



Innovation Challenges for SME's

Cllr. John Ryan

***CHAIRPERSON ENTERPRISE AND PRODUCTIVE
INVESTMENT SUB-COMMITTEE***

FACT

Over 90% of all businesses in Ireland are
in the SME sector

FACT

Last Year of the total Business
Expenditure on research and
development 72.4% was carried out by
foreign owned firms and only 27.6% by
SME's

(Forfas BERD 2007/08)

FACT

If the Irish SME sector is not engaged in
Innovation – The Indigenous Irish
Business Sector is not engaged in
Innovation

Agenda

- Barriers and Challenges Faced by the SME sector
- Learning from the Leaders
- Key Recommendations

A close-up photograph of a rusty metal chain and a barbed wire knot on a wooden surface. The chain is thick and heavily rusted, with a dark brown and black patina. It is coiled and draped over the wood. Below it, a knot of barbed wire is visible, with the sharp points of the wire clearly defined. The background is a rough, weathered wooden plank with a vertical grain. The word "BARRIERS" is superimposed in white, bold, sans-serif capital letters across the center of the image.

BARRIERS

Barriers to Innovation for SME's

- Lack of willingness to invest in upskilling and human resource development
- Lack of strategic thinking
- Absence of management capability
- Third level institutions not seen as 'SME-friendly'
- Costs

Enterprise Ireland

- Time
- Knowledge of Available Resources
- Availability of Finance
- Lack of Broadband Penetration in the Regions

Overcoming Access and Cost Barriers

- Knowledge Base
- Innovation Road Show (Push)

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- Better Interactions between the SME's and Higher Education Institutions (User Friendly)
- Reduce the Local Authority cost burden from SME

The Global Innovation Scoreboard (GIS)

- **The Global Innovation Leaders** - Finland, Sweden, Switzerland, Japan, the US, Singapore and Israel
- **Next Best Performers** – Germany, Denmark, Netherlands, Canada, UK, Republic of Korea, France, Iceland, Norway, Belgium, Australia, Austria, Ireland, Luxembourg, New Zealand
- **The Follower Countries** – Hong Kong, Russia, Slovenia, Italy, Spain, Czech Republic, Croatia, Estonia, Hungary, Malta
- **Lagging Countries:** Lithuania, Greece, China, Slovakia, South Africa, Portugal, Bulgaria, Turkey, Brazil, Latvia, Mexico, Poland, Argentina, India, Cyprus, Romania

Learning from the Leaders

- **Germany:**
The Steinbeis Network
- **Sweden:**
Vinnväxt
- **Spain:**
Asturias and Cantabria



**Collaboration between industry
and the academic community
will not just happen but it
needs to be facilitated and
encouraged.**

Policy Paper Recommendations

- Coherent strategy to stimulate innovation at a regional level as a matter of priority.
- Promote channels of access to the full range of R&D and Innovation opportunities
- Review the issue of local authority rates and charges
- Knowledge Bases and Innovation Roadshow be established

Policy Paper Recommendations

- Examine ways to make 3rd Level Sector more SME friendly
- Freedom for SMEs to use Innovation Vouchers as they deem fit – not just in HEIs.
- Commercial vehicle to drive Innovation
- Further Investigation of Clustering
- Part-time Innovation drivers
- Development of more Innovation Centres

Thank You for your Time