

**A SUPPORTIVE
PARTNERSHIP THAT
CATALYSES **REMARKABLE**
INNOVATION.**

An introduction to Challenge Prizes and how they can help you.

We have over a decade's experience in designing and delivering challenge prizes globally, in collaboration with brand owners.

Corporates, foundations and governments seek our expertise in motivating and mentoring undiscovered innovators to solve persistent problems in Global Health, Climate Response, and Resilient Societies, and Tech Frontiers.

To date, we've designed and executed:

CHALLENGE PRIZES

85+

**IN COLLABORATION
WITH FUNDERS**

DISTRIBUTED

\$124M

SEED FUNDING AND PRIZES

ONBOARDED

12.8k+

INNOVATOR TEAMS

SUPPORTED

610+

FINALISTS

**CHALLENGE
WORKS**
a nesta enterprise

WHAT **IS** A CHALLENGE PRIZE?

WHAT IS A CHALLENGE PRIZE?



Challenge prizes are a **unique approach to funding innovation**, offering a series of incentives, with a final prize given to whoever can first or most effectively meet a defined goal.

They are **public, open competitions** which aim to reach and engage the broadest possible community of innovators in the solving of a specific problem or issue.

Challenge prizes are distinct from grants or accelerator programmes, because funding is won based on progress towards an outcome. In this way, they are an agile and highly effective method to uncover innovative solutions to sticky problems.

Challenge prizes are great for...

- Problems that would **benefit from the fresh thinking** that comes from **new innovators** because the **field is stagnant**, has few players or there is a related field that is much more dynamic.
- Problems that are **neglected** and could benefit from a challenge prize **raising awareness**.
- Problems where a prize could, within a reasonable budget and time scale, attract and **incentivise new innovators**.
- Problems where the additional funding and attention from a prize could **accelerate progress or incentivise solutions** to scale.

See more information in our [practice guide](#)

What people *think* a challenge prize looks like...



- A prize pot
- A deadline
- Some criteria...

What prizes *actually* look like...

- Multifaceted programmes
- Features of traditional prizes, grants and accelerator programmes
- Tailored to fit the problem at hand as well as client requirements
- Reward action and impact by funnelling innovators through multiple stages with increasing levels of financial and non-financial support

HOW CAN CHALLENGE PRIZES **HELP YOU?**

HOW DO CHALLENGE PRIZES ACHIEVE IMPACT?

CREATE BREAKTHROUGH INNOVATIONS

We co-design interventions that incentivise people and organisations to solve some of the biggest challenges of our time.

By guiding and incentivising the smartest minds to create more diverse solutions, we create breakthrough innovations.

HELP INNOVATORS THRIVE

We craft venture support programmes that enable innovators to overcome barriers and thrive, accelerating solution development.

Innovators typically receive funding and capacity building, as well as profile-raising and access to networks to support future investments and partnerships.

UNLOCK SYSTEMIC CHANGE

Working with policy makers and regulators, we use insights and case studies to supercharge innovation in a system.

The high profile of our interventions can raise public awareness and investment potential, shaping the future development of markets and technologies.

