



# Challenges in Commercialization

- 1) Non-standardised IPR Valuation model between Universities/Research Institutions with Industry.
- 2) New platform has to be created to market validate technologies developed to meet final user requirements and alignment to standards.
- 3) A **win-win business model has to be created** to ensure successful technology development, transfer and commercialisation.
- 4) Local company's readiness in exploring emerging technologies with no proven records
- 5) High risk in technology development
- 6) Managing industry's and university's **expectation** (commercial vs theory and timeline of development)
- 7) No benchmark on existing cost structure and may hinder commercial activities
- 8) Managing of know how (formulation, process) confidentiality despite an existing SOPs





### MEASURING TECHNOLOGY READINESS FOR INVESTMENT

Accelerating technology development and improving innovation performance

> Report of a project undertaken by Manufacturing Technology Centre and

Heriot-Watt University funded by Innovate UK

March 2017

Technology Centre

#### **Findings**

1.Investors look at technology readiness as one parameter in their assessments of investment opportunities, alongside the market opportunity and the company's capability to deliver. Some investors also place importance on manufacturing

2. Investors often do not know the technology readiness level of companies they are thinking of investing in; they often engage an expert consultant to check that the technology works but not to assess its maturity in a structured way.

3. Entrepreneurs often overestimate their own technology readiness by failing to grapple with all the detail.

## Key Challenges in STI to be Addressed



Source: Malaysia Policy & Master Plan on STI 2021-2030 Final Report (ASM, 2019)





**Disconnected ecosystem & unclear governing & coordinating body** in setting the direction, coordinating, & monitoring the national nanotechnology agenda.



Pathways from laboratory research to successful commercialisation remained a challenge due to barriers such as **absence of a standardised priority areas, dedicated funding, monitoring process** on the progress of the project till it is taken up by industry for commercialisation.



Commercialisation

Innovation chasm between R&D & businesses resulted to most of research unable to be commercialised & industry remained lack of competitiveness due to low technology adoption



Standard, Safety & Regulation

Lack of awareness on standards, safety & regulation specific for Nanotechnology & lack of robustness for nanotechnology certification in leveraging on the advantages for country's revenue generation.



Source: OECD Public Governance Reviews

# What have we achieved after 63 years



## Where Are We Now?



Under GII 2020, Malaysia **ranked 33<sup>rd</sup> /133** (Source: Global Innovation Index 2020)

#### bu

Under GII 2020, Malaysia **ranked 63<sup>rd</sup> /131 in 'Patents by origin'** *(Source: Global Innovation Index 2020)* 

Under Global Entrepreneurship 2019, Malaysia **ranked 64**<sup>th</sup> /**137** in 'Product Innovation' (Source: Global Entrepreneurship 2019)



Over 270,000 **research publications** since 2010 & Malaysia ranked 23<sup>rd</sup> / 231 countries in 2019 (*Source: MOHE, 2020 & Scimago, 2020*)

#### but

Only less than 10% are in the Top 10% Citation Percentile (Source: MOHE, 2020)

Under GII 2020, Malaysia ranked 70<sup>th</sup> /131 in 'Knowledge creation' (Source: Global Innovation Index 2020)

Under Gll 2020, Malaysia ranked 53<sup>rd</sup> /131 in 'Knowledge workers' (Source: Global Innovation Index 2020)



Talent

IMD World Talent Ranking 2019: Malaysia **ranked 22<sup>nd</sup>/63** (Source: IMD World Talent Ranking 2019)

#### Under GII 2020, Malaysia ranked 55<sup>th</sup> /131 in 'Research talent, % in business enterprise' (Source: Global Innovation Index 2020)

Under Global Entrepreneurship 2019, **Malaysia ranked 63**<sup>rd</sup> /**137** in 'Start-up skills' (Source: Global Entrepreneurship 2019)

- Malaysia GDP is slower than the People's Republic of China, East Asia & the Pacific.
- Although manufacturing and services sector contribute almost 79% of GDP, the adoption of high technology in both sectors remains low at 37% and 20% respectively. (Source: Shared Prosperity Vision 2030)

