

# MSC Malaysia Research & Development Grant Scheme (MGS) and Researcher Industry Attachment Program (RAP)

8 April 2009



© Original Artist  
Reproduction rights obtainable from  
[www.CartoonStock.com](http://www.CartoonStock.com)



search ID: dc10681

Developmenter...

"WE NEED A PRODUCT LINE THAT WILL STIMULATE OUR PROFIT LINE."



## MSC Malaysia Research & Development Grant Scheme (MGS)



### MGS Under RMk9

Eligibility	<ul style="list-style-type: none"> <li>✓ Possess a valid MSC Malaysia-Status certification</li> <li>✓ Malaysian shareholding of at least 51%</li> <li>✓ Fulfill location requirements of MSC Malaysia Status</li> </ul>
Funding	<ul style="list-style-type: none"> <li>✓ The MGS will provide a grant of <b>up to 50%</b> of the approved total project cost or <b>RM1.2 million</b> whichever is lower.</li> <li>✓ The amount of the grant approved will be determined by the merits of each case.</li> <li>✓ Each project is funded for up to <b>1 year</b> only.</li> </ul>
IP creation	Mandatory – 3 IPs
Application Fee	A non refundable processing fee of RM5,000 is payable upon submission of the final application documents.



## MGS Under RMk9

Disbursement	<p>✓ There are four disbursements throughout the project duration:</p> <ul style="list-style-type: none"> <li>▪ An advance of 25% for approved capital expenditure to be paid out before project commencement date</li> <li>▪ 25% of the approved grant amount to be paid out upon verification of half yearly milestone.</li> <li>▪ 25% of the approved grant amount to be paid out at the end of project upon verification of commercial ready prototype.</li> <li>▪ Final 25% of the approved grant amount to be paid out at the end of project upon verification of creation of at least 3 IPs.</li> </ul>
--------------	--

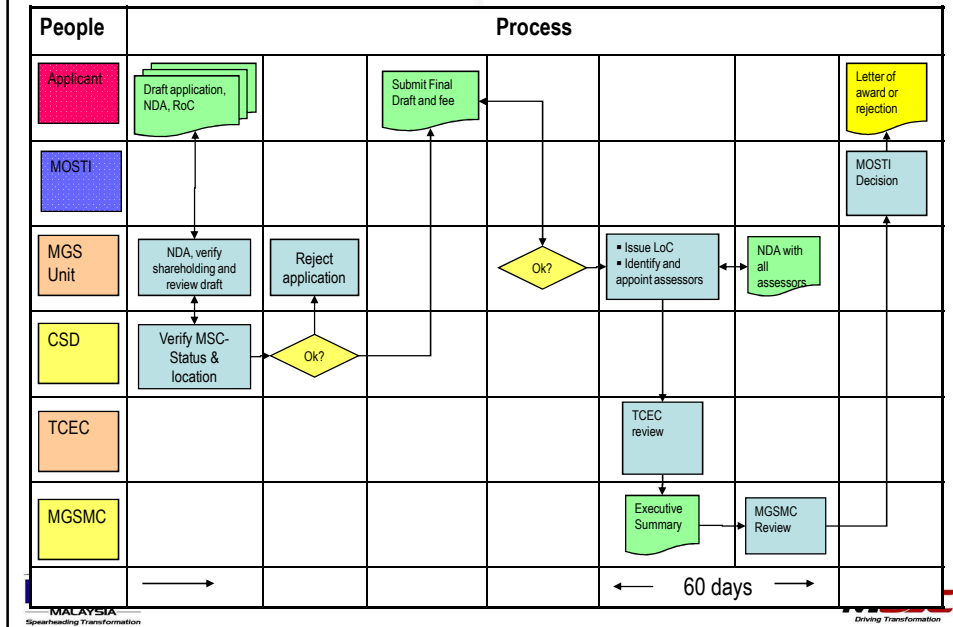


## MGS Under RMk9

Funding	<p>✓ Only project costs directly related to meeting the objectives of the declared R&amp;D / system development work are eligible for MGS funding.</p> <p>✓ Disbursements will only be made on full submission of project progress and expenses report including the following:</p> <ul style="list-style-type: none"> <li>✓ Timesheets that have been signed by staff and certified by the Project Manager</li> <li>✓ Certified pay slips and EPF / SOCSO statements</li> <li>✓ Receipts for IP registration, rental of research facilities and equipment / software purchased</li> <li>✓ Declaration that the proposed R&amp;D / system development work was conducted in its entirety by the company</li> <li>✓ Compliance to all MSC Malaysia Status conditions throughout the funding period</li> </ul>
---------	--



## MGS Approval Process



## MGS technical assessment criteria

- ✓ Does the proposed project have R&D or systems development work of significance in that technology field and would the company acquire new knowledge and skills?
- ✓ Is the proposed product a unique innovation or a modification of similar product in the market?
- ✓ Are the project activities, milestones, resource allocations and timelines realistic and achievable?
- ✓ Have the key project risks been adequately identified and is there a credible risk management plan?
- ✓ Does the project team have the required breadth and depth as well as the requisite experience and background / track record to deliver the project?
- ✓ Is there active involvement of Malaysian knowledge workers in the core project elements?
- ✓ Are the proposed equipment, facilities and other support relevant to the project?

