

Innovation and Business Support Program

In 2017, the Innovation and Business Support Program focused its activities in the following fields:

- **Supporting SMEs to establish international partnerships and enter markets in third countries.** Enterprise Europe Network (EEN) – Bulgaria, coordinated by ARC Consulting (part of ARC Fund Group), co-organized some of the most important European business events on the Enterprise Europe Network’s calendar and supported more than 100 international negotiations of more than 40 Bulgarian companies. Ten international agreements were signed with Bulgarian companies and another three were initiated in 2017.
- **Consulting SMEs.** There were two main areas of interest where businesses called for consultation with EEN’s Coordinator ARC Consulting: (i) Access2Finance, focusing on the SME Instrument within Horizon 2020, and (ii) innovation management. More than 30 Bulgarian companies benefited from the services and expertise of EEN in these areas. With the support delivered, over 10 SME project proposals were developed and submitted to H2020, and two of them were awarded the Seal of Excellence. ARC Consulting experts are among the few in Bulgaria licensed by the IMP³rove International Innovation Management Academy. In-depth IMP³rove analysis and consultations were provided to 11 innovative Bulgarian companies, resulting in optimized management of their innovation processes.
- **Innovation Business Club.** The Club is an informal hub that gathers innovative enterprises to share successful examples of innovation from practice. In 2017, the Club’s members got acquainted with experiences of EU innovation leaders such as Ireland and their successful recovery from the global economic crisis, where innovation was a key driver. Interconsult Bulgaria hosted a meeting, at which the company’s innovations at global level were presented.
- **Effectiveness of financial instruments for SMEs and innovation.** In 2017, ARC Fund organized a series of round tables and public debates with business and public institutions on the management of national and European financial instruments for SMEs and innovations, focusing on the National Innovation Fund and the Innovation Fund of Sofia Municipality. Measures and recommendations will be drawn up based on internationally recognized good practices and on the assessment and opinions of experts, stakeholders and partners from Austria, Spain, Portugal, Italy, Poland, France, Spain, Germany and Estonia.

*Assisting SMEs with International Partnerships
and Entering Markets in Third Countries*

EEN-Bulgaria, coordinated by ARC Consulting, offered to Bulgarian companies new opportunities for international partnerships and entering markets in third countries



In 2017, ARC Consulting co-organized some of the most significant business events in the calendar of [Enterprise Europe Network](#). As a result, dozens of companies participated in brokerage events and business missions abroad such as [E² Tech4Cities 2017 – Energy & Efficiency Technologies for Cities Brokerage Event](#) in Brussels, [10th Cluster Matchmaking Mission – European Cluster Collaboration Platform](#) in Thessaloniki, [Computex Taipei 2017 Brokerage Event](#), [SME Vision2020 Brokerage Event](#) in Skopje, [Reducing, Reusing and Recycling – Business opportunities in the circular economy](#) in Oslo.

These events resulted in more than 100 negotiations between Bulgarian and foreign companies on business and technological partnerships in a variety of sectors, with some of them reaching international agreements, mainly in the

automotive, ICT and gaming industries. Contracts connected companies within Europe, Asia and North America. Among them is a Bulgarian company for designing and producing children's kinetic swings, which signed a contract with an English distributor with the possibility of exporting to China. A gaming company negotiated a partnership with English and American publishers and distributors of electronic games. A Romanian manufacturer and a Bulgarian supplier for the automotive industry entered into a trade agreement. Business clusters and non-governmental organizations joined new cross-border projects.



EEN's team has been assisting Bulgarian companies in applying for [Ready2Go](#), the European Commission's pilot initiative to help SMEs enter the market of 5 non-EU countries – the USA, Canada, India, Chile and Cameroon. The successful partnership between entrepreneurs and ARC's consultants and experts resulted in the fact that the only Bulgarian company among the 80 winners selected in a strong competition by a total of 400 candidates from 24 countries was a client of ARC Consulting.

Consulting SMEs

Funding Access (Access2Finance)

In 2017, approximately 80 SMEs and newly established companies took advantage of the consultations on expanding their innovation-related activities, including applications under the *Horizon 2020* SME Instrument. Many of them went through trainings on *Horizon 2020*. With the help of the EEN team 17 companies submitted their Phase-1 proposals to the SME Instrument, after further in-depth consultations by ARC Consulting.

Innovation management: first national study on the BG innovative companies' profile in terms of innovation management according to the IMP³rove methodology



ARC Consulting provides advisory services to companies using the internationally approved methodology of ATKerney's [IMP³rove Academy of Innovation Management](#). IMP³rove offers a systematic approach that makes a snap-shot of all aspects and activities related to the innovation management of a company. The IMP³rove assessment covers a wide range of indicators, relevant to SMEs of



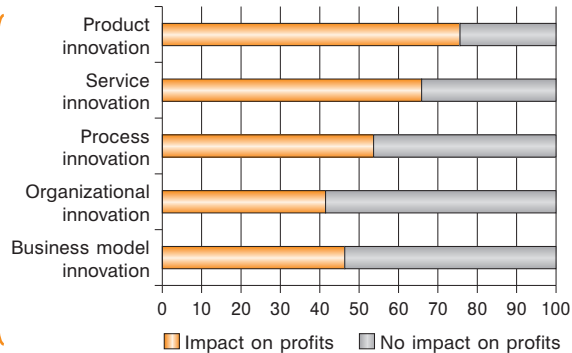
EEN Bulgaria and leading consultants gave key guidance to entrepreneurs on how to successfully apply under the Horizon 2020 SME Instrument

Contribution of innovation to the financial performance of innovative enterprises



80%

of innovative enterprises report profit generated from innovations



Source: Applied Research and Communications Fund, 2017.

varying size, age and economic sector. As a result of the analysis and the measures being taken, companies leveraged their competitiveness and achieved higher growth.