# Challenges for STI for E

### **Knowledge-based Innovation Chasm**



Source: New Economic Opportunities in STI-based Industries to serve Emerging Markets (ASM, 2017)

# **Shared Prosperity Vision 2030**



Source: Shared Prosperity Vision 2030, 2019

#### **PROPOSED 15 KEY ECONOMIC GROWTH** ACTIVITIES (KEGA)



**KEGA 11:** Renewable Energy

KEGA 12: Green Economy

13 **KEGA 13:** Smart &

High Value

Agriculture



KEGA 14: Advanced & Modern Services



Malaysia Truly Asia



KEGA 15:

11

Source: Shared Prosperity Vision 2030, 2019





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Source: 10-10 STIE Framework, ASM , 2020





Teknologi Menerajui Masa Depan Negara

### Malaysia's Emerging Science, Engineering & Technology (ESET) (2015-2050)





Source: Emerging Science, Engineering & Technology, ASM, 2017



### Malaysia invests too little on experimental development to translate R&D outputs to market



Source: 1) Updated based on Science Outlook 2017 (ASM, 2019), data source : UNESCO Institute of Statistics Database accessed in October 2019, MASTIC National R&D Survey 2018 2) Adapted from Frascati Manual 2015, OECD 2015; EPU, 2015

GERD: Gross Domestic Expenditure on R&D



### Technology Transfers & Commercialisation

"commercialization" – Business Readiness Level "technology"- Technology Readiness Level "producing"- Manufacturing Readiness Level "to be used..."- Business Readiness Level

- TRL = Technology Readiness Level
- MRL = Manufacturing Readiness Level
- BR = Business Readiness
- CR = Customer Readiness



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Quality &
Certification
Governance
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Technology commercialization is the process of transitioning technologies from the research lab to the marketplace or **Commercializing** the technology by producing a product or products to be used by the community or consumer



### Technology readiness level (TRL)



### Investment readiness level (IRL)

9. Validate Metrics That Matter
 8. Validate Left Side of Canvas
 7. Prototype High Fidelity MVP
 6. Validate Right Side of Canvas
 5. Validate Product/Market Fit
 4. Prototype Low Fidelity MVP
 3. Problem/Solution Validation
 2. Mkt Size/Competitive Analysis
 1. Complete First-Pass Canvas

Community readiness level (CRL)



Figure 2: The innovation chain: barriers to economic impact from research excellence [9] European Commission (TRL indicates the technology readiness level.) **Open innovation 2.0** translation gap yearbook 2017-2018 innovation gap 1 3 TRL 2 5 6 7 8 9 4 Discovery & Commercialisation Activity Innovation Research system actual Description basic application experimental lab (system or demonstrator system complete system principles formulated proof of validation component) in relevant prototype and qualified proven in observed validation in concept environment demonstrated (test & operational relevant demo) in in operational environment operational environment environment environment



#### **Barriers for Technology Transfers and Commercialisations**



Translation of basic research to possible applications. Ideation, technology foresight.

cprinciples

Early technological and applied product and process research. Preparation system integration. Early market assessment. Consortium building.

Preparation of business. Prototyping facilities. Prototype system integration. Service development.

Shared pilot production facilities. Contract research on product, manufacturing. Business assessment.

Contract research on product/process enhancements.

Contract research on incremental product/process/service innovations.



