

# Scottish Enterprise: Support for Innovation and New Product Development

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## Micro & Opto Cluster Background (2003/2004 data)

	Organisations	People
Total Cluster	255	23,595
<i>By Primary Company Activity</i>		
Design	83	6,617
Manufacturing	48	12,186
Supply	113	4,792

- Total of **£1.7 billion Gross Value Added** to the Scottish Economy
- Strategic Market Focus
  - Automotive, Comms, Defence & Security, Medical Technology, and renewables

## Business Gateway

- Business Gateway is a partnership with **Scottish Enterprise**, **Scottish Executive** and **Local Authorities**. Our mission at Business Gateway is to support economic development in Scotland. By bringing together a range of key services Business Gateway delivers an effective one stop shop to help you grow or start your business.
- **Business Gateway** aims to provide you with the right mix of
  - Information
  - Advice
  - Learning opportunities
  - Support
  - where appropriate, Funding

## Interventions

- Electronics Design Support Service
- Alba Incubator Facility
- Industrial Fellowships
- SE / RSE Enterprise Fellowships
- SEEKIT University to SME Technology Transfer in Opto & Micro
- Innovation Support (eg SCIS)
- Prototyping Project

# Electronics Design Support Service (EDSS)

- Aims & Objectives

- Get more companies involved in electronic design activity for new product development
- To assist Scottish SME's to improve competitiveness by moving up the design value chain
- To help start ups, spin outs and incubating companies in developing the design element of their business plan
- Create linkages between OEM's, SME's and academia
- **Support S.E. Account and Client managers by providing advice to our companies about electronic design**

# Electronics Design Support Service (EDSS)

- The EDSS Product
  - Advice regarding technical review and feasibility of new electronic product developments
  - Up to 4 man-days support to SME's FREE OF CHARGE!
  - Includes hardware, software & reconfigurable system design
  - Enhanced by technology demonstrators of design tools
  - Includes Brokerage Service matching design outsourcing requirements with Scottish capability
  - **3 Year Programme, started April 2005, delivered by ISLI**
- What it is **Not**
  - Don't do design for companies (implementation), write code or do the development work for them
  - **But** we do know a man that can!



## Alba Incubator Facility

- £1.4m Business Incubator Contract awarded to Innovation Centres (Scotland) Ltd (ICS)
- Support the creation of 50 new companies over 5 years
- located within the Alba Centre as part of the Alba Initiative for the next 18 months
- A new £3.5m purpose-built building is being constructed on the Campus.
  - 25,000 sq.ft and capable of accommodating 54 companies
- Provides flexible accommodation, facilities, young client companies services such as entrepreneurship training, technology and innovation support, and finance.



## SE / RSE Enterprise Fellowships

- Intended for post-graduate students or researchers who wish to develop an idea into a spin-out company and take a lead role in that company.
- The Fellowship programme consists of
  - A year's salary to develop the idea, hosted at the academic's HEI or Research Institute
  - Business training to help the academic prepare a business plan and take their idea forward
  - Access to networks of mentors, business experts and professional advisors.
- 75% of the Fellows involved in the programme have gone on to be involved in new ventures.



## Industrial Fellowships

- Attract and support potential entrepreneurs from the Industrial base in the Micro and Opto Electronics Sector
- Aims to support 12 individuals over 3 years
- Micro & Opto cluster working closely with the SE National High Growth Start Up Unit
- Rigorous selection process through Review Panel
- 9 - 12 months salary and expenses
- Intensive Business Mentoring & Introduction to Networks
- Management Development and Training
- Supported access to incubation space and services

# Innovation Support

- SMART
  - Up to £50k or 75% for innovative research, new To the sector.
- SPUR
  - Up to £150k or 35% for pre- production prototype development. Can follow SMART.
- SPUR+
  - As SPUR but up to £500k. Must be world beating technology with global potential.
- SMALL COMPANIES INNOVATION SUPPORT (SCIS)
  - Up to £50k or 35% of eligible costs. Must be innovative and focussed on commercialisation
  - Market Research and Market Launch 50% or £25k, Product Development 35% or £25k



## More on SCIS

- Innovation
  - Project must represent a significant technological advance for the industry sector or for SCIS, the company.
- Technical Risk
  - Project must involve significant technical challenge
- Additionality
  - Applicants must demonstrate need for grant support
- Viability
  - Project must be commercially viable and business must be financially viable
- Company size criteria varies for each

## SEEKIT

- Transfer Technology to SME's
- Up to 70% costs
- No single limit on costs
- SME + Public body.
- Public Body takes lead.

