

FREQUENTLY ASKED QUESTIONS

Assessment Voucher

2ND OPEN CALL

...

SUBMISSION

Starts on the 30th of June 2022 - 09:00 CEST (Brussels time)

DEADLINE

30th of September 2022 - 17:00 CEST (Brussels time)





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1 CAN I SUBMIT MY APPLICATION IF MY COMPANY IS NOT YET ESTABLISHED?

No, you can't. To be eligible, your SME or MidCap should be legally established in one of the territories mentioned in section 3.1 of the Guide for Applicants, before you submit an application.

2 What could be a perfect candidate for Change 2Twin?

The Assessment voucher is oriented to legal entities meeting the following requirements:

- Operate in the manufacturing sector;²
- Have an SME³ or MidCap⁴ status;
- Have achieved at least level 2 of digitization according to the acatech Industrie 4.0 Maturity Index:5
- Have an interest to develop and implement digital twin technology;
- Are located in the Member States of the European Union and its Overseas Countries and Territories (OCT), in Associated Countries to H2020, or the UK.

3 What is the minimum level of digitization for companies that apply to Change2Twin?

To assess the digitalization level of the applicants, Change2Twin follows the <u>Acatech Industrie 4.0</u> <u>Maturity Index</u>.⁶ This index identifies 6 stages of digitalization:

- **1. Computerisation:** this stage provides the basis for digitalisation; different information technologies are used in isolation from each other within the company and are used to perform repetitive tasks more efficiently.
- **2. Connectivity:** digital systems in the organisation are largely connected to each other and exchange data to provide business application and software with relevant information.

²Manufacturing companies refers to SMEs or MidCaps registered, under national law, to perform business activities under a Code related with the manufacturing sectors.

³An **SME** will be considered as such if it complies with the European Commission's <u>Recommendation 2003/361/EC</u>. As a summary, the criteria defining an SME are:

⁻ Headcount in Annual Work Unit (AWU) less than 250;

⁻ Annual turnover less or equal to €50 million or annual balance sheet total less or equal to €43 million. Note that the figures of partners and linked enterprises should also be considered as stated in the SME user guide.

⁴'Middle-capitalization company' or 'MidCap' means an enterprise that is not a SME and that has up to 3 000 employees, knowing that the staff headcount is calculated in accordance with <u>Articles 3 to 6 of the Annex to Commission Recommendation 2003/361/EC</u>. This includes Slightly Bigger companies, as well.

⁵ https://en.acatech.de/publication/industrie-4-0-maturity-index-update-2020/

⁶ https://en.acatech.de/publication/industrie-4-0-maturity-index-update-2020/



- **3. Monitoring:** sensors enable processes to be captured from beginning to end with large numbers of data points. Events and states can now be recorded in real-time throughout the entire company and beyond rather than just in individual areas like manufacturing cells.
- **4. Understanding:** this stage involves creating a digital shadow of the company's current situation to understand why something is happening and use this understanding to produce knowledge by means of root cause analyses.
- **5. Predictive capacity:** the company is able to simulate different future scenarios and identify the most likely ones by projecting the digital shadow into the future. As a result, companies are able to anticipate future developments so that they can take decisions and implement the appropriate measures in good time.
- **6. Adaptability:** a company is able to use the data from the digital shadow to make decisions that have the best possible results in the shortest possible time and to implement the corresponding measures automatically, i.e., without human assistance.

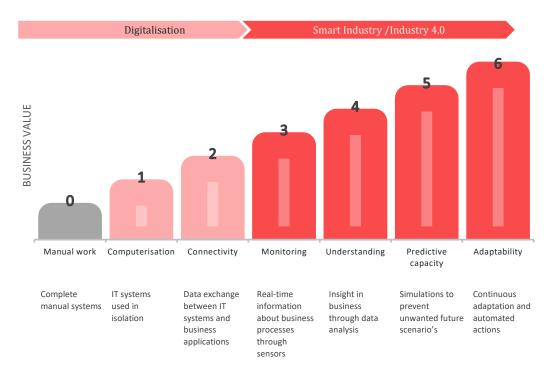


Figure 1: Stages in the Industry 4.0 development path (source: FIR e. V. at RWTH Aachen University)

The minimum level of digitization for companies that apply to the open call is 2.

We invite you to read carefully the description of each stage before applying to Change2Twin. You will be asked to provide an explanation of why you believe your company is at the chosen digitalization level in the application form.