TAHAP TRL	PENERANGAN	CIRI-CIRI
TRL 1	Basic Principle	<ul> <li>Technology research</li> <li>Pure science begins translation to R&amp;D</li> </ul>
TRL 2	Formulation of Concept	<ul> <li>Early studies for application formulation</li> <li>Invention &amp; Practical Application Begins</li> </ul>
TRL 3	Experimental Proof of Concept	<ul> <li>Analytical validation &amp; proof of concept</li> <li>Start active research &amp; development</li> </ul>
TRL 4	Lab validation	<ul> <li>Validation in laboratory environment</li> <li>Ready to begin bridge for technology transition</li> </ul>
TRL 5	Validation in real environment	<ul> <li>Validation in relevant environment</li> <li>Ready to enter technology development</li> </ul>
TRL 6	Demonstration in real environment	<ul> <li>Demonstrated in relevant environment</li> <li>Ready to enter system development</li> </ul>
TRL 7	Demonstration of prototype	<ul> <li>Demonstrated in operational environment</li> <li>Ready for limited production decision</li> </ul>
TRL 8	Product/System complete and qualified	<ul> <li>Compliant, qualified &amp; test/demo complete</li> <li>Ready for operational evaluation</li> </ul>
TRL 9	Product/System proven	<ul> <li>Completed operational evaluation</li> <li>Ready for full-rate</li> </ul>

### Evolution of R&D Funding RMKe-7 to RMKe-12

R&D Funding has evolved from fundamental (IRPA/ ScienceFund) to pre-commercialization stage (AIF/TeD1/TeD2/BGF/SRF)

#### RMKe- 7&8 IRPA

- Enhance socio economic development
- Strengthen capacity & capability building
- Accelerate
   commercialization

### RMKe-9

ScienceFund / TechnoFund / InnoFund

- Reprioritize of research to focus on agriculture, biotech, ICT, advance material and industry
- Strengthening industrial commitment
- Accelerate commercialization
- Competitive bidding for prioritized project

### RMKe- 10

ScienceFund / TechnoFund / InnoFund

- Knowledge Generation, Wealth Generation & Societal Well-being
- Extension of focus area nanotech, biotech, ICT, Sea to Space, S&T core and industry
- To fund more on projects at applied research (Science Fund) and pre-com (Techno fund / Inno fund) stages.

### RMKe- 11

InnoFund/ ICF/ SMARTFund / MOSTI R&D Fund

- Economic Growth & Societal Well-being
- Reprioritise focus area of pre-com into (i) Medical & Healthcare, (ii) Green Growth for Sustainable Development, (iii) Water, Food & Energy Nexus
- Expand to international R&D
- Improved access to Pre-com funding for Universities / Research Institution

### RMKe-12

#### AIF/ TeD1/ TeD2 / BGF/SRF

- Focus on
   Experimental Development
- Focus area according to 10-10 MySTIE framework
- Grand Challenges
- Improved access to Startup, MNC
- Fast track:
   i. TeD1 → TeD2
  - ii. TeD2  $\rightarrow$  BGF
- Streamlining process between funding agencies under MOSTI

Teknikali.Pembuktian konsep / Prototaip berfungsiii.Keunikan / Inovasi / daya cipta teknologiiii.Kebolehpercayaan objektif & Kesesuaian metodologiiv.Potensi berskala/ Kemampuan Pembuatanv.Pematuhan Standard dan pengawalseliaan					Impak Ekonomi         i.       Pengurangan kos         ii.       Penggunaan sumber yang optimum         iii.       Potensi eksport         iv.       Meningkatkan produktiviti dan kualiti produk / perkhidmatan					
Ko	mersial	Im	oak Sosial	Im	oak Alan	n Sekitar	Ke	wangan	Pe	ngurusan
i. ii. iv. v. vi. vii. vii.	Kelebihan persaingan Potensi dan permintaan pasaran Kesesuaian masa untuk dipasarkan Kelestarian Penyebaran Keberkesanan kos Strategi pasaran / Model Perniagaan Sijil dan Standard (jika berkenaan)	i. ii. iii. iv. v.	Kemampuan Penciptaan Pekerjaan mahir dan pekerja perpengetahuan Penyelesaian masalah Peningkatan keselamatan Persekitaran tempat tinggaldan kerja yang kondusif	i. III. III.	Kesan I Karbon Ekonon Pematu terhada kualiti a Penggu sumber optimur	Ekologi/ ni Sekular ihan ap akta ilam sekitar inaan yang m	і. II. III.	Berpotensi menjana pulangan pelaburan Nilai terhadap wang Kelestarian Kewangan	i. II. III.	Kelayakan profesional / Pengalaman ketua projek & Ahli Pasukan Kesesuaian <i>milestone</i> Pengurusan risiko







