

Manufacturing Readiness Grants Application Primer

CONEXUS INDIANA

Thank you for your interest in working with the **Indiana Economic Development Corporation (IEDC), Next Level Manufacturing Institute** and **Conexus Indiana** to promote innovative initiatives and economic development.

In addition to this primer and the following sample application, we highly recommend review of MRG **Frequently Asked Questions** prior to starting an application of your own.

Who will see my application?

Applications and their support materials are seen by Conexus staff, the IEDC, and Conexus Smart Manufacturing Fellows. All are bound by confidentiality and comply with a policy for recusal in the event of conflict of interest.

What is a qualifying project timeline?

The grant is intended to incentivize a project investment that would not otherwise happen but for the grant. Any investments or commitments to purchase prior to application date are disqualified from reimbursement through the MRG program. The application should demonstrate how the project - either its scope or timeline - is significantly dependent upon or would be enabled/enhanced by the grant. Projects that can be immediately started and quickly executed pending an award are preferred.

How much grant funding should I apply for, and how much funding should I expect?

Applicants can ask for a grant amount up to 50% of their project budget for technology-enabled capital, with a maximum value of $200,000. See below for some sample application scenarios:

Hypothetical MRG Application Examples	
Project Budget for Technology-Enabled Capital	Maximum Grant Ask
Less than $400,000	50% of project budget for technology-enabled capital
Greater than or equal to $400,000	$200,000

Several factors and criteria are considered in the application evaluation process and can affect the amount offered and/or matching percentage of a grant award. Very few projects receive $200,000 in award funding and it is common for applications to receive partial awards.

Is the $200,000 maximum per company or per project, and can a company win more than one award?

The $200,000 maximum is per company. Multiple companies under common ownership are together capped at $200,000. The intent is to make use of a limited pool of funds to assist as many manufacturers as possible with meaningful smart manufacturing initiatives. Additional awards via subsequent MRG applications are possible so long as:

- Applications are for a new project not already supported in an earlier award to the applicant,
- Any prior supported MRG project(s) is considered successful and complete, and
- The total of all MRG awards under shared ownership does not exceed $200,000.

MRG applications from companies with previous awards will carry higher expectations.

Can I finance a project?

It is acceptable to finance capital equipment purchases that are part of an MRG application. Should an applicant receive an MRG award, they must pay off any financing at least to the degree of their awarded grant.

Should multiple projects be submitted separately with their own application?

If the projects relate to each other at all, then it is advised that they be included in a single application. An application that demonstrates a breadth of innovation investment can be more compelling than one that is narrowly focused on a single outcome.

How do I know if my application resembles a smart manufacturing project?

Consider a few key differences between "advanced" and "smart" manufacturing. **Advanced** manufacturing is often thought of as the use of innovative technologies to improve processes, usually through automation, PLCs, controls and IT/OT systems for increased capacity and product quality.

Smart manufacturing goes further to integrate digital technologies, like Internet of Things (IoT), cloud computing and analytics, and AI and machine learning, into company-wide operations and manufacturing processes. Outcomes of smart manufacturing are often increased production and flexibility/agility, real-time visibility into equipment performance, and responsiveness to customer demand.

Smart manufacturing also leverages data to a high degree (with technologies like advanced sensors, IoT connectivity, embedded software, etc.) for outcomes like predictive maintenance, self-optimization of process improvements and increased production efficiencies. **The grant program favors Industry 4.0/Smart Manufacturing/Digital Plant projects.**

Advanced investments will be considered if they are innovative and transformative beyond the status quo to a degree appropriate for the applicant and proportional to the ask.

Are there considerations for hardware and software expenses?

Reimbursements can be made only for capital expenses. Hardware investments are easier for the MRG program to financially support as they are considered capital investments. Software can also be supported if there is evidence that it's a true capital investment (one-time cost and not a subscription) and directly interfaces with production equipment. Great examples of smart manufacturing projects often include both software and hardware elements, and generally, the program prefers to support the hardware portion. Infrastructure, operations, training and other expenses that may be part of the overall project budget will not qualify for reimbursement.

How does the Contracting and Reimbursement Process work?

Should you receive a grant award notification, Conexus Indiana will introduce you to Next Level Manufacturing Institute (NLMI). NLMI is the third party that performs MRG contracting and reimbursement.

Contracting:

NLMI has an agreement with the IEDC to administer the grant. They will ask you to enter into a simple sub-agreement for your specific award. NLMI asks awardees to approve the agreement language via DocuSign. Reimbursement will be delayed until the sub-agreement is completed.

