

0↑ Open Up
Challenge

by **nesta** 

Application Guidelines

Useful Information for Entrants

February 2017

Introducing

A prize for the future of small business banking

The Open Up Challenge is a £5m prize fund to reward next-generation services, apps and tools that create game-changing value for UK small businesses. These application guidelines are a printable summary of our application process and criteria.

For more information on how to apply, please visit openup.challenges.org or email: openupchallenge@nesta.org.uk

Stage 1: Innovation:

- 23 March 2017: Applications open.
- 31 May 2017: Applications close.
- 5 July 2017: Stage 1 development grant winners notified.
- 10 July 2017: Open Up Data Sandbox goes live.
- 9 - 30 November 2017: Window for Stage 1 finalists due diligence, including interviews.
- 7 December: Pitching day in London.
- 15 December: Stage 1 prize awards made.

Stage 2: Market Ready

- January 2018: Applications open (NB: Stage 2 will be open to new entrants as well as those who participated in Stage 1).
- March 2018: Applications close.
- April 2018: Entrant interviews in London*.
- April 2018: Stage 2 development grant winners notified.
- July - September 2018: Stage 2 finalists due diligence.
- September 2018: Stage 2 demo days in London.
- September 2018: Stage 2 prize awards made.

* Reasonable travel stipends will be provided to teams of up to two people travelling long distances.

Key dates

The prize is in two stages and will run from March 2017 to September 2018



Cash Awards

- In the Innovation Stage you'll get a £50k development grant up-front, and then share in a £1m reward pot if you're one of up to ten successful Stage 1 prize winners.
- If you successfully enter the Market Ready Stage you'll get a development grant from a pot of £500k for up to five teams, plus a share of a £2m pot if you are one of the final three Stage 2 prize winners.

Exclusive Early-Stage Access to Data

- You'll get access to our Data Sandbox, containing one of the largest anonymised UK banking transaction datasets ever released, and APIs aligned with the forthcoming Open Banking standard.
- Use the Data Sandbox to securely build and test your product so you can hit the ground running in 2018.

Technical Support

- You'll be able to access technical support provided by leading practitioners – covering legal and regulatory considerations, data, user experience and more – to help you get market ready.

Open Up Challenge is run independently by a delivery team at Nesta, the innovation foundation. It has backing from the Competition and Markets Authority and funding from eight of the UK's largest providers of SME banking (Barclays, HSBC, Lloyds Banking Group, RBS, Santander, AIB Group (UK) p.l.c, Bank of Ireland UK and Danske Bank).

Eligibility Criteria

Please read this section carefully to check that you and your proposal are eligible to enter the challenge.

What you plan to build

We're looking for entries that can provide game-changing benefits to UK small businesses.

All entries should plan to use open banking data accessed via APIs to achieve this.

In terms of functionality, all entries must also at a minimum facilitate intelligent, tailored comparison of core financial products including loans, business current accounts and overdrafts.

Specifically:

- In Stage 1 entries must, at a minimum, facilitate comparison of **one** of the following products: Business Current Accounts, standard tariff overdrafts and unsecured small business loan products up to a value of £25,000. (Each of these products falls within the scope of the UK open banking standard.)
- In Stage 2 entries will need to facilitate comparison of at least **all** of the following categories of product: Business Current Accounts, standard tariff overdrafts and unsecured small business loan products up to a value of £25,000.
- Comparison should extend beyond cost to other factors that may matter to small businesses – for example customer service, product features and others.

We are not prescriptive about how entrants fulfil these criteria and welcome innovative approaches. Entrants may ensure their solutions facilitate comparison through demonstrating integration or partnerships with third party services.

We envisage that many entrants will build products that offer a wider range of services to small businesses than comparison alone.

Your team

The Open Up Challenge is open to individuals, teams, companies, organisations, partnerships and non-profits. Entrants are not required to be legally constituted to apply for and participate in Stage 1 of the challenge. Entrants must be legally constituted to apply for Stage 2. Individuals need to be 18 or over in order to take part in the challenge. The Open Up Challenge is open to teams from anywhere in the world; however teams must be able to demonstrate that their solutions are designed to benefit the UK's small businesses and proposed services should be suitable for launch within the UK market and its regulatory framework.

Assessment Criteria

Here's what the judging panel will be looking for in Stage 1: Innovation.

