

## Enterprise Ireland's Innovation Voucher Programme

Enterprise Ireland is the Irish government organisation responsible for the development and growth of Irish enterprises in world markets. Enterprise Ireland works in partnership with Irish enterprises to help them start, grow, innovate and win export sales in global markets. In this way, we support sustainable economic growth, regional development and secure employment.

Enterprise Ireland's Innovation Vouchers Programme was established in 2007. Its objective is to promote and encourage a transfer of knowledge between Ireland's public knowledge providers and the small business community, creating greater synergies between the two.

Under the initiative, vouchers worth €5,000 are allocated on a semi-competitive basis to small businesses whose proposals, to work with public knowledge providers on specific innovation questions, meet basic criteria.

4,500 Innovation vouchers were completed over the period of 2007-2016, worth approximately €22m

The establishment of an Innovation Voucher initiative was a key recommendation of the Small Business Forum in their report '*Small Business is Big Business*', published in May 2006.

It has since been expanded to allow SME's apply as well.

In essence, if you own or manage a small or medium sized **limited** company and you have a business opportunity or problem that you want to explore, you may consider applying for an Innovation Voucher worth €5,000. The innovation voucher initiative is restricted to limited companies and they must be registered as such with the Companies registration office in Dublin at the time of submission. [www.cro.ie](http://www.cro.ie).

There are two types of vouchers available, the standard 5k voucher and a co-funded voucher. Companies can avail of up to three vouchers – two fully funded and the third co-funded.

Enterprise Ireland generally have at least three open calls each year during which companies can apply for a standard 5k voucher and the calls are announced in advance on the website [www.innovationvouchers.ie](http://www.innovationvouchers.ie).

### ***Small and medium-sized company definition (SME):***

*For the purposes of the Innovation Voucher Initiative, a small and medium-sized enterprise is defined as a company or (if part of a group) a group of companies where the total number of full-time employees in the company (or the entire group) is less than 250 and has an annual turnover total not exceeding €50m and/or an annual Balance Sheet total not exceeding €43m. (Exclusions: small and medium-sized enterprises in the agricultural sector are excluded in line with State aid guidelines).*

The full list of participating knowledge providers is available on the website [www.innovationvouchers.ie](http://www.innovationvouchers.ie) (This is an All Ireland initiative and includes 10 knowledge providers from Northern Ireland). You can use the voucher with any of the 38 research providers listed on our website. You choose the knowledge provider that you want to work with, there is no restriction. There is a voucher contact person for each college listed on our website and companies are free to contact them to discuss their project. You cannot use a voucher with a private sector knowledge provider, only with those listed on our website.

There is also the Co-Funded Fast Track voucher and you can apply for these at any time. The value of the voucher is €5,000 and the company contributes 50% of the project costs in cash. Therefore, a company may use the Fast Track voucher to cover project costs up to €10,000 on a 50-50 co-funded basis

### Frontline Review 2013

A review of the programme was carried out by independent consultants Frontline in 2013.

The evaluators interviewed staff at 17 Institutes, with interviews taking place with:

- 12 members of staff who were either the Technology Transfer Office (TTO), Head of Research or senior staff tasked with managing the delivery of the Innovation Voucher Programme on behalf of their Institute
- 30 researchers - to promote an understanding of how the relationship with companies was developing and whether the Programme was achieving some of its wider objectives.

### Key findings from Academic Institutes

Overall, Programme management staff and researchers were very positive about the Innovation Vouchers, with a number of individual and organisational benefits achieved as a result of participation.

There was a broad range of motivations for involvement with the Vouchers Programme. Most management staff felt that it was strategically important to be involved, as the programme furthered 'outreach' objectives and, in a minority of cases, generated additional income. Key reasons for researchers' involvement were: wanting to work with businesses and existing business relationships leading to a direct approach. Raising funding for research assistants was also an important driver.

The institutes themselves believe that one of the benefits of Innovation Vouchers is the opportunity to expose new academics to companies and research projects. Despite this, the biggest problem - because of the short term nature of projects - is finding researchers with

the time to do them. A popular view is that Innovation Vouchers present an excellent first rung on the 'innovation' ladder for businesses.

Institutes recognise strong network and reputational benefits to being involved in the Programme, and that it has stimulated improved demand for engagement from companies. It is also felt that projects had led to a strengthening of expertise in core research areas.

There are also perceived educational benefits, with many researchers saying that working with companies on projects was adding relevance through using 'live examples' to make points when teaching. Commercialisation of work is another perceived major benefit; 69% of researchers were involved with a project where a new product had been developed.