Reimbursement:

- Awardees that have executed the sub-agreement make purchases for qualified items described in their application.
    - Unless otherwise noted in the sub-agreement, reimbursements are made at $0.50 on each qualifying $1.00 spent. To receive your entire grant amount through the reimbursement process, you must first spend twice your grant award amount on qualifying equipment per your sub-agreement.
- Awardees provide the following documentation to NLMI:
    - **Copies of vendor invoices**. The invoices must be dated after the date of the grant application. POs, proposals, or proforma invoices cannot be accepted.
    - **Proof of payment of the vendor invoices** at a minimum of twice the grant funding, i.e. a $50,000 grant needs $100,000 in proof of payment to receive full reimbursement. Proof of payment can be cancelled checks, ACH/Wire details, copies of full executed financing agreements, credit card receipts, etc. Proof of payment cannot be accepted from the companies' internal accounting system or copies of checks that have not yet been cashed by the vendor.
    - **An invoice to Next Level Manufacturing Institute Inc** in the amount of the grant.
    - **Company ACH banking information** for the payment.
- The reimbursement processing time depends on how many award submissions are in queue.



Manufacturing Readiness Grants Sample Application

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Sample Application

Manufacturing Readiness Grant Online Portal

I acknowledge these provided reference documents and attest that this MRG application does not contain any of the disqualifying traits above.	Checkbox

Applicant Information

Applicant Organization	XYZ Organization
Type of Entity	Company
Federal Employer Identification Number (FEIN)	XX-XXXXXXX
Indiana Secretary of State Control Number	XXXXXXXXX
Mailing Address - Street	Street Address
Mailing Address - City	City
Mailing Address - State	Indiana
Mailing Address - Zip Code	12345
Website	website.com
Industry	Unknown
Number of Employees - in Indiana	#
Number of Employees - Total	#
Company Founding Year	Year
Relationship to Indiana	Tell us where you are located, how long you've been in business, about your operations, your organization's relationship to Indiana, etc.
Description of Ordinary Course of Business	Tell us what you manufacture. MRG applicants must be a manufacturer planning to make a capital investment in the form of smart manufacturing technologies within your Indiana operation(s). While there is no size limitation for companies, small- and medium-sized manufacturers (<500 employees) are heavily favored.

Business Certifications

Is your organization a recognized small business (SBC)?	Yes/No
Is your organization a minority-owned business (MOB)?	Yes/No
Is your organization a woman-owned business (WOB)?	Yes/No
Is your organization a veteran/service disabled owned small business (V/SDVOSB)?	Yes/No
Is your organization a small disadvantaged business (SDB)?	Yes/No
Is your organization a historically underutilized business zone (HUBZone)?	Yes/No
Is your organization an 8(a) Business Development Program?	Yes/No
Does your organization have any additional business certifications?	Yes/No
Additional Business Certifications	List any additional business certifications that apply.

Senior Official Contact: Someone with authority to speak/commit on behalf of the organization

Name	First Name Last Name
Title	Job Title
Email	seniorofficialcontact@gmail.com
Phone	(800) 555-5555
Would you like to provide an additional contact for this application?	Yes/No
Name of Additional Contact	Additional Contact First Name Additional Contact Last Name
Title of Additional Contact	Additional Contact Job Title
Email of Additional Contact	additionalcontact@gmail.com

MRG Project Description

Summary of the manufacturing project: Tell us a broad overview of project goals, scope, and how it will be innovative and transformative for your company.	Explain the project as if you were pitching it to your management team/CEO with an appropriate amount of detail. What is the project, why is it worth pursuing, who will be involved, and how do you plan to make it happen?
Smart Manufacturing: Describe how the project will credibly leverage technology to improve production capacity, capability, speed, or quality. Additionally - how will it expand or optimize product mix or product performance? How will it enhance customer service, engagement, or your competitive advantage?	Consider a few key differences between "advanced" and "smart" manufacturing. **Advanced** manufacturing is often thought of as using innovative technologies to improve processes, usually through auto-mation, PLCs, controls, and IT/OT systems for increased capacity and product quality. **Smart** manufacturing further integrates digital technologies - like the Internet of Things (IoT), cloud computing and analytics, and AI and machine learning - into company-wide operations and manufacturing processes. Outcomes of smart manufacturing are often increased production and flexibility/agility, real-time visibility into equipment performance, and responsiveness to customer demand. Smart manufacturing also leverages data to a high degree (with technologies like advanced sensors, IoT connectivity, embedded software, etc.) for outcomes like predictive maintenance, self-optimization of process improvements, and increased pro-duction efficiencies. **The grant program favors Industry 4.0/Smart Manufacturing/Digital Plant projects.** Advanced investments will be considered if they are in-novative and transformative beyond the status quo to a degree appropri-ate for the applicant and proportional to the ask.
Technology: Which technologies are being deployed in the project? Check the technologies that you've described above.	Additive Manufacturing or 3D Printing Advanced Communications Advanced Modeling Artificial Intelligence Augmented, Virtual or Mixed Reality Autonomous Robotics or Vehicles Big Data and Analytics Cloud Computing Cobots Cybersecurity Digital Twin Industrial Internet of Things Machine Learning Machine Vision / Visual Inspection Sensor Technology Wearable Technology Other
Please describe your other technologies being deployed in the project.	List any other technologies that may apply.