## MGS commercial assessment criteria

- ✓ Has the company defined its target market accurately and are there credible projections of future market growth?
- ✓ Does the company have a clear understanding of the competitive landscape within their target markets and have they drawn up a credible positioning strategy for their product vis-a-vis competitors?
- ✓ Can the positioning strategy be supported by the proposed product pricing, features, performance and delivery?
- ✓ Has clear sales targets and market share goals been established in terms of geography and timelines? To what extent can the project outputs potentially increase exports and replace imports?
- ✓ Are there marketing, manufacturing and licensing arrangements?
- ✓ Have legal and trade barriers been addressed?
- ✓ Is there adequate marketing expertise available on the project team? Is future growth supported by marketing / sales expansion?

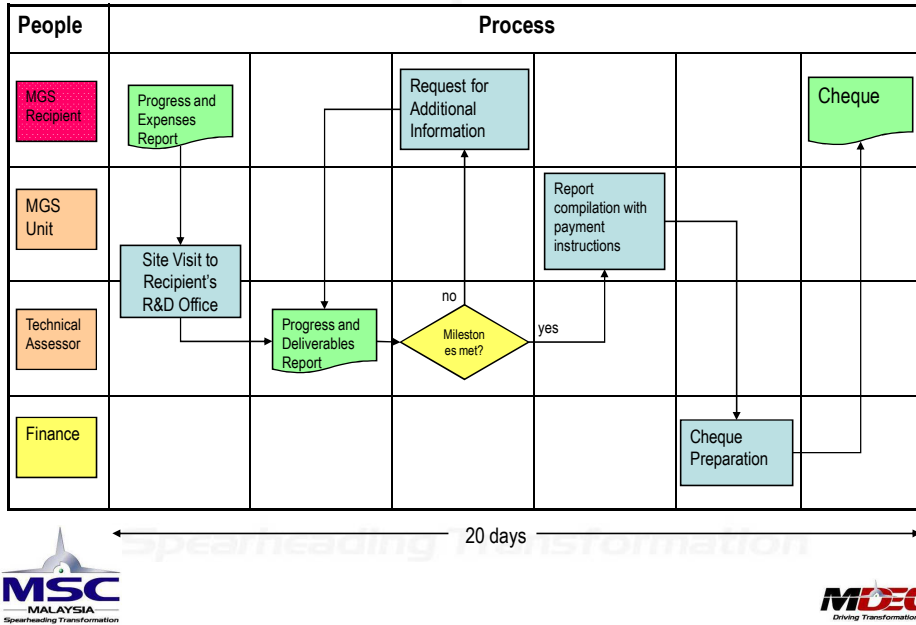


## MGS financial assessment criteria

- ✓ Is there integrity in cost estimates?
- ✓ Is there reasonableness in the financial assumptions?
- ✓ Is there evidence of financial management capabilities and resources?
- ✓ How healthy is the applicant's financial standing?



## MGS Disbursement Process



## MGS Success Stories



## STAR program Under RMk9

Eligibility	<ul style="list-style-type: none"> <li>✓ Established technology leadership                             <ul style="list-style-type: none"> <li>➤ MNC or Malaysian conglomerate (MSP)</li> </ul> </li> <li>✓ MSC Malaysia Status required</li> <li>✓ No equity requirements</li> </ul>
Funding	<ul style="list-style-type: none"> <li>✓ The STAR will provide a grant of <b>up to 50%</b> of the approved total project cost or <b>RM7.5 million</b> whichever is lower.</li> <li>✓ Fixed grant amount payable every quarter upon achieving set milestones</li> <li>✓ Each project is funded for up to <b>2 years</b> only.</li> </ul>
IP creation	Mandatory – 5 IPs with emphasis on patents / industrial design
Relocation requirement	<ul style="list-style-type: none"> <li>✓ Relocate to MSC designated cybercities from project commencement date</li> <li>✓ Remain in the MSC designated cybercity for an agreed period of time after project completed.</li> </ul>



## Researcher-Industry Attachment Program (RAP)



## Introduction

- The RAP has been established to **bridge the research gap** between MSC Malaysia Status companies and academia.
- RAP is aimed at establishing **working partnerships** between academic researchers and MSC Malaysia status companies for the purpose of improving R&D competencies on both sides.
- Bulk of attachment costs will be borne by MDeC, with a small commitment fee from the participating company.
- An academia researcher will be attached to the participating company on a part-time basis for the duration of **6 months**.



## Objectives of RAP

- ✓ To Increase R&D Expenditure of MSC Malaysia Status companies
- ✓ To Raise R&D collaboration between industry and IHLs
- ✓ To Increase the number and quality of MGS applications
- ✓ To Provide industry exposure to academia researchers
- ✓ To Strengthen the R&D capabilities of Malaysian knowledge workers
- ✓ To Increase the recruitment of Malaysian knowledge workers
- ✓ To Increase the number of intellectual property.



## RAP Details

Eligibility	Majority Malaysian-owned MSC Malaysia status companies
Duration of attachment	6 months
Contact hours	Min 30 man-hours
Fee	RM3,000
Ownership of IP	With the company
Participating IHL	Multimedia University



## Scope of Work for Consulting Researchers

- Familiarize themselves with the **business activities** ranging from sales to technical aspects of the company, excluding finance and administration
- Work with the **technical team** to gauge their core competency.
- Identify a potential **area of research** and help setup a research team.
- Conduct **literature review** on the research area.
- Propose a **research project** which will be in line with strengthening the company's sales initiative.



## Fold a Shirt Differently...



Spearheading Transformation



# Thank you!

Jesse Chooi ([chooitk@mdec.com.my](mailto:chooitk@mdec.com.my))  
Pak Mei Yuet ([mypak@mdec.com.my](mailto:mypak@mdec.com.my))



Spearheading Transformation

