria to apply for the SG:D Spark:

   a) The company must be registered in Singapore and has initial presence (i.e. headcount employed in Singapore);

   b) The company must have annual Singapore sales turnover of less than $20M and annual group revenue of less than $100M;

   c) The company must have an ICM enterprise product / service that has clear differentiated proposition from its competitors.

5. Companies nominated by SG:D Spark's list of Nominating Partners, as designated by IMDA and listed on its website, are provided preferential consideration for enrolment into the scheme.

6. IMDA leverages SGTech and leading Singapore-based Venture Capitalist firms to search and identify promising Singapore-based tech startups and companies to grow through SG:D Spark.

Currently, these nominating partners include EDBI, Vertex Ventures, Singtel Innov8, Golden Gate Ventures, Jungle Ventures, Openspace Ventures and Wavemaker.

Programme Benefits

7. IMDA has made selected Government tools and grants available to support the growth of the companies enrolled under SG:D Spark:

   a) Companies enrolled into SG:D Spark will be provided priority processing of grant [2] applications by IMDA;

   b) Fast growing companies which are looking to rapidly scale their operations will be provided assistance by IMDA through existing TeSA manpower programmes; and

   c) Selected enterprise tech product companies under SG:D Spark scheme will be provided with a non-renewable period of access[3] to Government demand to build their reference customers through the streamlined Government procurement process[4].

8. Companies enrolled into SG:D Spark will also have access to a slew of community events / masterclasses as well as network of reputable Professional Services firms, industry mentors and like-minded peers ("Community Partners") to build the capabilities of these younger companies and assist them in their growth challenges.

9. IMDA works with these Community Partners to customise and offer closed-door sessions of masterclasses targeted at specific challenges in a company's growth journey. These include:
   - Global consultancy firms, namely KPMG, PwC Singapore's Venture Hub, and Ernst & Young, would be working with IMDA to curate and offer masterclasses and workshops in areas such as corporate governance, fund raising, deal structuring and risk management. Our partners are also committing to provide more than 800 man-hours of pro-bono advisory services to assist selected SG:D Spark companies.

   - Global legal firms, namely Dentons Rodyk & Davidson, Simmons & Simmons JWS and WongPartnership LLP, would be providing masterclasses in regulatory and compliance, corporate, finance, Intellectual Property, litigation and dispute resolution law. Our partners are committing to provide initial pro-bono consultations to selected SG:D Spark companies in these areas.

   - Integrated communications and expert product design firms, namely WE Communications and Tribal Worldwide respectively, would be helping our SG:D Spark companies improve their branding and marketing capabilities, as well as user experience (UX) and tech product design abilities, through various workshops and one-on-one clinics.

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[2] Applicable from Q1/Q2 2019 and limited to selected capabilities development grants offered by Enterprise Singapore only.
[3] Companies have to undergo a separate evaluation. Access to Government demand may be limited by duration and contract value, depending on IMDA's assessment of the company's delivery capabilities and working capital capacity.
[4] Listing on the Panel of Accredited Companies, as per developed by Accreditation@SG Digital programme, for Government agencies' procurement.

- Institutes of Higher Learning, namely NUS Enterprise - the entrepreneurial arm of the National University of Singapore, SMU and Ngee Ann Polytechnic, will work together with IMDA to support the overall growth of the tech ecosystem through basic courses such as financial management for technopreneurs, to equip the company founders with basic knowledge, as well as engagement with their students and graduates as talent pipeline to these fast growing companies.

- Tech giants, namely Facebook and Google, also work with IMDA to provide their expertise and tools to enrich and groom our tech ecosystem.

10. Through these networking and mentoring sessions, IMDA aims to build a vibrant and strong network of ICM community that can support the growth of our ICM ecosystem.

11. IMDA will continue to seek suitable partners to contribute to the growth of Singapore's ICM ecosystem.