Few barriers were identified. Internal bureaucracy, companies' unrealistic expectations of what can be delivered and the system of having a small number of 'call' periods for applications were mentioned by small numbers of interviewees.

There is high satisfaction with the Programme across the Institutes. Those responsible for the programme see the application process is straightforward and simple and highlighted that this is appreciated by Institutes. Another plus noted is the relatively fast approval once an application is in the system. The vast majority of researchers found it to be a good or very good experience and made many positive comments.

#### Key findings from companies

The evaluators surveyed 319 businesses, who had collectively received 469 Innovation Vouchers. This sample accounts for 20% of the total population of beneficiaries, and 23% of all vouchers issued. Research methods were a mix of face to face interviews, and participation in an e-survey.

Overall companies are very positive about the Innovation Voucher Programme. The programme is reaching a good mix of companies from a variety of industries, with strong participation in Enterprise Irelands key sectors eg engineering, consumer services and life science.

The programme mainly supports ideas that originate in the companies and mainly serves companies where the main motivations for participation are accessing academic knowledge and driving business growth. This represents a good fit with Enterprise Ireland objectives.

The majority of participant companies recognise that their objectives for taking part in a project have been achieved, and that the Programme has delivered benefits, including:

- new products
- improved products
- new processes

While many companies participating in the Programme were already predisposed to undertaking R&D, there is evidence of high additionality of the project activity across the Programme. Activity would not have happened to the scale or timescale it did without the Enterprise Ireland funding. The Programme has also been successful in establishing new relationships between business and academia.

Most companies were satisfied or very satisfied with their partner institutes and almost all respondents would be willing to participate in an innovation voucher project in the future or recommend the Programme to other businesses

#### Economic impact assessment

The Innovation Vouchers programme is a cost effective solution to the challenge of encouraging SME businesses to engage in collaborative research with universities and Institutes of Technology.

To date, we estimate that the programme has:

- helped businesses to achieve an estimated €87.424 million of cumulative net additional sales (PV), equivalent to sales of €9.94 per €1.00 of EI investment
- supported an estimated cumulative net additional EVA impact of €31.141 million (PV), equivalent to an impact of €3.10 per €1.00 of EI investment
- supported 806 net full time equivalent jobs

These impacts compare very favourably with other recent EI interventions in the fields of commercialisation and R&D.

#### International benchmarking

The evaluation method included a desk review of other innovation voucher schemes being used across Europe.

Schemes vary in terms of amounts of grant given and whether or not the company must part fund. Many have the option for different tiers of support. The scheme in Ireland seems to fall

well within 'core' in terms of voucher size - €5,000 is a common amount, somewhat smaller than many schemes, although the option of having the part funded vouchers for €10,000 brings in the added flexibility of other schemes. It does make it a bit of a leap to the next innovation support mechanism though.

Schemes also vary in terms of criteria. Firstly, with respect to size and type of company supported. Ireland seems more restrictive than some schemes in that the scheme will only fund registered companies, and not partnerships or sole traders. On the other hand, in some schemes the criteria around innovation are much stricter than in Ireland. For example, in Austria, vouchers are only available to companies that have not received innovation support before, in Denmark they are for companies that do not regularly engage in innovation activity. In Northern Ireland, there are ex-ante appraisals around the extent to which projects contain an element of innovation.

There is some variety around the types of organisations vouchers are redeemable at. In Ireland, it is HEIs. In some other countries business to business services can be purchased and in others, the services of foreign knowledge providers can also be included.

All in all, Ireland's Innovation Voucher Programme can be said to be fairly 'middle of the road'; it is not overly strict in terms of acceptance criteria, and it is not overly generous in terms of the value and number of vouchers that companies can receive. It has, however, been operating on a more prolific scale than many other schemes, which seem to operate in smaller numbers.

## Conclusions

Overall, the evaluation report concluded that Enterprise Ireland's Innovation Vouchers Programme is a popular, successful and valued initiative. Innovation Vouchers - as delivered by Enterprise Ireland through knowledge providers - are:

- straightforward and cost effective to manage for Enterprise Ireland
- accessible and utilised by a broad range of SME businesses
- highly beneficial to companies in many ways, including increasing competitiveness
- highly beneficial to Knowledge Providers through building new client partnerships, developing market relevant knowledge for academic staff, raising teaching levels and in some cases generating a surplus
- making a contribution to Ireland's economy through EVA and job creation