4 What information do I need to include in the budget?

In the application form, you will need to submit a budget with the following information:

- **Country of the DIH to be hired**: Please indicate the country of the certified DIH that you have chosen.
- **Country Correction Coefficient**: Please use the country correction coefficient (CCC) available in the answer to the following question "What is the Country Correction Coefficient?
- Time dedicated to the project (Full Time Equivalent): Please indicate the expected effort in Full Time Equivalent (FTE) to dedicate to the project for 1 month (e.g., 1 means 1 person working full time or 2 people dedicating 50% of their time during 1 month). This should include the estimated effort of the selected certified Digital Innovation Hub.
- Total personnel costs: Multiply the CCC by the amount of estimated FTE by 4 880 Euro (CCC x FTE x 4880). This should include the estimated costs of the selected certified Digital Innovation Hub.
- Mobility costs: Include estimated mobility costs up to a maximum amount of 600 Euro.
- Consumables: Include estimated costs for consumables up to a maximum amount of 500 Euro.
- **Subcontracting**: Include estimated costs for subcontracting up to a maximum amount of 500 Euro.
- Total direct costs: Sum of the costs for personnel, mobility, consumables and subcontracting.
- Overheads: 25% of total direct costs.
- Total budget: Total direct costs + Overheads (<u>The maximum amount for the total cost is 14 285 Euro</u>).
- The maximum amount of financial support to be provided is 70% of the total budget up to a maximum amount of 10 000 Euro.

5 What is the Country Correction Coefficient?

The Country Correction Coefficient (CCC) is used in <u>Marie Skłodowska-Curie actions</u> to adjust living allowances to the costs of living of different countries. In Change2Twin the CCC is applied to adjust personnel costs to the costs of the country of the selected DIH. The monthly cost of 1 Full Time Equivalent for each country is obtained by multiplying the CCC by 4 880 Euro.

The CCC for each country is listed in the table below:

Eu countries	Country Correction Coefficient
AT	106.70%
BE	100.00%
BG	62.00%
CY	82.60%

Horizon 2020	Country Correction
Associated Countries	Coefficient
AL	65.30%
AM	75.40%
ВА	69.00%
СН	121.20%





CZ	81.78%
DE	97.00%
DK	135.00%
EE	79.40%
EL	88.70%
ES	95.40%
FI	120.80%
FR	115.70%
HR	83.90%
HU	77.40%
IE	115.60%
IT	104.40%
LT	72.50%
LU	100.00%
LV	77.70%
MT	84.40%
NL	107.90%
PL	75.50%
PT	84.20%
RO	68.80%
SE	121.80%
SI	86.10%
SK	80.40%
UK	139.80%

FO	135.00%
GE	75.30%
IL	106.10%
IS	115.30%
MD	62.01%
ME	64.80%
MK	60.00%
NO	130.60%
RS	67.30%
TN	67.50%
TR	82.10%
UA	70.80%

6 What happens if I do not submit my application within the deadline?

We do not accept applications after the deadline. We strongly encourage you not to wait until the last minute to submit your proposal. Failure of meeting the submission deadline for any reason, including extenuating circumstances, will result in the rejection of the proposal.

7 How long does it take to fill in the application?

It will probably take around 3 or 4 hours of writing to produce a good application, but you'll be able to add contributors, so that work can be split among team members. You can at any time save your application as a draft and continue later.

Take into account that specific character limits have been established in each field of the online application form, so we encourage you to keep your proposal focused on the requested information.



8 CAN A COMPANY SUBMIT TWO PROJECT IDEAS?

No, you can't. In case that more than one application from the same applicant is submitted, only the one submitted last will be considered and any other will be rejected.

9 What are the criteria to assess the proposals?

There will be 3 main criteria that will be considered by evaluators when assessing the proposals:

- Excellence (analysing Ambition and Innovation).
- Impact (evaluating Business Impact and Time-criticality of information needs).
- Implementation (we will evaluate the team).

Complete information about this can be found in Section 4 of the Guide for Applicants for this call.

10 WHAT TYPE OF SUPPORT IS AVAILABLE FOR PREPARING THE PROPOSAL?

The 'Guide for Applicants' is the main reference document. It provides detailed information about the requirements of the evaluation and selection process, and the financial support offered by Change2Twin.

