

Company Application Form for IDA Ireland's RD&I Grant Support

Part 1 of 3 – Commercial & Strategic Overview

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*This form should be filled in by a person with* ***commercial knowledge*** *of the**company and the markets that they operate in. The purpose of this form is to set the commercial and strategic context for the project for which support is being sought. There is no need to repeat anything already covered in form 2 of 3 - Technical Description of the Project.* *The questions below should be treated as prompts.*

# Introduction

## Company Information

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Company Details | | Parent Company Details | | | | | Primary Contact Details | | | |
| Name: | Company Name | Name: | | Company Name | | | Name: | Name | | |
| Address: | Address | Address: | | Address | | | Position: | Position | | |
| Email: | Email | | |
| Phone: | Phone | | |
| Key Numbers | | | | | Financial Information | | | | |
| Year facility was established at this location: | | | Year | | (last 3 years) | Turnover ( €‘000) | | | Net Profit (€ ‘000) |
| 201X | - | | | - |
| Number of permanent employees at this facility: | | | # of FTE | | 20XX | - | | | - |
| Number of contract/temporary employees at this facility: | | | # of contracts/ temps | | 20XX | - | | | - |

## Summary of Irish Subsidiary

Please provide a high-level description of your company, including the following sections:

1. Overview
   1. The nature of your business.
   2. A summary of your short-term and long-term business goals.
   3. A summary of company growth, including financial or market highlights.
2. Products/Services
   1. Explain the services and/or products provided from Ireland.
   2. Outline the markets currently served.
   3. Information about the product or service's life cycle.
   4. Current R&D activities in Irish facility.

## Overview & Scope of Proposed R&D Activity

Provide a brief summary of the proposed R&D activity.

Should the R&D activity span multiple projects and/or multiple work packages, describe the scope and the interdependence of the activities (if appropriate).

# Commercial importance of this R&D Activity

## Market Analysis

Provide a comprehensive market analysis including the following sections:

1. Industry description and outlook (e.g. size, trends, life cycle, and projected growth).
2. Target market.
3. Competitive analysis of the sector.
4. Projections for the sector.
5. Changes to regulatory landscape (if applicable).

(Please reference and attach relevant market research reports.)

## How Proposed R&D Project Address Market Need

Given the proposed products / processes / services, provide commentary on:

1. How these may be differentiated in the marketplace and / or be commercially advantageous to the company.
2. The market potential including; size, growth, share and emerging trends.

# Strategic importance of this R&D Activity

These questions are to ascertain if the R&D project is an integral part of the parent company strategy and the extent to which the proposed R&D project will add to the company’s existing operations in Ireland.

## Parent Company

Commentary included in this section should answer the following questions:

1. What is the parent company’s research strategy and how does the proposed R&D project align with this strategy?
2. In the context of market dynamics described above, how does this project address commercial risks faced by the parent company (e.g. protect market share or develop and improve products)?
3. What are the commercial risks which the parent company may continue to face after the R&D investment has been completed (e.g. new innovations may not be accepted by the marketplace or by regulators; competitors may be first to market with similar innovations)?

## Irish Subsidiary

Commentary on the strategic importance of this R&D project to the Irish subsidiary should detail:

1. The level of innovation to be undertaken by the Irish subsidiary compared to the parent company.
2. The step up from the R&D currently done at the site.
3. How this R&D project could lead to a process of sustained R&D activities in the Irish subsidiary.
4. How the outputs of the research have the potential to complement the Irish facility’s existing commercial activities e.g. significantly increase and/or diversify existing commercial base by adding new products/services/technology.
5. How the planned outputs from the research will be commercialised by the Irish operation.
6. Whether IP will be created and will reside in Ireland.

# Benefits of this R&D Project to the Irish economy

## Direct Benefits

|  |  |  |
| --- | --- | --- |
|  | Base Year  201X | Increase as a result of this project |
| **Employment** |  |  |
| Company Payroll (all jobs) | € - | € - |
| PAYE/PRSI | € - | N/A |
| Total Number of Jobs | - | - |
| of which full time | - | - |
| of which part time | - | - |
| Average Salaries (all jobs) | € - | € - |
| **R&D** |  |  |
| R&D Spend | € - | € - |
| Number of R&D Jobs (full time equivalents) | - | - |
| **Financial** |  |  |
| Product/Services Sales related to R&D project | € - | € - |
| IP Income (if applicable) | € - | € - |
| Corporate Tax Paid | € - | N/A |
| **Procurement** |  |  |
| Materials Spend in Ireland (either with indigenous suppliers or the Irish operations of other multi-national companies) | € - | € - |
| Services Spend in Ireland (either with indigenous suppliers or the Irish operations of other multi-national companies) | € - | € - |

Table - Direct Benefits Table

Using the figures detailed in Table 1 comment on the contribution of the proposed R&D project to the Irish Economy.

## Wider Benefits

This section seeks to capture the wider economic benefits from the project which will accrue to the economy and help to justify grant aid for the project. Include answers to the following questions:

1. How will other companies (suppliers or competitors) possibly benefit from this project (e.g. increase in market size for innovative products/ services, movement of skilled staff, publications, etc.)?
2. Will research staff have their skills enhanced by working on the project?
3. Is the proposed research new to Ireland or is it a development of existing Irish research?
4. Will this R&D project attract new suppliers to locate in Ireland?

# Justification of Grant Aid

In order to ensure compliance with EU state aid regulations the amount of aid given to any project has to be justified. The principal grounds for justification are around risk (**market failure effect**) and by demonstrating that the potential of grant aid changed the behaviour of the company (**incentive effect**).

The company must factually demonstrate the need for aid intervention before it can be approved. Aid is only allowed when the market, on its own, would fail to deliver an acceptable outcome to the investor. The cause of failure could be general regarding R&D activity in the EU or specific to the particular EU industry sector. Examples of inhibitors to success include:

* High element of technical or commercial risk;
* Complexity of research proposed;
* High level of up-front investment required;
* Length of time to achieve break-even point;
* Difficulty in protecting research output e.g. IP protection;
* Difficulty in sourcing required finance from the market.

The risk of failure must be significantly higher without grant assistance.

To demonstrate that the potential of grant aid changed the behaviour of the company certain questions need to be answered:

1. Would the project proceed without IDA assistance?
2. Would there be less research staff assigned to the project without grant aid? Indicate numbers, roles and experience.
3. Would the project research be less ambitious? Specify the differences.
4. How long would it take to complete the project without IDA grant?
5. Would the level of project expenditure be less without IDA grant? By how much? This information should indicate changes in the project size, scope, speed to completion, and total spend in R&D.

This information should indicate changes in the project **size**, **scope**, **speed** to completion, and total **spend** in R&D.