# SEEKIT University to SME Technology Transfer in Optoelectronics and Microelectronics (TTOM)

- £0.5M, 3 year programme (funded SE, ERDF, SExec)
- Delivered by the Scottish Optoelectronics Association
  - In partnership with others where required
- Stimulate demand for and then enable a minimum of 25 feasibility studies of up to £5k between SMEs and academics
- Overcome aversion to risk and information asymmetry when engaging with researchers

Delivered by:



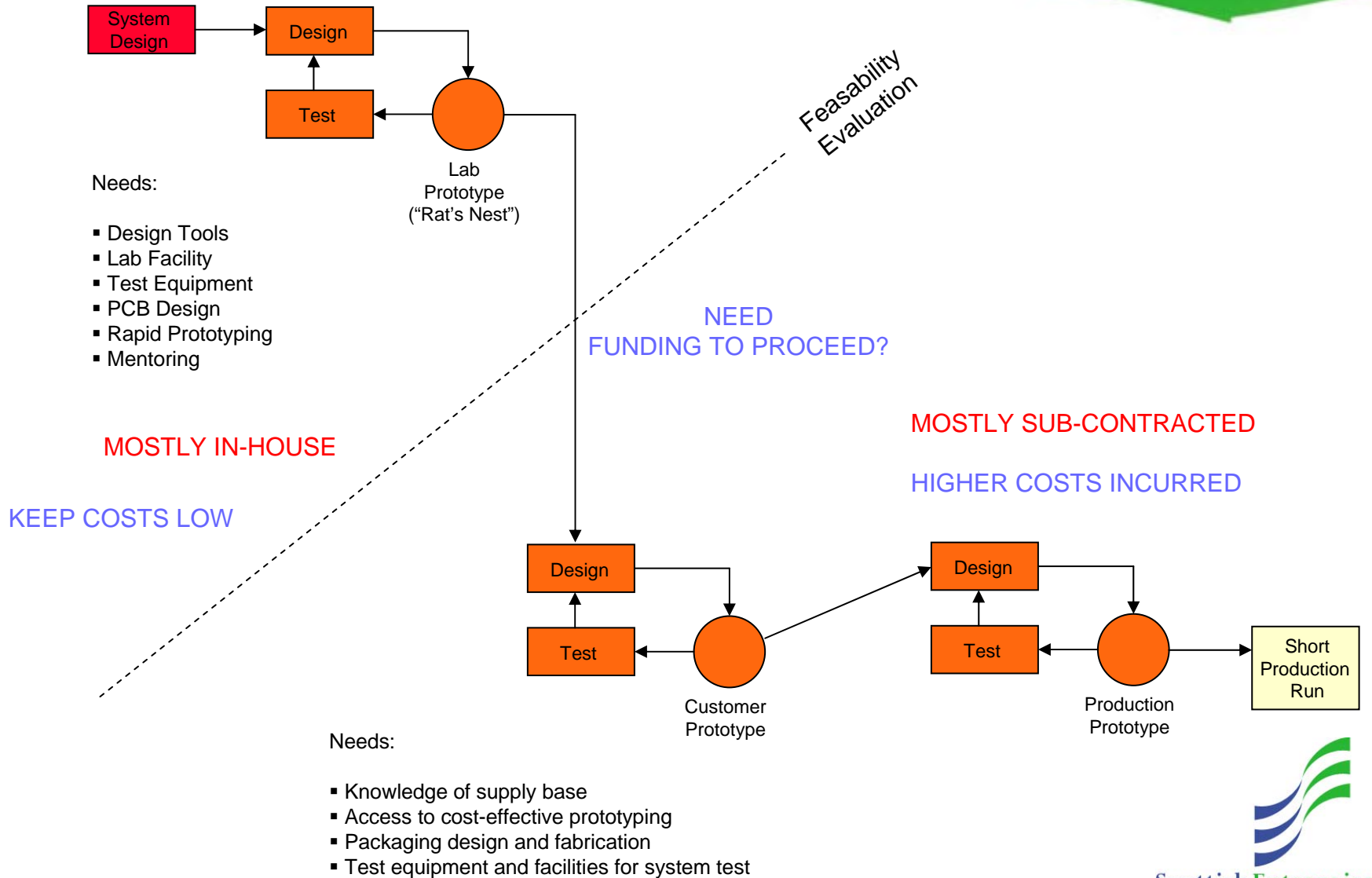
## SCORE

- Collaborative between SME & public sector body
- Private Sector Existing SME's
- Public Sector Research Organisation.
- PSRO must incur at least 40% of costs
- 50% up to £35k

# Prototyping Study Methodology

- 2 phases of activity
  - Stage 1
    - Broad perspective of prototyping landscape
    - Understanding interaction between suppliers and potential clients
  - Stage 2
    - Focus on embryonic companies
    - Poll of some key suppliers with experience of this market
- Companies and organisations interviewed
  - 15 Companies
  - 6 Suppliers
  - 12 Infrastructure organisations

# Two Domains of Prototyping



# Report Conclusions

- Scotland has a comprehensive supply base and virtually every requirement can be catered for, provided the client company knows where to look.
- There is not a requirement for a new facility replicating what is already there, and indeed it would be difficult to cover the range of expertise available in the Scottish supply base through a single vertically integrated operation. Imaginative use of subcontracting is the best way of assisting the prototyping process.
- The investigation has highlighted some weaknesses in the current provision which could be overcome with some practical new initiatives and interventions that go beyond simply providing additional funding.



# Proposed Way Forward

- Information and mentoring service for prototyping
  - Provide access to existing facilities and expertise
  - Mentoring of embryonic companies through early stage product development
  - Linking existing support initiatives:
    - Business plan development, marketing support, funding schemes
- Idea Farming
  - Unlocking IP from within the company base for exploitation by third parties
  - Support creation of demonstrator products (POC)
  - Examine feasibility of taking ideas from engineers or marketers and consider how they could be exploited
  - Need to develop operating model and consider state aid issues



Thanks

Contact Details

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