An **Open Call Helpdesk** service is on hand to clear up any doubts you may have relating to the application process (eligibility rules, application form information requests, etc). It will be available through the Open Call community spaces available for such a purpose at https://spaces.fundingbox.com/spaces/i4ms-change2twin-open-call-help-desk.

Finally, a **Technical Helpdesk** service (<u>opencalls@change2twin.eu</u>) is also available if you encounter any technical problem when filling in the application form.

11 WHAT IS THE EXPECTED SCHEDULE?

The estimated schedule for the Assessment voucher 2nd open call is the following:

				<u>'</u>		Ü	
	2022						
Open Cells	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Open Call: submission of proposals	•						
Evaluation of proposals							
Communication of the "List of finalists"							
Signature of the "Sub-grant agreement"						•	



Please consider that this timeline may change at any time.

12 WHAT ARE SMES AND MIDCAPS?

An **SME** will be considered as such if it complies with the European Commission's Recommendation 2003/361/EC. As a summary, the criteria defining an SME are:

- Headcount in Annual Work Unit (AWU) less than 250;
- Annual turnover less or equal to €50 million or annual balance sheet total less or equal to €43 million.

Note that the figures of partners and linked enterprises should also be considered as stated in the SME user guide. For detailed information check EU recommendation: https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition en.

A **Middle-capitalization company or MidCap** means an enterprise that is not a SME and that has up to 3 000 employees, knowing that the staff headcount is calculated in accordance with <u>Articles 3 to 6 of the Annex to Commission Recommendation 2003/361/EC.</u>

13 How will we check your SME or MIDCAP STATUS?

Before signing the Sub-Grant Agreement, we are going to verify your SME or MidCap status. More specifically, we will request you to provide the following documentation:

- an extract of the current (up to date) official registration document or its equivalent. The
 enterprise's registration document is a written statement from the Government or other
 authority which confirms that the company legally exists and confirms its data, e.g., address of
 the registered office, legal representatives, owners;
- an official and signed declaration indicating your enterprise shareholders and the percentage of shares that they own in your organisation,
- the complete, closed and registered for official purpose, financial accounts (financial statements) of the last 3 years (for last 3 years or, if it is not applicable, for the period starting at the registration date). Please note that these accounts should include: the annual balance sheet; the annual turnover and the staff headcount. If your financial statement does not contain information about the staff headcount, the selected SMEs/MidCaps will be able to provide enterprise statistic reports/annual reports or any other supporting document which demonstrate the staff headcount (it can be an official and signed declaration indicating the number of employees expressed in Annual Working Units.)
- VAT/tax ID Certificate
- Bank account information
- Information about participation in other acceleration programmes and other H2020 grants received.



In case of having partners or/and linked companies we will request for additional documentation of partners and linked enterprises:

- financial statements of all partners and linked enterprises (to confirm the annual turnover, annual balance total sheet and employment);
- document showing the holding structure of partners/linked enterprises, e.g. official extract of shareholders (from the Chamber of Commerce or any other Official Register) or instead we can accept also an official and signed declaration indicating shareholders and the percentage of shares that they own in the organisation;
- statistical reports/annual report/financial statement indicating the number of declared employees of a partner/linked enterprise. If the number of employees is not clearly indicated in the above-mentioned documents, we can accept other supporting documents such as an official and signed declaration on the staff headcount expressed in Annual Working Units.

14 What are the payment conditions?

In order to receive the financial support, we will proceed with the following validations:

- 1 You will need to provide the first draft of the assessment performed by the certified DIH of choice, within the deadline specified in the Sub-Grant Agreement (applicants will have 1 month from the signature of the Sub-Grant Agreement to present the deliverable).
- **2** The **Mentoring Committee**, composed by the Technical Mentors, will **verify that the assessment meets the quality standards** and that it has been submitted within the required deadline.
- 3 According to the criteria, the beneficiaries will be divided into 2 groups:
 - beneficiaries fulfilling the criteria in case all above mentioned criteria was fulfilled,
 - beneficiaries not fulfilling the criteria the beneficiaries which haven't fulfilled all criteria will be proposed, by the 'Mentoring Committee', as candidates to leave the Program. And, if this decision is finally ratified by the AE Management Board, they will have to leave the Program and won't receive the payment.
- **4-** The **AE Management Board**, consisting of 10 core partners of Change2Twin (i.e. SINTEF, TTTECH-IND, Jotne, FBA, TNO, BOC, UNIBO, CLOUDBROKER, IR and PSNC), will review and validate the Mentoring Committee's proposal and proceed with the **final validation of the assessment**.
- 5º. You will receive the total lump sum as defined in the Sub-Grant Agreement.