### Skim Pembiayaan Baharu R&D MOSTI RMKe-12



R&D&C&I FUNDING FRAMEWORK RMKE-12 BAHAGIAN DANA	Image: Weight of the system       MOSTI         AIF       AIF         Kumpulan Sasar       Individu/Persatuan/Koperasi/NGO yang berdaftar         Kuantum       RM500,000         Tempoh       12 - 18 bulan	MOSTI TeD1 Kumpulan Sasar Start-up/PKS/IHL/GRI/Agensi STI Kuantum RM1,000,000 Tempoh 24 bulan
TOP-DOWNImage: Start Start Start-up / PKS/ MNC/IHL/GRI/Agensi STI (Termasuk Bukan Warganegara)Image: Start S	MOSTI TeD2 Kumpulan Sasar Start-up/PKS/IHL/GRI/Agensi STI (Termasuk Bukan Warganegara) Kuantum RM3,000,000 Tempoh 36 bulan	MOSTI BGF Mumpulan Sasar Start-up/PKS/IHL/GRI/Agensi STI Muantum RM4,000,000 Tempoh 36 bulan

### Dana Penyelidikan Strategik (SRF)

Permohonan dibuka mengikut keperluaan



Satu inisiatif *top-down* ke arah meningkatkan daya saing industri di Malaysia melalui bidang-bidang khusus yang ditawarkan oleh MOSTI atau **isu strategik** semasa



#### KATEGORI PEMOHON

Start-up/PKS/MNC/IHL/GRI/Agensi STI (termasuk bukan warganegara)



BIDANG KEUTAMAAN

10-10 MySTIE / Top Down



#### TECHNOLOGY READINESS LEVEL (TRL)

Dari TRL : 3 - 9



#### PROSES PERMOHONAN

*Pitching* (RFP) → Permohonan → Penilaian → Pemakluman Keputusan



#### KUANTUM & TEMPOH PEMBIAYAAN

RM15 juta (PKS/MNC - Secara padanan)\*

36 bulan



#### KOLABORASI/KERJASAMA



- ii. GRI/Agensi STI → digalakkan bekerjasama dengan Start-up/PKS
- iii. Start-up/PKS/MNC → digalakkan bekerjasama dengan IHL/GRI/Agensi STI

#### KAEDAH PEMBAYARAN

- PKS dan MNC Bayaran Pendahuluan (disbursement) dan Pembayaran Balik (reimbursement) mix mode
- Start-up, GRI, IHL, Agensi STI Bayaran Pendahuluan (disbursement)

\* *In-kind* sehingga 50% - MOSTI akan biaya sehingga 70% dari kos projek *Cash Investment* - MOSTI akan biaya sehingga 90% dari kos projek Bagi kaedah pembayaran *mix-mode*, Jawatankuasa Penilaian Dana (JPD) akan mencadangkan nilai pembayaran pendahuluan berdasarkan merit.



### Dana Applied Innovation (AIF)

Meningkatkan penyertaan inovator dalam aktiviti inovasi



KATEGORI PEMOHON

Individu/Persatuan/Koperasi/NGO yang berdaftar



**BIDANG KEUTAMAAN** 

10-10 MySTIE



TECHNOLOGY READINESS LEVEL (TRL) TRL : 2 - 4



#### **PROSES PERMOHONAN**

Permohonan  $\rightarrow$  Penilaian  $\rightarrow$  Pemakluman Keputusan



#### KOLABORASI/KERJASAMA

**Digalakkan** berkolaborasi dengan pakar/penyelidik daripada HLI/GRI



#### KUANTUM & TEMPOH PEMBIAYAAN RM500,000.00

12-18 bulan



#### KAEDAH PEMBAYARAN

Bayaran Pendahuluan (disbursement)

Bayaran Pendahuluan berdasarkan nilai kos *milestone* pertama atau 40% daripada kos projek

