Industrial Research Assistance Program (IRAP)

Achieving SME growth through innovation and technology
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
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 ¼ 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...
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
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

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