15 What will I get if my application is selected?

You will receive **up to 10 000 Euro as a lump sum** to cover the costs of the services provided by a certified DIH of your choice.



The certified DIH will conduct a thorough analysis of the digitalization potential of your business and provide 3 ready-to-use recipes for implementation, containing the list of different technologies fitting the use case and details of an integrator willing to implement them.

16 Can I change the DIH selected in My application?

If you are selected as a beneficiary of the Change2Twin Assessment Voucher and the DIH selected in the application cannot perform the assessment, we can help you to select an alternative DIH. If the new DIH to be selected is from a different country than the original DIH, you will be allowed to modify your initial budget.

17 Is any accountability required on the way the funds have been used, e. g. invoices and other financial documents? Are there any specific restrictions on how the funds are utilized?

The beneficiaries will receive a lump sum of up to 10 000 Euro.

The lump sum is a simplified method that means that the FSTP recipient is not required to present accounting documents like invoices, timesheets, etc, to prove that the cost was actually incurred. However, Change2Twin will assess the quality and deadline compliance of the submitted deliverable, not your accountancy. In any case, the lump sum methodology does not release you from the obligation to collect documentation to confirm the costs under fiscal regulation.

18 How many Key Performance Indicators do I have to select in the application form and what do they mean?

You will need to select up to 5 Key Performance Indicators (KPIs) in the application form. A brief explanation for each KPI is provided in the following table:



Key Performance Indicator	Explanation		
Financial			
Revenue	How much money the company makes in sales during a period (turnover).		
Profitability (e.g., Gross profit margin)	Company's profit in relation to the size of the business. Gross profit margin = revenue (sales) - cost of goods sold (COGS) (Gross income).		
Operating profit	Profit that is generated from a business' core operations. Operating profit = Gross Profit - Operating Expenses - Depreciation - Amortization (Operating income or EBIT)		
Return of investment	Approximate measure of an investment's profitability used to evaluate the efficiency of an investment or compare investments.		
Total costs of ownership (TCO) (own assets)	Purchase price of a company asset (or all assets combined) plus the costs of operation.		
Inventory value	(Average) total value of inventory.		
	Market		
Product / service portfolio diversity	Number of variations of products and services that are offered to clients.		
Market share	Percent of total sales in an industry generated by this particular company (in comparison to all sales in this industry).		
Total costs of ownership (TCO) (at customer)	Purchase price of the produced goods plus the costs of operation for the customer.		
Customer satisfaction	Average level of satisfaction by customers on a predefined scale.		
Sales forecast	Estimation of future sales for a particular period.		
Operational			
Delivery times	The time from the moment when the goods are produced until they are delivered to the customer.		
Delivery reliability	Percentage of delivery times that is estimated (and communicated to the customer) correctly.		
Rate of returns / rejects	Percentage of products that do not pass the quality check and/or are returned by customers.		



Throughput	Number of products/services that are produced (and delivered) within a specified period of time. Lead time : time between initiation and completion of a production process.
Employee satisfaction	Average level of satisfaction by employees on a predefined scale.
Waste	Absolute value of waste generated in a period of time by the company by performing its core business (tonnes, €, m³,).
CO2 emissions	Amount of emissions generated by the company during a period of time by performing its core business.
Changeover time	Time from the moment the last good part of the previous process is produced to the moment the first good part of the subsequent process is produced.
First Time Yield (FTY)	The number of good units produced divided by the number of total units going into the (production) process.
Overall equipment effectiveness (OEE)	Measure of how well a manufacturing operation is utilized (facilities, time and material) compared to its full potential, during the periods when it is scheduled to run.
Downtime due to Maintenance (MTBF/MTTR/MDT)	Time that the core business processes cannot run due to maintenance. Related to Mean Time Between Failures, Mean Time To Repair and Mean Down Time.
Supply reliability	Average ability of suppliers to consistently supply an acceptable resource at the required time.
Response time	Response to a failure in the company's own production process . Related to Mean Time To Repair.

19 What does it mean that the grant obtained will equal to 70% of the costs?

The beneficiaries of this Open Call may receive a lump sum of up to 10 000 Euro. This means that if the budget that you present in the application includes a total cost of over 14 285 Euros you will not receive more than the maximum amount of 10 000 Euro.