Permohonan dibuka sepanjang tahun

# Dana Pembangunan Teknologi 2 (TeD 2)



Meneruskan pembangunan konsep yang berkaitan dengan reka bentuk teknologi, proses atau produk **ke arah pengkomersialan** bagi mengurangkan jurang kegagalan (valley of death)



#### KATEGORI PEMOHON

Start-up/PKS/IHL/GRI/Agensi STI (termasuk bukan warganegara)



BIDANG KEUTAMAAN

10-10 MySTIE



#### TECHNOLOGY READINESS LEVEL (TRL)

Dari TRL : 4 - 7



#### PROSES PERMOHONAN

Permohonan  $\rightarrow$  Penilaian  $\rightarrow$  Pemakluman Keputusan



#### KUANTUM & TEMPOH PEMBIAYAAN

RM3 juta (PKS- Secara padanan)\*

36 bulan





#### KOLABORASI/KERJASAMA

- i. IHL**→ hendaklah** bekerjasama dengan Start-up/PKS
- ii. GRI/Agensi STI **→ digalakkan** bekerjasama dengan Start-up/PKS
- iii. Start-up/PKS → digalakkan bekerjasama dengan IHL/GRI/Agensi STI

#### KAEDAH PEMBAYARAN

- PKS Bayaran Pendahuluan (disbursement) dan Pembayaran Balik (reimbursement) mix mode
- Start-up,GRI, IHL, Agensi STI Bayaran Pendahuluan (disbursement)

\* *In-kind* sehingga 50% - MOSTI akan biaya sehingga 70% dari kos projek *Cash Investment* - MOSTI akan biaya sehingga 90% dari kos projek Bagi kaedah pembayaran *mix-mode*, Jawatankuasa Penilaian Dana (JPD) akan mencadangkan nilai pembayaran pendahuluan berdasarkan merit.

Permohonan dibuka sepanjang tahun

# Dana Pembangunan Teknologi 1 (TeD 1)



Membangunkan konsep yang berkaitan dengan reka bentuk teknologi, proses atau produk yang berpotensi untuk dikomersialkan



KATEGORI PEMOHON

Start-up/PKS/IHL/GRI/Agensi STI



BIDANG KEUTAMAAN

10-10 MySTIE



TECHNOLOGY READINESS LEVEL (TRL) TRL : 2 - 4



#### PROSES PERMOHONAN

Permohonan → Penilaian → Pemakluman Keputusan



KOLABORASI/KERJASAMA

Digalakkan berkerjasama dengan/atau Start-up/PKS/IHL/GRI/Agensi STI



#### KUANTUM & TEMPOH PEMBIAYAAN RM1,000,000.00 24 bulan



#### **KAEDAH PEMBAYARAN**

- PKS Bayaran Pendahuluan (disbursement) dan Pembayaran Balik (reimbursement) mix mode
- · Start-up, GRI, IHL, Agensi STI Bayaran Pendahuluan (disbursement)

Bagi kaedah pembayaran *mix-mode*, Jawatankuasa Penilaian Dana (JPD) akan mencadangkan nilai pembayaran pendahuluan berdasarkan merit.



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Shttps://edana.mosti.gov.my/

APPLICANT Start-up/SME/IHL/GRI/STI Agencies (Including Non-Malaysian)

**QUANTUM & PROJECT DURATION** 

RM3,000,000.00 (SME - Matching) 36 months

**TECHNOLOGY READINESS LEVEL** 

**MALAYSIA** GRAND CHALLENGE

(mmm)

anna

mmm

### TeD2 Technology Development Fund 2

Continuing the concepts development related to technology design, processes or products towards commercialisation to reduce valley of death

**TeD2 SECRETARIAT** 

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TRL 4 - 7

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![](_page_41_Picture_0.jpeg)

*Source: NNC, 2020* Figure 16: Framework of National Nanotechnology Network

![](_page_42_Picture_0.jpeg)

#### National Nanotechnology Centre

# **THANK YOU**

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![](_page_42_Picture_4.jpeg)