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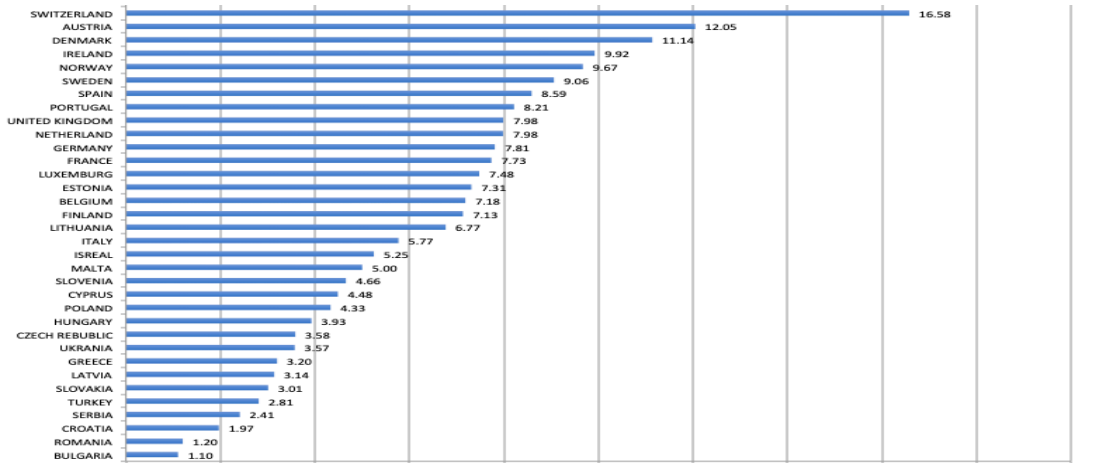
'Turkish experience of SME needs in H2020 – an overview'



Short Bio

- Deputy Project Director of Turkey in H2020 Project and Manager of IDI's Turkey Office;
- Over 13 years of professional experience in Technopark Management, Technology Transfer, Innovation Management, Proposal Evaluation, Entrepreneurship Support and Cluster Management;
- Worked for 9 years in largest technoparks in Turkey
- Between 2014-2018 acted as an External Evaluator for H2020 SME Instrument Programme and for H2020 Fast Track to Innovation Programme. Evaluated close to 300 proposals
- Has been involved in preparation of 10 successful proposals (6 Phase 1 & 4 Phase 2) and 16 proposals above threshold (Seal of Excellence)

Success Rate of Turkey vs. EU Average



What could be the reasons behind this low success rate?

Most companies lack a strategic view...

- Not fully aware of their potential- less ambitious
- Too easily satisfied with 'more of the same' –some don't want to grow!
- Sometimes there is poor 'absorptive capacity'- not open to outsiders' recommendations/ view/opinion especially on the market needs!
- Little awareness of what competitors are doing
- Short-sighted on markets/ customers and what influences them
- Little investment in marketing or product development– prefer things they can get hold of like R&D!

Most companies lack a strategic view....

- Mainly trade in home market- it is big enough for them
- Too much reliance on government or big defence companies as main/even the only customer
- Often little awareness of what's out there esp. in international markets
- Low investment in marketing, product development or innovation
- Often managed wholly by technical people
- See R&D programmes as a source of funding – not how to get new products into the market- most are grant addict!

Some examples from the 100-SME visits in the previous project

- Not market pull but technology push
- Most of these businesses didn't have any formal written strategy nor business plan- they were not strategy driven but "gone with the flow"
- As they were not strategy driven most stayed as project company instead of product company
- Some didn't capitalize/ specialize on good talent, resources and ideas therefore they didn't use company's main expertise in terms of technology or market

Some examples from the 100- SME visits in the previous project

- Proposed product already exists in several countries- not innovative
- Price advantage is the only unique selling point they offered
- Not their core target market or customer base
- No prior business oriented contact with the customers- *not even in home market*
- Too much investment needed – time & money wise- not sustainable strategy, global scalability doesn't seem attainable
- Didn't focus on opportunities in own sector/market first!
- Company too busy to bother with strategy
- Not enough manpower- *in most cases part-time CEO, CTO, COO*

Key Points for a successful outcome- Summary

- Disruptive solution- **GLOBALLY!**
- Innovation activities instead of R&D
- Big and accessible market- convince evaluators/ investors that you can reach your target customers.
- Superiority to competitors in terms of;
 - technology
 - commercialization strategy
 - implementation capacity (people, network, connections, know-how)
- Strong international dimension
- High growth potential on turnover and new employment
- Strong company profile and past performance; sufficient infrastructure and intangible resources, balanced human resources and relevant experiences

Main Mistakes Done

- Too much focus on technology rather than the business opportunity or the problem solved
- Innovation dimension is too low, rather incremental improvement- *easy to be replicated*
- Not convincing about its revenue model and growth assumptions
- Missing market/ competitor analysis to assess competition
- Mainly concentrated on ideas, with little effort on commercialization concept
- Weak team- not balanced in terms of experience and abilities

But it is not desperate at all !

- Good talent, very smart engineers
- Big local market to test the product and prove customer validation
- Very good technologic developments at Technoparks- competitions, mentorship & accelerator programs
- Increase in the number of national VCs, BA networks and private funds, which increase the motivation of tech companies to be more market oriented
- TUBITAK is very supportive during H2020 application process both in technical and financial terms; very motivating coordinator supports and awards

(<https://ufuk2020.org.tr/en/supports-and-awards>)

What should be done?

- Essential to go through this review and restructuring process before attempting a formal SMEI/VC/BAN application
- Essential data on the international markets and existing solutions should be gathered ahead of formal business plan to establish credibility
- Good foundation/ preparation needed
- A balanced, full time committed team should be formed
- Initial market/ customer validation should be provided

How could we improve it?

- Business plan/ long term growth strategy of your company should be well defined- not just to apply for a grant programme
- So a change in the mindset of the SME founders/ decision makers is needed
- Focus on global scalability
- **Founders have to be fully involved in the preparation of BP even if you work with a professional consultant**
- No external person can know your business strategy better than you. They can just guide you!

Thank You!