Innovation: Why is this project innovative by the standards of your sector? How do you plan to take advantage of commercially available technology to achieve something uniquely differentiating, such as achieving or enhancing proprietary products, launching new products, or entering new markets?	Tell us how this is an innovative smart manufacturing project. The project should reach beyond advanced upgrades via standard automation, increased capacity, tighter controls, or other features that are common in similar operations. Strong applications offer a detailed description of how the applicant is undertaking an initiative that will be innovative and transformative beyond the status quo for themselves and competitors.
Business case and justification: Why is this a good investment for your business? What is the anticipated ROI? Describe any tangible outcomes, deliverables, or other definitions of success that can be clearly measured and assessed.	Provide a concrete analysis with sufficient context to convince us that this project is a good investment for your company.
What is the expected revenue growth (in annualized dollars) as a direct result of the project?	#
The revenue impact described above contributes how much additional growth to your historical rate of growth?	Multiple Choice Selection
Project Budget: What is the approximate total budget that is required to execute this project?	$
Local Partners: Are there any partners or other parties involved with the project whose involvement or performance can significantly impact project success?	Yes/No
Please describe partner relationships and their connection, if any, to Indiana.	If Yes: Tell us about any vendors, tech integrators/installers, or other partners that are involved with the project and what their connection is to the state of Indiana. Tell us about why they're being considered, and what value they add to the project.
Other Funding: Are any other grants, subsidies, incentives or other forms of federal, state, or local financial programs being utilized, leveraged, or pursued to support the project?	Yes/No
Please describe other funding sources.	If Yes: Tell us about project financing that's not your own that is critical to the success of the project.

Attest that specific items being reimbursed will be fully bought and paid for by the applicant and free of any lien or other encumbrance at least to the extent that the applicant will have equity in the item greater than the reimbursement amount.	Yes

Capital Investment Components (potentially eligible for reimbursement)

Project Cost for Technology-Enabled Capital Investment in Equipment	$
Technology-Enabled Capital Equipment Purchases: List any significant hard, physical asset that will be procured and installed and dedicated exclusively to this project. Include manufacturer, model, country/state of origin, vendor, useful life, and approximate cost. Cost should include original purchase only and not any maintenance, warranty or other extended service subscription or plan. Provide as an attachment if list is large.	We want an accurate and clear picture of the most significant pieces of planned capital investment involved with the project budget. Tech-enabled hardware is generally preferred. Approved equipment reimbursement will need to be supported by proof of purchase dated after the date of the award; any equipment that is purchased or committed to prior to application date is not eligible for reimbursement through the MRG program.
Requested Grant Amount (No more than half of the Total Technology-Enabled Capital Investment in Equipment, with a maximum dollar amount of $200,000)	$
Software, Technology, or IP: Describe and estimate the cost for software, technology or other intellectual property only if it is 1) dedicated exclusively to this project, 2) necessary for the project to achieve its goals, and 3) can be accounted for as a capital expense, i.e. it's an asset with a useful life beyond the purchase year and is paid for as a lump sum rather than via a monthly or annual subscription. For listed items include vendor, product name and version, country/state of origin.	Provide us with details on vendor, product, and version, and explain whether it is considered capital expenditure or an operational expense. Great examples of smart manufacturing projects often include both software and hardware elements. While the program prefers to support the hardware portion, software costs can be supported as long as there is evidence that it is true capital investment and is sufficiently smart manufacturing related.
Project Cost for Software, Technology, or IP	$