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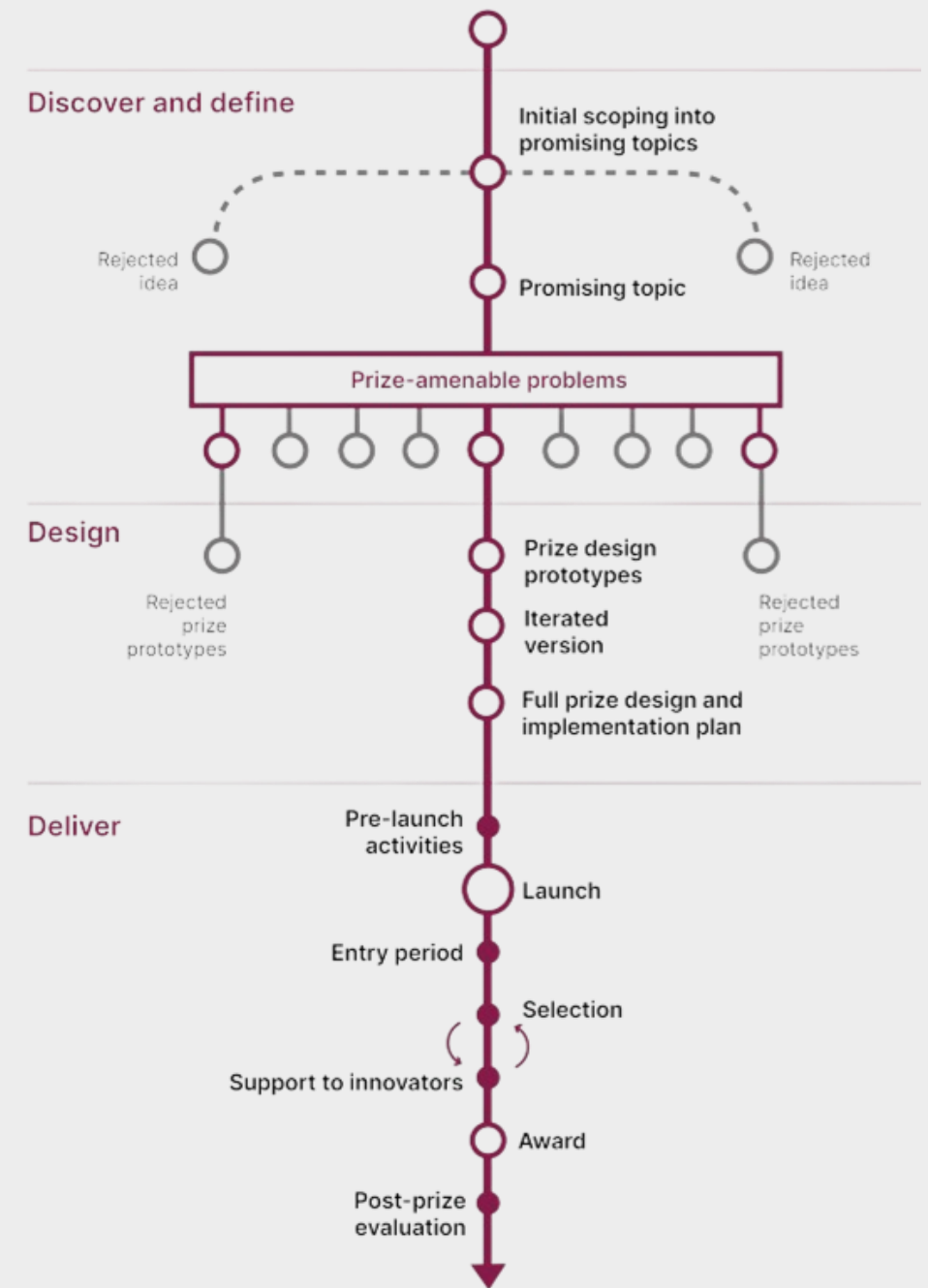
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HOW DOES THE **PROCESS** WORK?

How do we approach a Challenge Prize?