20 WHAT HAPPENS IF MY BUDGET IS OVER 14 285 EURO?

Taking into account the financial support limit of 10 000 Euro any budget that is over 14 285 Euro will only receive 10 000 Euro in financial support. This means that your application will still be accepted but in case you are selected to receive financial support, the amount that you will receive will be less than 70% of the total costs of the budget that you have submitted.



21 JUST TO BE SURE THAT I HAVE UNDERSTOOD IT CORRECTLY, THE BENEFICIARY OF THE BUDGET OF UP TO 10K, IS THE DIH, TO GIVE THE SERVICE TO THE SME/MIDCAP, RIGHT?

No. The beneficiaries of the Open Call are manufacturing companies that need to contract the assessment from a certified DIH. How much of the 10 000 Euro is to be paid for the DIH's assessment service is to be negotiated between the SME and DIH. The lump sum will be paid directly and in its entirety to the beneficiary SME or MidCap.

22 THE INDUSTRIE **4.0 M**ATURITY INDEX IS A SELF-ASSESSMENT OR DOES IT HAVE TO BE SOMEHOW CERTIFIED BY SOME ENTITY?

This is a self-assessment. That is why we ask you to briefly explain why you have assessed your company to be at a certain level in the following question.

23 CAN A DIH SUBMIT THE APPLICATION ON BEHALF OF THE SME/MIDCAP?

No. The application form has to be submitted by the company that is applying to the Open Call. The contacts for notification and the company information needs to be from the applicant.

24 FOR THE APPLICATION FORM AND BUDGET MENTIONED THERE, CAN THE TOTAL PERSONNEL COST INCLUDE 2 EMPLOYEES OF SME/MIDCAP AND 2 EMPLOYEES OF DIH + ONE EXTERNAL SPECIALIST COOPERATING WITH DIH, WHEN ALL THEIR WORK IS 1 FULL WORKING TIME ALL TOGETHER?

Yes. Personnel costs can include the effort necessary from both parties to carry out the assessment.

We follow the lump sum method; therefore, the beneficiaries do not need to justify that the actual eligible costs correspond to the amount of the lump sum. They only need to prove that the action tasks have been carried out. In this Open Call that means presenting the required deliverable on time and with the required quality.

25 CAN SOME OF THE BENEFICIARY PERSONNEL'S PERSON MONTHS ALSO BE COUNTED TOWARDS ELIGIBLE COSTS?

Yes, personnel costs from the beneficiaries are eligible costs.



26 WHAT DOCUMENTS MUST THE SME/MIDCAP PROVIDE TO RECEIVE THE LUMP SUM?

The only document that the SMEs will need to present is the Assessment report including the Digital Twin recipes delivered by a certified DIH.

27 How many beneficiaries do you expect to select per country?

Proposals will be ranked according to quality and not based on country. So, there is no set limit or desired number per country.

28 Can the SME be a start-up company (micro SME) as a coordinator in a consortium with a Manufacturing Company?

With respect to the Assessment Voucher Open Call this open call is for single applicants only. Consortia cannot apply. The applicant must be a manufacturing SME or MidCap from an eligible country.

29 IN THE EVENT THAT THE DIGITAL TWIN PROJECT CONCERNS A SERVICE TO SUPPORT THE PRODUCTION OF MACHINES AND PLANTS FOR OUR END CUSTOMERS, IS IT STILL ELIGIBLE?

The goal of Change2Twin is to help manufacturing SMEs and MidCaps implementing digital twinning technology. As such, it is the end users of the digital twinning technology that should apply.

30 **IF** AN **SME** APPLIES FOR THE ASSESSMENT VOUCHER, IS THIS A BENEFIT FOR THE **DEPLOYMENT VOUCHER OPEN CALL?**

No. Even though, if selected, the report that beneficiaries will receive will be a strong basis for an application to the Deployment Voucher, there will be no preference given to companies that have participated in the Assessment Voucher during the evaluation of proposals to the Deployment Voucher.

31 Is the limit in annual turnover for MidCaps equal to €50 million, as it is the case for SME?

For the purposes of this Open Call, MidCaps are defined as enterprises, whose number of employees is up to 3 000 (with staff headcount calculated in accordance with <u>Articles 3 to 6 of the Title I of the Annex of the Commission Recommendation</u>). Criteria relating to balance sheet total or turnover are not relevant in the context of this MidCap definition.