Please note that the judging panel will emphasise different aspects of these criteria between Stage 1: Innovation and Stage 2: Market Ready, reflecting the different focus of the two stages.

Benefits for UK small businesses

- We're looking for entries that support small businesses to make intelligent and informed decisions by giving them better data and data analytics. We'll be impressed by ideas that help small businesses get real-time, easily digestible financial information and forecasts in ways that work for their business, and help them to take action as a result. We are looking for entries that are designed to reduce the hassle and time required for small businesses to get the best products given their unique circumstances.
- We're looking for products that provide data to the user that is unbiased, trustworthy, transparent and reliable – helping small businesses to understand what they are signing up for, including the lifetime costs of one service or another.
- We'll also be impressed by ideas that help small businesses create value for users through integrating with other tools, services and platforms used regularly by small businesses such as accounting software.

- We'll be looking for evidence that you understand your customer and their pain points, and can explain how your solution not only addresses their needs but will engage customers successfully.

- We're interested not only in the direct benefit for small business users of your service, but also the impact that your solution could have over time on market dynamics. For example, would your solution, delivered at scale, tend to increase or reduce competition and choice for small businesses? Does your solution facilitate other customer-focused innovations?

Innovation

- We're looking for entries that create new kinds of value for small businesses, or address customer pain points in new ways. You'll need to explain how your idea is radically better than what's already out there.
- We'll be impressed by entries that are based on an underlying technological breakthrough to solve real problems for small business users.

Assessment Criteria continued

Here's what the judging panel will be looking for in Stage 1: Innovation.

Product

- We're looking for entries that users will love. We'll be impressed by a description of your product that doesn't just explain to us that SMEs *should* use your product, but demonstrates that your UX, design and product vision will result in an experience that delights small business users.
- If your product relies on sophisticated data analytics, we'll want to understand how you will ensure the integrity of the analysis, what are the critical assumptions, and how you will communicate outputs to your customers.
- We'll look for entries that demonstrate why the tech stack for your product is appropriate and scaleable.
- We'll need to be reassured that entries that have a robust approach to security, and why your approach to security, privacy, and data protection will inspire confidence in customers.

Team / Track Record

- We're looking for capable teams with a strong existing commitment to this space or transferable skills. We'll be impressed by entries that can demonstrate their track record and the requisite skills and experience to build the proposition, take it to market, and scale it. We'll also be impressed by any work you have done so far that supports your entry.

- We're looking for teams that are focused on their entry. We'll be impressed by teams that can demonstrate going the furthest within the time, money and resources of the prize. We're looking for clear and realistic understanding of your financing and resourcing requirements as part of this.

- We're looking for teams that have identified any significant legal and/or regulatory hurdles to developing or scaling the proposition, and whether the team is capable of and committed to navigating these hurdles.

Market / Business Model

- We're looking for products that tackle a large and relevant market. This could be the whole small business market or significant subset of it. We'll generally prefer solutions that are not targeted at the customers of a specific bank.
- We're looking to see that you understand your competition and can articulate why you'll succeed.
- We'll be impressed by entries that convince us of their strategy to acquire and retain users.
- We'll also be impressed by entries that can articulate a credible business model for their product and can map out a path to commercial sustainability.

Due diligence and conflicts of interest

Due diligence

We will carry out due diligence (including background and media checks) on shortlisted entrants. Any associations or history which may threaten the integrity and reputation of the challenge (such as criminal activity, an ongoing lawsuit or administrator's investigation) must be declared to Nesta for consideration during the application process and may be considered grounds for exclusion from the challenge.

Conflicts of interest

As part of the application process entrants must complete a conflicts of interest declaration to identify actual and potential conflicts of interest.

Potential sources of conflict include relationships (including financial relationships) with organisations or individuals involved in the funding or delivery of the challenge.

Investment from, investment in, or a significant commercial relationship with any of the following will need to be declared by applicants:

- Nesta
- Funding banks
- Individuals and organisations involved in delivery of the challenge
- Prize Committee members
- Judging Panel members

Employees of the following groups may not apply to or participate in the challenge:

- Nesta employees
- Employees of challenge funding banks
- Members of the Prize Committee or Judging Panel and their immediate families

Decision-making authority

Subject to the above Nesta will make the final decision as to whether actual or potential conflicts and information provided through due diligence constitute grounds for exclusion from the challenge.