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This project is co-financed by the
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TURKEY in
HORIZON 2020

Technical Assistance for Turkey in Horizon 2020 Phase-II
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'Turkish experience of SME needs in H2020 – an overview'

REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
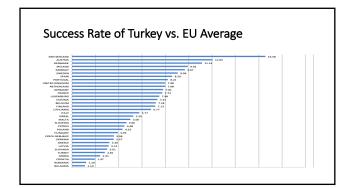AND TECHNOLOGY

TÜBİTAK

Slide 2

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 written 8 succcessful proposals (4 Phase 1 & 4 Phase 2) and 15 proposals above threshold (Seal of Excellence)

Slide 3

Success Rate of Turkey vs. EU Average

Country	Value
SWITZERLAND	16.58
AUSTRIA	12.05
DENMARK	11.14
IRELAND	9.92
NORWAY	9.67
SWEDEN	9.06
SPAIN	8.59
PORTUGAL	8.21
UNITED KINGDOM	7.98
NETHERLAND	7.98
GERMANY	7.83
FRANCE	7.73
LUXEMBURG	7.44
ESTONIA	7.31
BELGIUM	7.18
FINLAND	7.13
LITHUANIA	6.77
ITALY	5.77
ISRAEL	5.25
MALTA	5.00
SLOVENIA	4.66
CYPRUS	4.48
POLAND	4.33
HUNGARY	3.93
CZECH REPUBLIC	3.58
UKRAINIA	3.57
GREECE	3.20
LATVIA	3.14
SLOVAKIA	3.01
TURKEY	2.81
SERBIA	2.41
CROATIA	1.87
ROMANIA	1.20
BULGARIA	1.10

Slide 4

- *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

- Most of these businesses didn't have any formal written strategy nor business plan- they were not strategy driven but "gone with the flow"
- They were not strategy driven- therefore 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
- Too much investment needed – time & money wise- not sustainable strategy
- Didn't focus on opportunities in own sector/market first!
- Company too busy to bother with strategy and H2020 bids
- Meanwhile, not enough manpower to market internationally

Key Points for a successful outcome- Summary

- Disruptive solution- ***GLOBALLY!***
- Innovation activities instead of R&D
- Big and accessible market- *convince evaluators that you can reach your target customers.*
- Superiority to competitors in terms of;
  - technology
  - commercialization strategy
  - implementation capacity (people, network, connections, know-how)
- Strong European 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 in Proposals

- ➢ Too much focus on technology rather than the business opportunity or the problem solved
- ➢ Too boring, long text to read. More is not always better.
- ➢ Not enough/ convincing information on USP (Unique Selling Proposition) compared to competitors
- ➢ Innovation dimension is too low, rather incremental improvement
- ➢ 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
- Very good technologic developments at Technoparks
- Increase 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 process before attempting a formal SMEI application
- Essential data is gathered ahead of formal business plan to establish credibility
- Good foundation/ preparation needed before building a bid!
- Danger is that *without this process a bid simply becomes a time-consuming form-filling exercise to win funding*

How could we improve it through trainings?

- SME Instrument proposal is not just a regular grant proposal it is the business plan/ long term growth strategy of your company
- So the application process needs a change in the mindset of the SME founders/ decision makers
- It needs more than participating to a 1-2 days trainings. So be ready to commit more!
- ***You have to be fully involved in the preparation of your proposal even if you work with a professional consultant***
- No external person can know your business strategy better than you. They can just guide you!

My experience with successful trainings

- Participation of a decision maker/ company owner in the trainings not a developer/IT person/ accountant/ finance manager
- Active involvement during the training
- Not just listening but implementing & collaborating and most importantly SHARING!
- Coming to the trainings prepared; having studied the proposal template, having prepared your draft answers for each question
- Sharing your project not only with the trainers but with other participants. Trying to get everyone's feedback on your project idea.
- If you can't commit 1 full day focused only in the training without being interrupted by emails, messages and other daily work you may not benefit.

Thank You!