Infrastructure, Facilities Improvements, and Transportation: Describe and estimate cost for project line items only if they are directly and exclusively related to purchased equipment listed in the prior question and necessary for the equipment to perform its intended function.	While infrastructure costs are not generally reimbursable, we recognize that they could be part of the total project budget. Tell us about any infrastructure improvements needed to make the project happen.
Project Cost for Infrastructure, Facilities Improvements, and Transportation	$
Equipment Installation Address - Street	Street for Equipment Installation
Equipment Installation Address - City	City for Equipment Installation
Equipment Installation Address - State	Indiana
Equipment Installation Address - Zip Code	12345
County of Indiana address where project equipment will be permanently installed	Indiana County for Install
Affirm that all equipment, technology or other reimbursed items will not be moved outside of selected Indiana county once installed.	Can/Cannot commit to keeping equipment at the location identified
Please explain why equipment cannot be committed to the installation location.	If Cannot - Exceptions will be considered for equipment that may eventually move to another working location, in the same Indiana county, under the same ownership (e.g. anticipated expansion to another Indiana address).

Workforce Implications

Current Staffing: Describe anticipated impact to current staff and positions (full-time, part-time, contract, exempt and non-exempt). How many current positions will be consolidated, transferred, re-skilled, promoted or otherwise impacted?	Provide an estimate on number and type of staffing impacts due to this project.
Future Staffing: How many positions will be created?	#
Future Staffing: How many positions will be eliminated?	#

Digital Skills: Describe any training, certifications, or other professional development investments that will be made to enhance digital workforce skills as part of the project.	The long-term success of digital adoption projects is highly dependent upon the skills and knowledge of those who interact with the equipment. How will staff and positions, including future staffing, be developed to support this project?
New wage growth: Once the project is fully implemented with all benefits realized and changes completed, what is the expected permanent net change (either increase or decrease) in total wages (annualized dollars) as a direct result of the project?	$
Relative impact for applicant: The net wage growth described above is approximately what percentage of the net wages for the applicant's Indiana based operations?	Multiple Choice Selection

Project Plan

Timeline: When is the project anticipated to begin and complete? What are the major milestones for the project and their timing? You may provide a project plan as an attachment.	The grant is intended to incentivize a project investment that would not otherwise happen **but for** the grant. The grant is not meant to be used for reimbursement of project expenditures that are anticipated regardless of grant decision. The application should demonstrate how the project - either its scope or timeline - is significantly dependent upon or would be enabled/enhanced by the grant. Projects that can be immediately started and quickly executed (3-4 months) pending an award are preferred.
Risks: What are the major risks associated with the project and what measures will be in place to mitigate the risks?	Show us that you have a handle on what's entailed with this project, including potential risks.
Experience: Describe your prior experience with other projects of similar scope, scale and complexity.	Tell us why your team or company is prepared to execute this smart manufacturing project.
Other relevant information: Please describe (or attach) any other relevant supporting information (pictures, documents, etc.) that you feel may be helpful for the review committee to fully appreciate and understand the scope, nature, and opportunity of this grant application.	Tell us anything else you want us to know here.

Terms & Conditions

Has your company or any affiliated company (i.e. shared ownership, minority shareholder, etc.) received a prior Manufacturing Readiness Grant award?	Yes/No
Please provide an update on your prior award. Is the grant amount fully drawn down? Was the project considered a success? What relation does this current application's project have to your prior award's project?	If yes - multiple MRG awards are possible for a company with the following general guidelines: 1. First MRG award is fully reimbursed and project is implemented, 2. First MRG project is considered a success, and 3. Subsequent MRG application(s) is for an entirely different project. The MRG program has a lifetime cap of $200,000 for all awards made under common ownership.
Peer Review: Applicant consents to allow this application and all other relevant and related information and data to be made available to parties involved with its review and evaluation, provided that it is exclusively for the purpose of grant consideration and/or program reporting/enhancement. These parties include: IEDC, Conexus Indiana, Next Level Manufacturing Institute, and the Smart Manufacturing Fellows.	Provided
Case Study: Applicant affirms a willingness to participate in a case study upon successful conclusion of any project that received grant funds. The case study will positively highlight the applicant and the specific project outcomes as a means to share learnings and best practices in the public domain. The intent is to increase broad understanding of technology use cases in manufacturing and spur greater adoption across the state's manufacturing base. Case studies will be in collaboration and coordination with the grantee and will be reviewed by the grantee prior to release. Only non-proprietary information will be shared in the case study.	Willing or Unwilling to participate. You can view published Case Studies at this link: **https://www.conexusindiana.com/case-studies/mrg/**