

# Innovation Policies for Inclusiveness – Policy Cases

## Innovation vouchers programme for the design sector

Country: Ireland

### 1. Short Description

The Innovation Voucher initiative was developed to build links and transfer knowledge between Ireland's public knowledge providers (i.e. higher education institutes, public research bodies) and small businesses. *Innovation Vouchers for design sector firms* aim at assisting SMEs in the design sector to explore a business opportunity or problem with a registered knowledge provider. It was launched in the context of the Irish Year of Design.

*This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for industrial inclusiveness.*

### 2. Policy Characteristics

#### Basic Information

<b>Country and implementing institution(s):</b>	<b>Timeline:</b>
Ireland Enterprise Ireland	Launched in 2015
<b>Target group</b>	<b>Size and budget:</b>
Firms (SMEs, design sector)	-
<b>Type of policy instrument(s)</b>	<b>Inclusiveness focus</b>
Financial support (voucher)	Industrial inclusiveness

#### Policy objectives

The Innovation Voucher initiative was developed to build links between Ireland's public knowledge providers (i.e. higher education institutes, public research bodies) and small businesses, so as to increase the transfer of knowledge between academics and business. The programme is designed to encourage small companies and public knowledge providers to work together on specific innovation questions and projects related to the company's needs, thereby increasing the numbers of innovative and R&D performing companies in Ireland.



## Rationale

The majority of small businesses are unlikely to have the scale or the resources necessary to engage in in-house research to the extent that would be considered socially optimal. The Innovation Vouchers Programme aims to address this market failure.

Vouchers specifically targeted at SMEs in the design sector were launched in the context of the Irish Year of Design (ID2015). The report “Design Driven Innovation: Why it Matters for SME Competitiveness”, compiled by the Northern and Western Regional Assembly and funded by the European Commission, shows how design impacts positively on individual businesses and it shows what kinds of Government measures, in Ireland and internationally, work in support of design. According to the report, in Ireland there is evidence of under-utilisation of design processes in business support programmes and by SMEs in their day to day business. As part of the response to the report’s publication, Government requested Enterprise Ireland (EI) to evaluate its suite of programmes and how they could be specifically aimed at supporting design.

## Policy target recipient and selection mechanism

The Innovation Vouchers for design sector firms are targeted to all small and medium-sized limited companies registered in Ireland and active in the design sector.

Enterprise Ireland awards the vouchers following a review of both the eligibility of the applicant and the knowledge question. With regards to the latter, applicants must provide specific information regarding:

- The issue or problem they need help with;
- The skills and expertise required to solve the problem;
- The deliverables they expect from the knowledge provider at the end of the project;
- The expected use of the results of the project and how they will benefit the company in the future.

The proposed activity must require an innovative solution which will have additional value and on-going benefits for the company. If potential solutions to the knowledge question already exist in the marketplace, then Enterprise Ireland is likely to reject the application on the basis that the proposed activity may be undertaken by the private sector.

Small and medium-sized companies may make use of a maximum of three vouchers, one of which must be a 50-50 co-funded Fast Track voucher (see policy instruments section below). Companies that have been approved in excess of EUR 300,000 funding from Enterprise Ireland in the previous 5 years are not eligible to apply for a fully funded Standard Innovation Voucher, but are eligible to apply for a Co-Funded Innovation Voucher provided they satisfy all other eligibility criteria.



## Policy instrument(s)

### Financial support (voucher)

- **Standard Innovation Vouchers** worth EUR 5 000 aim at assisting SMEs to explore a business opportunity or problem with a registered knowledge provider. Firms can only apply for these vouchers during an open call. Applicants do not need to identify the knowledge provider and they are valid for 12 months from the date of issue.
- **Co-funded fast track vouchers** are also worth EUR 5,000, but the company must contribute 50% of the project costs in cash. Therefore, a company may use a Fast Track voucher to cover project costs up to EUR 10 000 on a 50-50 co-funded basis. The company and the knowledge provider jointly agree on the work programme for the project in advance of submitting an application.

Innovation Vouchers **can be used** for any kind of innovation such as new product and process development; new business model development; new service delivery and customer interface; new service development; tailored training in innovation management; innovation/technology audit. Vouchers can be exchanged for knowledge transfer projects from the knowledge provider. The small enterprise may then use the new knowledge to innovate a product, process or service.

The Innovation Voucher **may not be used** to cover the costs of achieving compliance with statutory regulations or legislation; standard training courses; software purchases or development; aid that would promote or subsidise the cost of exports; internships for students of knowledge institutions; design and production of advertising material; branding and marketing activities; sales activities; business plans, business strategies, economic appraisals, costs analysis, general business consultancy; standard website development and online optimisation; standard mobile applications development; activities such as market research and market surveys that may be readily provided by the private sector; activities unlikely to result in commercial enterprise or business capable of generating jobs and/or exports; advice or assistance in the fields of law, patents or taxation; training and mentoring.

## Policy challenges

The key challenge for Enterprise Ireland going forward is how to build on the increased awareness of design as a driver of innovation emerging as a result of Irish Year of Design (ID2015). In the National Action Plan for Jobs 2016 Enterprise Ireland has committed to:

- Consider what follow up actions are necessary in response to the Department of Jobs, Enterprise and Innovation research study on Economic Impact of Design Across All Sectors of the Economy (<https://djei.ie/en/Publications/Publication-files/Policy-Framework-Design-in-Enterprise-in-Ireland.pdf>).
- Promote product design and design thinking as part of management capability in client companies via existing supports.



## Actions undertaken to address challenges

Discussions within the agency and across Government are ongoing.

## Evaluation and outcomes of the scheme

No data available

### Sources

Enterprise Ireland (2015) "Innovation Vouchers", <https://www.enterpriseireland.com/en/Research-Innovation/Companies/Collaborate-with-companies-research-institutes/Innovation-Voucher.shortcut.html>

Information transmitted to the OECD by Ian Hughes and Paula Maguire (Enterprise Ireland).

## Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A. Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B. Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C. Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

*Policies are searchable by inclusiveness type, objective and implementation challenge on: <https://innovationpolicyplatform.org/inclusivetoolkit>*