



Industrial Research Assistance Program (IRAP)

*Achieving SME growth
through innovation and technology*



National Research
Council Canada

Conseil national
de recherches Canada

Canada

How IRAP Works

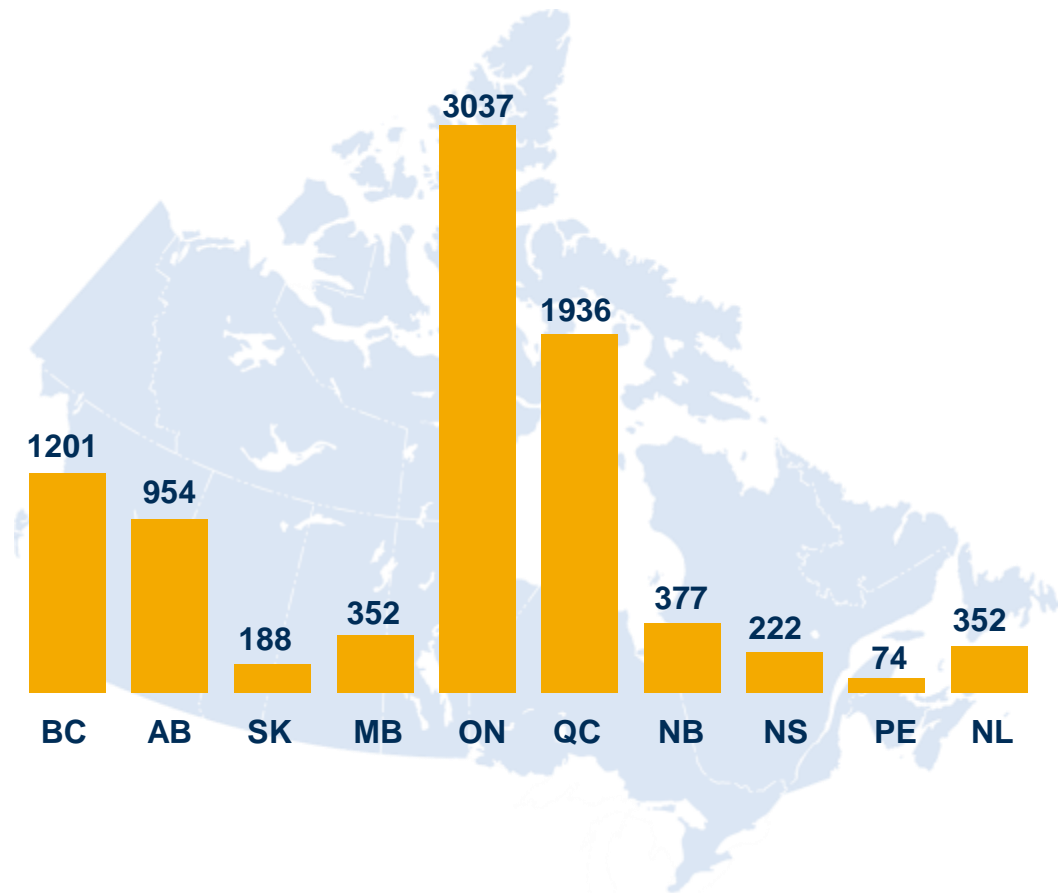


IRAP assists firms to **develop, adopt and adapt technologies** and incorporate them into competitive products and services to be commercialized in the marketplace

Our Clients

IRAP worked with **8,063 SMEs*** in 2010-2011, of which 3,098 received some form of funding

- 84% < less than 50 employees
- 65% < fewer than 20 employees



* Small- and medium-sized enterprises (SMEs) – Firms with up to 500 employees

Our Clients

IRAP's 7 Primary Sectors



Information and Communication Technologies



Manufacturing and Materials



Aerospace



Construction



Health & Life Sciences



Agriculture & Food



Energy & Environment



Today's SME Challenges

- Access to **venture capital funds & financial resources**
 - Lack of access to **pre-commercialization capital**
- Ability to identify and assess possible **technology solutions**
 - Ability to assess **technical uncertainties and risks**
 - Availability of **technical or specialized staff**
- Perception that SMEs are **high risk**



Today's *SME* Challenges



- Validation of **new technology**
- Lack of awareness and **access** to available **programs**
- Limited **access** to **global markets**
- Lack of **competitive intelligence** on their market
- **Management** and **governance** issues
- Limited **national** and **international networks**



IRAP Helps SMEs Overcome these Challenges

- ✓ **Funding on a shared-cost basis** for the labour components of R&D projects
- ✓ Linkages to other **funding opportunities**
- ✓ Specialized **technical and business expertise**
- ✓ Support in developing **IP plans**
- ✓ **Market, strategic and competitive intelligence** information
- ✓ Linkages with other potential **SME partners** (regional, national and international)





IRAP: Positioned to Make a Difference



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The ITA Advantage

IRAP Industrial Technology Advisors (ITAs):



