The need

Extraction of natural products to produce reliable, reproducible mixtures or individual active compounds from variable starting materials for high value markets forms the basis of Phytovation’s business model.

Phytovation is a relatively young company and whilst it has proven itself by attracting and retaining a multinational company as its client for its main product, to develop and grow it needs to consider new market opportunities and how best to develop technologies to exploit them.

Attracting grant funding for development was necessary to achieve these aims for this technology-based company. Identifying the right grant scheme and competing for funding can be a challenge in itself and this case study shows how Phytovation have overcome these hurdles.

The results

Phytovation is a SME based in Wales that has developed an excellent reputation for extraction of plant materials for the personal and healthcare markets, with particular focus on production of a single extract for a large, multinational provider of over the counter (OTC) products and healthcare products.

Hearing of a new separation technology from Brunel University, Phytovation considered that it could be applied to their starting product with the potential to generate higher value products from the extraction process into a new product development for the company. If feasible this new approach could potentially double the size of the company over a period of 3 years and generate exports and employment for the UK by substituting a product line currently imported from overseas.

There are funding opportunities for companies like Phytovation, from bodies such as the Technology Strategy Board. The aim of these grants is to stimulate growth and innovation.

The initial application for funding from the Technology Strategy Board (TSB) was unsuccessful at least in part through financial issues for the young and at that time unestablished company. Undeterred, Phytovation’s MD Andrew Beggin applied for a TSB feasibility study with Brunel University, which was funded and partially successful in execution.

Technical lessons learnt from the feasibility study have provided the basis of a modified approach for development of the plant extraction process which was used for a successful TSB Smart (Grant for R & D) application. The Smart scheme offers funding to small and medium enterprises to engage in R&D projects. Within this scheme there are three types of grants available: proof of market, proof of concept and development of prototype.

Overleaf Andrew summarises lessons learnt during this development process.
Points to remember when looking for R&D funding:

1. Our first application was unsuccessful but we tried to learn from this.
2. We have had a great deal of help and assistance from Biosciences KTN - reviewing applications before submission etc. I think this has been crucial both in terms of fitting applications into right format and getting objective feedback.
3. We tried to ensure that we complied with all the administrative requirements which can seem a little tedious at times.
4. We tried to ensure the end report was comprehensive.
5. I made a point of attending TSB events to get ourselves known and to pick up hints on what they are looking for.
6. As a result of this engagement we had a couple of visitors from the TSB which has increased our profile.
7. The TSB publish guidance notes for the application process. We have tried to ensure we have followed the guidance (it may sound obvious but apparently many don’t).
8. I would like to think that the work we have been trying to do is worthwhile and it fits within the overall aims and objectives of the TSB.
9. It is possible to find out the overall success rates for each round. They have varied across the three attempts we have made, this helps to understand further the funding process.
10. Don’t be disheartened if you don’t succeed first time and learn from the process.

“Phytovation is a young company full of ideas but with limited resources. The support from the TSB has been vital in being able to take forward some of these ideas for the long term benefit of the company, the community in which we work and the wider health of the economy. Diolch yn fawr iawn TSB!”

Andrew Beggin, Managing Director, Phytovation

Project Details

Project investment:
TSB Investment: £178,836
Total Investment: £263,536

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Above [clockwise from top left]: The Phytovation process

Above: The Phytovation facility at Caernarfon.