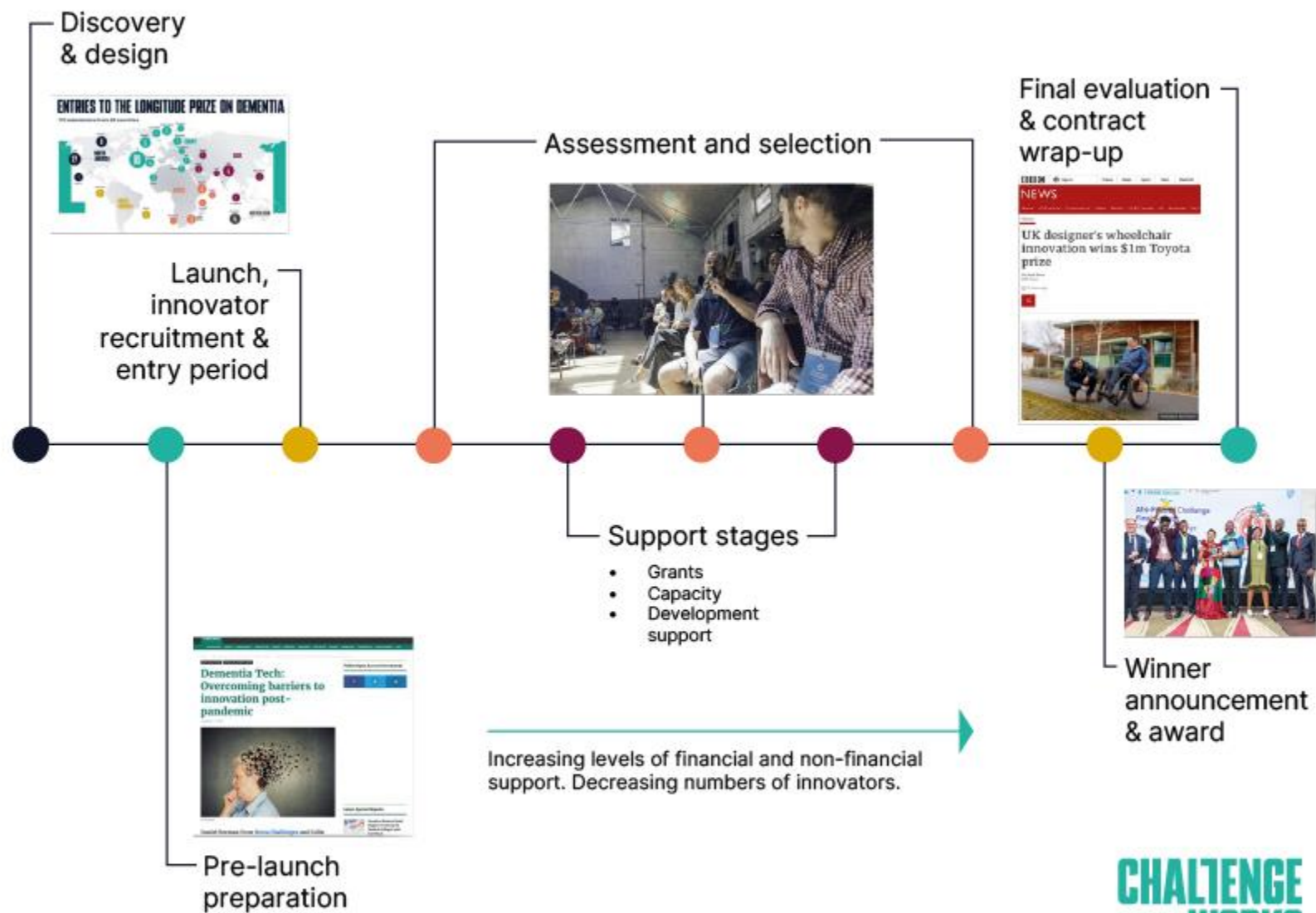
We use an iterative approach to **define, design** and **deliver** a challenge prize which reflects the aims of our partners.



THE STAGES

A world-class challenge prize is a multifaceted programme that draws on features of traditional prizes, grants and accelerators, whilst staying focused on the outcome.

There are multiple stages, in which we iteratively narrow down the number of teams, providing financial and non-financial support.



While timelines vary, ambitious prizes are typically multi-year programmes.

What makes a good challenge?

Challenge prizes generally work when the problem they are focused on meets five simple criteria which we call the 'green light criteria'

1. **Have a clear goal** for innovators to strive towards
2. **Could benefit from new innovators** coming to work on it
3. **Could motivate those new innovators** to take part
4. **Would accelerate progress** (as opposed to just funding existing work)
5. **Has a path to sustainability** (further funding or a viable business model) for the solution