- Extensive **R&D experience** in all industrial sectors and in **business and development** roles
- Provide access to **national and international networks**
- Are **trusted strategic advisors**, establishing lasting relationships with their clients

Technical Expertise and Advisory Services

Advisory Services = IRAP's Competitive Advantage

Our ITAs **guide clients** throughout **the innovation process**, applying solutions tailored to each firm's needs

Less than 1/4 of our clients typically receive funding – the majority find success with advisory services that help them improve their business



Financial Assistance



- **R&D Projects:** Cost-shared funding for labour components of R&D projects
- **Graduates:** Funding to hire post-secondary graduates
- **Organizations:** Funding to community organizations that provide services to SMES





Results, Financial Information & Looking to the Future...



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Impact Evaluation

Over the 5 year evaluation period, on average:

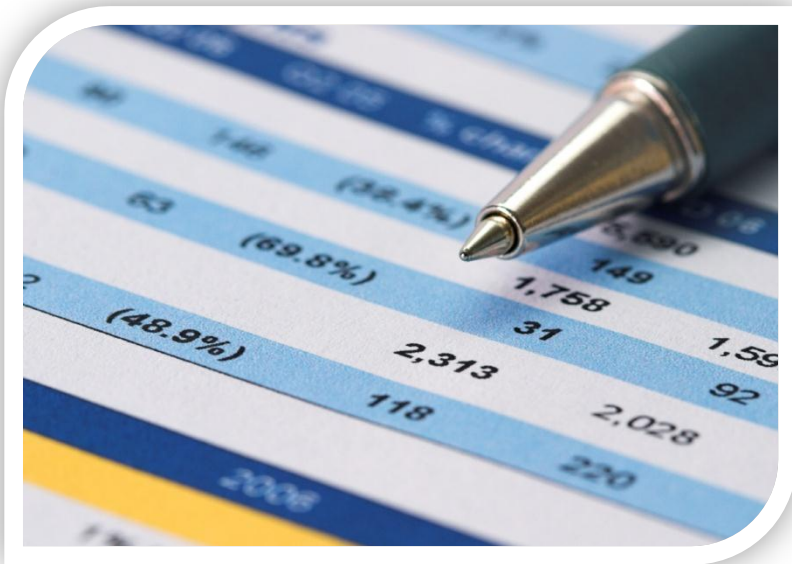
- Client firm **sales grew by 28%**, overall firm **employment grew by 30%**, and company **assets grew by 15%**
- **77%** of clients indicated that IRAP allowed the **firm's expansion**
- **75%** of clients indicated that the Program **increased firm's net worth**



Impact Evaluation

1% increase in IRAP assistance has led to:

- 11% increase in firm sales
- 14% increase in firm employment
- 12% increase in firm productivity



1% increase in IRAP funding has led to :

- 13% increase in R&D spending
- 3% increase in R&D staff



More Results

Recent client surveys show:

- **91%** increased their technical knowledge/capabilities
- **68%** increased their business knowledge/capabilities
- **62%** enhanced their ability to conduct R&D
- **61%** say IRAP helped develop/improve internal business/marketing/management
- **70%** say IRAP helped develop/improve internal technical capabilities through advisory services
- **63%** say IRAP helped identify other sources of financing



Final and Planned Expenditures 2008-09 – 2011-12

Programs (\$000)		2008-2009 Final Expenditures	2009-2010 Final Expenditures	2010-2011 Final Expenditures	2011-2012 Planned Expenditures (Sept.. 2)
A-Base Contributions	Contribution to Firms	70,660	74,155	72,581	75,572
	Contribution to Organizations	11,016	10,732	11,364	11,416
	Youth Program	4,817	5,000	5,000	5,000
	Total A-Base Contributions	86,493	89,887	88,945	91,988
B-Base Contributions	Canada's Economic Action Plan (CEAP- Firms)	0	88,083	78,638	0
	Canada's Economic Action Plan (CEAP- Youth)	0	9,567	19,423	0
	Youth Career Focus Program funding	0	262	3,624	0
	FedDev Ontario (CAF)	0	15,929	26,172	0
	FedDev Ontario (SODP)	0	27,309	16,037	0
	Total B-Base Contributions	0	141,150	143,894	0
Total Contributions		86,493	231,037	232,839	91,988
Wages		33,377	38,261	36,961	37,233
Operation		10,708	7,766	7,760	11,684
FedDEV Ontario (CAF and SODP) Operating Budget (Salary and Ops)		0	2,013	1,809	0
Total Operation Budget		44,085	44,085	46,799	49,220
Total Budget		130,578	279,092	279,638	141,208



Today's Challenges for IRAP

- Program funding levels are not increasing to keep up with increased demand
- Focus on advisory services that prepare firms for investor readiness
- Encourage other funding opportunities in order to better serve the growing demands for IRAP services