A comprehensive study was reflected in the *Innovation.bg* report 2017, of the innovative companies' profile in the national economy based on data analysis of a representative sample of BG companies having undergone IMP³rove assessment in the period 2015 – 2017.

According to the IMP³rove based survey, the majority of innovative companies are micro and small enterprises (70 %), and

30 % are medium and large ones. Only 40 % of these companies have reported innovation activities in their annual reports to the National Statistical Institute, which is evidence of the underestimated innovation potential of the national economy and the business sector in particular, due to which our country ranks at the bottom of European and international charts.

A large proportion of the innovative enterprises being surveyed (95 %) invest part of their R&D budget in long-term projects which do not promise a quick return, but can become the basis for future technological leadership.

Innovation Business Club: Successful Innovators in the Single European Market

The Innovation Business Club meetings in 2017 brought together the companies featured in the [Innovative Enterprise of the Year Contest](#) and were dedicated to sharing practical experience and success in enhancing innovation at both policy and company levels.

One of the key challenges addressed by the Innovation Business Club was the need of creating an innovation-conducive environment as a mechanism to leverage the economic performance of the Bulgarian SMEs and industry.

Ireland's Ambassador Michael Forbes shared with the Club how his country had recovered after the global economic crisis. He stressed that for the last three years Ireland registered the highest economic growth in the EU thanks to the development and deployment of innova-

tions, some of them with the help of national and European funds. Ambassador Forbes emphasized the importance of having measures to promote innovation projects with impact on society.

Access to markets within and beyond the EU for building successful business and technology partnerships was elicited as another challenge the Bulgarian companies face while striving to go innovative and be competitive on the global market.

The Innovation Business Club companies exchanged experience with [Enduro-Sat](#), the only Bulgarian company that was awarded a contract for Phase 2 of the Horizon 2020 [SME Instrument](#) to launch new generation satellite communication modules. Thanks to the cooperation with the EEN team the company



Ambassador of Ireland Michael Forbes at a meeting of the Innovation Business Club, 11 June 2017



*Participants in the meeting of the Innovation Business Club,
11 June 2017*



Stoyan Boev, Founder and Executive Director of Interconsult Bulgaria

received additional consultancy support from abroad in order to increase the impact and efficiency of the project implementation.

Interconsult Bulgaria Ltd., a member of the Innovation Business Club, hosted one of the meetings to discuss the new rules of the H2020 SME Instrument introduced for 2018 – 2020. The company demon-

strated its virtual reality platforms and ship-navigation simulator used by leading shipping training centers around the world. The company has over 300 successful ICT projects for leading multinational and Bulgarian companies that have brought about significant changes in the management of their business processes.

Analysis of the Effectiveness of Financial Instruments for SMEs and Innovation

In 2017, ARC Fund started working on new policy challenges, namely on ways to improve the efficiency of particular financial instruments in Bulgaria for SME and innovation support concerting the inflow of forefront expertise and good practices from various EU regions. ARC Fund experts kicked-off an in-depth analysis of a pool of national and local financial instruments and measures designed to support innovation in European regions.

The ESSPO initiative analyzes the challenges of institutional support for innovative companies

ESSPO has enabled entrepreneurs, representatives of research organizations and institutions to share the problems they face. Innovators have urged the institutions to ensure a transparent, sustainable and predictable business environment that will reduce the risks to innovation. ARC Fund, in partnership with colleagues from 8 EU countries, analyzed the challenges currently faced by the [National Innovation Fund](#) and reviewed the [Innovation Norway Program](#) as an example of good management practice. The ESSPO initiative examines

the specific needs of innovative enterprises and prepares a rich collection of case studies – from insufficient decentralization and access to resources, to full autonomy and funding to support innovation in SMEs. The topic was reported by the [Bulgarian National Radio](#) and the [Economist magazine](#).

The Bulgarian team presented the first national survey on the profiles of innovative companies in the national economy, according to the management of innovation activities under the IMP³rove methodology, which served as a good practice in the initiative. In 2018, ESSPO will try to develop recommendations tailored to particular institutions and businesses.

InnoBridge brings together European regional practices to make research and innovation a market success

The [Innovation Fund of the Association for Development of Sofia](#) received specific recommendations for improvement of its activities. In 2017, the analysis of its work was completed, and the foreign partners identified the fund as a good example of public-private partnership.



Nine teams from eight regions in Europe are working on the InnoBridge initiative, which aims at establishing more efficient regional policies in support of innovation



In November 2017, experts presented regional best practices to make research and innovation a market success.

The recommendations are also based on good practices from other regions of the initiative such as the creation of a network between universities in Europe to share their research infrastructure, share various incentives for R&D and innovation in enterprises, and open innovation platforms at regional level.

Following a series of meetings across all 8 participating European regions, in

late 2017 the drafting of individual Action Plans to improve the tools and policies that support innovators was started. In 2018, a practical guide to turning research and innovation into market success, with good practices from Inno-Bridge targeted at entrepreneurs and researchers, will be developed.