

General

It is imperative to increase and improve the quality and impact of SME participation in Horizon 2020 as high growth SMEs are vitally important to Europe's future. While they represent only 6-8% of the business population, high growth, innovative SMEs generate over half of employment and economic growth.

Specific points on H2020

Retention of the approach for demand-driven, bottom-up logic for proposals, without detailed predetermined priorities for SME project applications, within the broad thematic topics of each area of the 'Leadership in Enabling and Industrial Technologies' and 'Societal Challenges' areas of H2020.

Cross-border collaborations are an important element in the innovation strategy of SMEs to overcome some of their size-related problems, such as access to technological and scientific competences. Hence, proposals should retain the possibility for multiple participants across several member and associated states.

Retention of the ability for the grant to allow the SME to undertake the project, maintain ownership of IPR and outsource tasks where needed, in a similar manner to that successfully proven in the Research for Benefit of SMEs instrument, recognising recent policy trends and research to establish that research-performing SMEs are a minority group with the European population of high growth innovative SMEs and specifically that:

- High growth innovative SMEs are not focused in high-tech sectors, but exist equally in all sectors.
- High growth innovative SMEs are not predominantly high-tech SMEs, and only 7% of the most research intensive SMEs produce high growth, which is no more than any other type of SME.
- Whilst high growth innovative SMEs are just as likely to be research intensive (high-tech) as research acquiring (med/low tech), there are 30 more research acquiring than research intensive SMEs that are high growth.

Retention of an option within this flexible instrument for a downstream extension of a demonstration phase of the project, within a single contract. It was specifically noted that the following features of current FP7 demonstration projects should be retained, including help to:

- Refine a new marketable product that goes beyond the prototype stage.
- Define the product and analyse the offer and business model.

- Plan the commercialisation and distribution channel.
- Test the new product in a pilot market directly with potential customers.

Co-ordination with national and regional schemes to receive coherent support across the whole innovation cycle and ERA. These include the extension of a new SME instrument into innovation feasibility/exploratory awards for single SMEs, delivered through an [Article 185](#) or similar form of co-ordination with similar schemes already operating nationally and regionally, often with the benefit of ERDF funding. Members of TAFTIE, volunteer to work with the Commission to explore some form of joint programming under H2020 in the areas of:

- Innovation advice and coaching on SME ideas
- Technology feasibility and exploratory awards
- Networking innovative SMEs from across the ERA

The importance of getting the member states together to match their **existing innovation advice, coaching and exploratory award schemes** to an EC programme to fund the pre-R&D stage for SMEs (developing their ideas, business case and international partnerships).

We have such a programme in the UK (Business Coaching for Growth, funded through BIS) and steps are under way to join with other national agencies with similar programmes to join me in a proposal to coordinate our programmes and allow SMEs across Europe to network amongst us, develop ideas and build international partnerships to develop and take to market new and innovative products.

It would be a positive step if the **EC proposals supported these moves through allowing EU funding to top up 25% - 33% of the national schemes.** This ensures that EU funding is being used to its maximum potential and it feeds into a truly bottom up SME driven scheme. It also serves to encourage pan-EU coordinated programme network and meet the extra costs of doing it and providing an international dimension to the services we offer to our domestic SMEs.'