Comparing innovation methods

	Challenge Prizes	Grants	Impact investing	Accelerators & incubators	Procurement
Funding given for	Based on outcomes and impact	Estimated costs	Estimated costs, projected impact, financial return	Development of early-stage ideas	Estimated costs
Types of solutions	Diverse & novel	Often established	On trajectory to impact	Highly variable, early-stage	Predictable & well established
Degree of openness	Low barriers to entry	More restrictive	Highly restrictive	Selective, focus on cohorts	Often highly restrictive
Ability to pivot	High and encouraged	Low, approval required	High, with agreement	High, and encouraged	Low, and discouraged
Risk of solution failure	Mitigated by outcome based payment	Medium	High, failure anticipated	High, failure anticipated	Medium, dependent on terms

CHALLENGE PRIZE BLUEPRINTS



BREAKTHROUGH PRIZE

Creating transformative solutions to a difficult problem



SCALING PRIZE

Scaling transformative solutions to achieve wider impact



STARTUP CHALLENGE

Building early stage innovators' capacity, supporting their entry to market



COMMUNITY-CENTRED PRIZE

Bringing innovators and communities together to develop better solutions



SPOTLIGHT PRIZE

Shining a light on a neglected issue or problem



TESTBED CHALLENGE

Stimulating innovation in support of policy or regulatory objectives and informing future policy

**How these decisions
manifest themselves:**

*Dramatically different
prize designs.*

Breakthrough prize



Prize objective

To create transformative solutions to a difficult problem



Defining characteristics

- Ambitious and tightly defined goal
- Technological solution
- Large prize pots, longer timeframe often required



PARTNERSHIP CASE STUDY

The issue(s): Without accurate, rapid diagnostic tests and best practice in antibiotic stewardship, the efficacy of new antimicrobial medicines and treatments will be undermined in the long-term, while current stocks of antibiotics will be compromised in the short-term.

The challenge: The Longitude Prize is looking for a team of innovators from anywhere in the world to invent **an affordable, accurate, fast and easy-to-use test** for bacterial infections that will allow health professionals worldwide to administer the right antibiotics at the right time.

The outcome: The Longitude Prize on AMR closed for applications on 30 September 2022.

After the interviews, teams were invited to undergo independent testing to address outstanding questions from the Prize Advisory Panel. Tests are being validated within their intended use settings to determine whether they produce valid results that are concordant with the reference standard of testing.

After assessing the results, the Prize Advisory Panel will form final recommendations to the Longitude Committee on whether to award the prize and a final decision on the outcome of the prize can be expected in early 2024.



Startup challenge



Prize objective

Building early-stage innovators' capacity, supporting their entry to market.



Defining characteristics

- Broad goal with a focus on bringing new innovators and new ideas into the field
- Emphasis on building innovator capacity
- Larger numbers of entrants and participants funnelled through multiple stages with increasing levels of support



PARTNERSHIP CASE STUDY

**CHALLENGE
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The issue(s): The European Social Innovation Competition aimed to unearth potentially game-changing ideas from all corners of Europe and helps them to become viable, scalable social enterprises.

The challenge: A series of competitions aimed at supporting early-stage ideas and facilitating a network of radical innovators who helped shape the European society for the better.

The outcome: Challenge Works worked with the European Commission to run nine competitions between 2013 and 2021.

Each year, the competition focused on a different theme - from developing green skills, to reducing the environmental impact of fashion, to creating place-based approaches to empower young people.

Over **7000 entries** were received to the competitions, with more than **250 social entrepreneurs** receiving packages of financial and non-financial support, including access to a network of Competition alumni.

PARTNERSHIP CASE STUDY

**CHALLENGE
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Ofwat
Innovation
Fund

The issue: The England and Wales, the water sector faces complex, long-term challenges which demand new ways of thinking and working. A step change is needed in the water sector's capacity to innovate and collaborate in order to respond to these challenges.

The challenge: A £200m fund to unleash a wave of innovation in the water sector and tackle some of the major challenges of our time, enabling the sector to better meet the evolving needs of customers, society and the environment.

The outcome:

The sector is growing its capacity and capability to innovate by embedding a culture that values, encourages and supports innovation. This has helped accelerate the creation and roll-out of innovative products, services and concepts across the sector.

