



European funding of €4bn offers an R&D lifeline for SMEs

The FP7 programme is for companies in 'any area' who have ideas about new products

Laura Noonan

A COUPLE of years back, a medium sized Irish plastics company had an idea. They wanted to create a biodegradable plastic, so the trays they were manufacturing would have a competitive edge.

The company had no R&D experience, no R&D capabilities and a very limited R&D budget.

From that standing start, they are now 10 months into a €1.5m research project that will make their idea a reality. At the end of it, they will have not only a plastic that will improve their own business, they will also have a technology they can licence to other plastic manufacturers.

The company is one of 144 Irish SMEs that's hoovered up close to €150m of European money and tapped into expertise across the continent to make their R&D dreams a reality.

Opportunities

And the good news is, there's ample opportunities for other companies to follow them.

The EU has €25bn to hand out between now and 2013, under a massive research & development programme dubbed FP7. At least 15pc of this will go to SMEs, many of whom have never done any R&D before.

"This is European SME week so we are going out all over Europe, trying to explain to companies what's available

under FP7 and how they can get it, and telling them that this is something they should really look at," says the EC's Martina Daly.

Based in Brussels, Daly was back home this week to address a "specialist seminar" organised by Shannon Chamber on how SMEs can make the most of European funding schemes.

"From talking to our members, we found they saw European schemes as very complex, and there was a bit of a fear factor out there," says the Chamber's Cathy O'Brien.

"There isn't a whole lot of money floating around out there, so we think it's important to help companies understand how they can access European funds."

Dispelling the common myths about EU funding was a key part of the Shannon agenda. SMEs fear that European funds are only for bigger companies or those working in high tech or "knowledge" industries, but Daly stresses that this couldn't be further from the truth.

The FP7 programme invites applications from companies in "any area" who have ideas about products they'd like to develop or about problems they'd like to fix, she says. SMEs with no R&D resources can partner with academic institutions or other companies to develop their project.

"There's scope for high tech

companies and low tech companies, for SMEs in all sectors," stresses Marco Lopriore, a senior lecturer at the European Institute of Public Affairs in Maastricht.

Ireland's FP7 "low tech" suc-

cess stories include a Cork shell fishing company that wanted to develop a new method, and is now farming a whole new range of high value fish.

In the "high tech" space, Trinity College worked on a project to develop a film editing technique to seamlessly remove stray people from footage, technology that's now in use in Hollywood. As well as fearing they're not suitable, SMEs also fear the "complex" European process, but the experts insist that help is on hand. Jan Gerritsen runs the Enterprise Europe Network in Ireland. "We have a network across 44 countries, so if SMEs are looking for international partners for their projects, we can help," he says.

"If we find them partners, we take them through the whole process, and work out a licensing deal [for the research] so that everything is proper."

Enterprise Ireland is also eager to offer support. As well as helping companies navigate the processes, Enterprise Ireland has grants to help companies invest time in the European application process.

The co-ordinating company of an FP7 application, for example, can apply for a €25,000 "feasibility" grant to cover man-hours invested in the project, while grants for travel to meet international partners are also available.

Support

"Companies tend to envisage that they have to do everything themselves, but there's a lot of support there," says Sean Burke, Enterprise Ireland's national delegate for helping smaller

SMEs apply for FP7 money.

Even with the experts on hands the process is still a lengthy one, taking an average of 10 months from the time the proposal is submitted to when work begins. Lopriore insists

it's worth the wait. "The benefits are more important than the cost," he says.

The most obvious benefit is the cash - the EU will stump up 75pc of the cost of a successful project, to a maximum project value of €1.5m - but the experts say there's far more to be gained. "Once a company is involved in this kind of research they're in a network and they make all these contacts," says Daly.

"There's also a huge amount of credibility attached to it."

Frank Murray, head of technology firm Piercom, agrees. Piercom went for funding two years ago as part of a cluster including big names like Analog and Nortel. They weren't successful, but Murray is still an FP7 convert.

"No other programme will give you that kind of access to other companies, you can do an awful lot of sitting at your desk and thinking, but it's a contact sport, you have to be out there talking to people and finding out what they want," he says.

"We're using it [FP7] for the indirect benefits as much as the direct benefits."

Ireland has so far been one of the more successful countries in the FP7 race, but the experts stress that there's scope for much more.

"The beautiful thing about it is that, it's not like the structural funds where each country

gets a certain amount," says Lopriore.

"For FP7, the pot is open to everybody, and the more good programmes Ireland presents the more money Irish programmes will get."

The other good news is the money available under FP7 will increase incrementally between now and 2013, kicking off with a new €20m round in July, spelling good news for Murray.

"We got feedback on our application, we've gone away and learned from it, and we'll be going back with a new application in July," he say.

"Tenacity is going to win in the end, we'll keep knocking on the door."



Marco Lopriore, European Institute of Public Affairs, Trade Minister Billy Kelleher, Martina Daly, European Commission, and Sean Burke, Enterprise Ireland, at the EU Innovation Supports Seminar at Westpark, Shannon on Tuesday.

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