- A further £300m has been added to the fund to run until 2030.
- To date we have run three different innovation challenge across multiple funding rounds with 92% of water companies in England and Wales entering at least one of the challenges.
- More than 300 different organisations and partners have been involved in entries and 41 projects have been successfully funded so far.

Spotlight prize



Prize objective

To shine a light on a neglected issue or problem.



Defining characteristics

- Similar to the breakthrough prize, but highlights a broader problem to attract a wider range of innovators
- Problems suffer from a lack of awareness that constitutes a key barrier to innovation
- Typically features significant PR and comms



PARTNERSHIP CASE STUDY

**CHALLENGE
WORKS**
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TOYOTA
mobility
FOUNDATION

The issue: How can we accelerate the development of innovative personal mobility devices to change the day-to-day lives of people with lower-limb paralysis?

The challenge: A four-year, \$4m-prize innovation challenge that attracted 96 entries from teams in 22 different countries. 60% of teams had at least one person with disabilities on their staff, and 65% of teams had less than 10 employees.

The outcome: prize awarded to an innovative composite wheelchair with computer-controlled balance, developed by a wheelchair user who was unhappy with the design of existing wheelchairs.



WHY CONSIDER A CHALLENGE PRIZE?

Funding and co-creating a prize enables you to support progress towards a better world in a meaningful, outcome-oriented way.

As an organisation, your ESG agenda is exclusively yours, shaped by your wider business goals. But whatever issues matter to you and your stakeholders, innovative thinking will be needed to move the needle.



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**CASE
STUDIES**

PARTNERSHIP CASE STUDY

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PARTNERSHIP CASE STUDY



Horizon 2020
European Union Funding
for Research & Innovation

The issue: The most well known application of Blockchains is the controversial Bitcoin. The prize aimed to explore the unique potential of Blockchains for creating decentralised solutions to societal challenges which are more effective than traditional centralised approaches.

The challenge: The objective for the Blockchains for Social Good Challenge was to stimulate the development of out-of-the-box multidisciplinary solutions to social challenges in areas such as support of fair trade, increasing transparency in production processes, decentralising data governance and enhancing privacy, improving accountability and contributing to financial inclusion.

The outcome: Five prizes of EUR 1 million was awarded to innovators that used Blockchain technology to develop decentralised solutions bringing about positive social change.

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PARTNERSHIP CASE STUDY



Horizon 2020
European Union Funding
for Research & Innovation

The issue: The challenge was to develop innovative and more cost-effective solutions to be used in a humanitarian aid context, based on frugal application of advanced technologies.

The challenge: The Affordable High-Tech for Humanitarian Aid Challenge rewarded the best, proven, cost-effective, technology-based solutions for humanitarian aid in five categories: shelter and related assistance; water, hygiene and sanitation; energy; health and medical care; and an open category.

The outcome: Five prizes of EUR 1 million was awarded to innovators. The winning innovations clearly showed how physical technologies such as sensors, solar panels or additive manufacturing could be combined with digital technologies to help those desperately in need, empower them, and improve resilience. The challenge saw entries from both well-established humanitarian organisations and to young, innovative companies that were dedicated to improving people's lives.

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PARTNERSHIP CASE STUDY

**CHALLENGE
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Department
for Culture
Media & Sport

The issue: Social isolation is measured by the strength of a person's social connections, and therefore the lack of these connections denotes social isolation. It's distinct from loneliness, which is a "subjective, unwelcome feeling of lack or loss of companionship". In an age of social media, there has never been more technology that connects us with one another.

The challenge: The Tech to Connect Challenge was a £1 million prize looking to help civil society develop their early-stage ideas for tech that enables more or better interactions between people. Tech can be alienating or divisive for those that are isolated, the challenge aimed to support civil society translate their knowledge into good ideas for new ways to connect people.

The outcome: Applicants were asked to detail a problem related to social isolation in England and their idea for how technology can help to address it.

Ten Finalists each received cash grants of £25,000 to use in the development of their prototype solutions; from these finalists, two runners up each received a £75,000 cash prize and one winner received a £100,000 cash prize.

An unexpected result of the prize was that the Pargiter Trust (an organisation that seeks to support disadvantaged older people to be independent, healthy and socially included) offered additional money of £25,000 for another prize award.

LIST

PARTNERSHIP CASE STUDY



The issue: When launched in September 2020, COVID-19 had created a huge economic shock, laying bare and exacerbating pre-existing problems for people on low incomes and in precarious work. Millions faced severe threats to their job security and household finances, both immediately and in the longer term, and low-paid workers, people in insecure roles and those under 25 were hit hardest.

The challenge: The Rapid Recover Challenge was a £3 million prize to find, support and scale tools and services to improve access to jobs and finances following the outbreak of COVID-19.

The outcome: Challenge Works designed and delivered this prize on an accelerated timeline of less than a year, co-funded by Nesta, the JP Morgan Chase Foundation and the UK Government's Money & Pensions Service.

Challenge Works established the Rapid Recovery Network, a collection of more than **90 organisations** with links to people in need. This helped the **6 finalist innovators** provide support to over **63,000 individuals** over a **9 month** period.

Evaluation of the Challenge yielded rich insights into how to support people to improve their career and financial prospects.



PARTNERSHIP CASE STUDY

**CHALLENGE
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**OPEN
BANKING**

The issue: How do you raise consumer awareness and adoption around open banking, and the innovative financial tools that have the potential to help people make the most of their money?

The challenge: Unearthed and shared a breadth of knowledge, from how to best support innovators, to how to effectively communicate open banking with consumers.

The outcome: The finalists delivered market-leading technology products that help people better manage their money in a way that is more transparent, accessible and fair. The Challenge itself also built awareness and trust among consumers exposed to the national marketing campaign.



“A challenge prize – with a clear focus – is a great way to gain insight into the way the marketplace is addressing that particular space. Moreover, it has a catalysing effect, in that organisations, innovators and entrepreneurs become more aware of the issue and therefore focus more energy, time and money trying to create solutions.”

Miles Cheetham, Programme Manager for
OBIE and member of the Prize Committee

PARTNERSHIP CASE STUDY



Weston Family
Foundation

The issue: How, in a climate-changing world, can Canada's high dependence on imported fresh fruits and vegetables be overcome? It can only be achieved by solving the interconnected challenges that prevent out-of-season production at scale.

The challenge: In partnership with the Weston Family Foundation, the Homegrown Innovation Challenge catalyses a range of solutions relevant to a broad array of fruit and vegetable crops in Canada and around the world. Farmers are being supported to create and deliver a market-ready system to reliably, sustainably and competitively produce berries out of season and at scale.

The outcome: Currently 11 teams are competing to future-proof food production in Canada. Farmers are using cutting edge technologies such as a 'Digital Twin Model,' an AI-powered autonomous farming system that will dramatically improve berry cultivation in controlled environments.



PARTNERSHIP CASE STUDY

**CHALLENGE
WORKS**
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INTUITIVE
Foundation

The issue: How can clinicians in resource-deprived areas of the world, teach themselves to perform procedures with confidence and competence, without in theatre training? Innovators created simulators.

The challenge: In partnership with the Royal College of Surgeons in Ireland, MIT Solve and Appropedia, the challenge raised awareness of the problem, invigorated innovation and drove excitement around the revolutionary new approaches that emerged.

The outcome: Ten teams won Discovery Award grants, with diverse projects ranging from orthopaedics to trauma surgery. Thousands of clinicians, from Ethiopia to Guatemala, are now teaching themselves, via open-source (free) training modules; delivering the surgical services their communities need.



PARTNERSHIP CASE STUDY

**CHALLENGE
WORKS**
a nestlé enterprise



LIST

The issue: how can cities work towards global net zero and create a better future for all?

The challenge: in collaboration with four cities Bogotá (Colombia), Bristol (United Kingdom), Curitiba (Brazil), and Makindye Ssabagabo (Uganda), challenges were designed to innovate around green affordable homes, net-zero-carbon neighbourhoods and urban freight management.

The outcome: of 45 finalists selected, four winning teams were awarded €100,000 each.