

The Use of Accompanying Funding Offers When Starting Knowledge Transfer Projects: The Case of National Innovation Agents in Denmark

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1 Principle Topic

A recent analysis demonstrates that a huge undeveloped innovation potential exists in many small and medium-sized enterprises (SMEs) in Denmark [1]. The SMEs do not, in many cases, have the necessary knowledge capacity in-house, and they lack the knowledge about how to initiate and maintain innovation linkages externally. Furthermore, many SMEs do not focus enough on the long-term and strategic development perspective because the short-term tasks often occupy the management full-time, especially given the current financial situation [1]. Thus, they appear differently in very small (<10) and larger (>10) companies, as shown in this paper / presentation. This presentation represents the author's findings regarding whether company size is important for accepting a knowledge transfer project in situations where offered funding requires certain participation from the SME.

During the period from 2007 to 2012, an innovation agent program¹ was supported financially by The Danish Agency for Science, Technology and Innovation as one initiative to cope with the aforementioned challenge. The SME voluntarily enters into cooperation with the Regional Innovation Agents, where the former is given guidance on their innovation plans and projects. One of the main tasks of the innovation agent program is to establish connections and knowledge transfers between Danish SMEs and knowledge resources (universities, networks, research programs, private consultants, etc.). To overcome some of the barriers to knowledge transfers, the program also assists the SME in obtaining funding for the knowledge transfer projects.

One program is the "videnkupon" (knowledge coupon) program, supporting the SME with up to 13,500€ to invest in knowledge; the SME then has to raise (and use) one and a half times that amount of money to cover its own expenses.

¹ Please see www.dti.dk/services/31424?cms.query=innovation+agent for more information.

2 Method

As the author is part of the program and trained in action research [2], the research question was formulated through his work with companies and then verified by analysing the database. Up until now, more than 1000 SMEs have participated in the program, providing data for analyses that show how well advice and contacts for knowledge transfer partners have been received compared to company size, economy, branch, etc. More than 40 agents are participating in the program and 5 small-scale qualitative interviews have also been conducted with agents to verify the findings.

3 Results and Implications

This short paper presents how very small companies compared to larger companies more often accept knowledge transfer projects when the project is funded by a “viden kupon”. The larger companies usually hesitate to accept the funding offer with the accompanying demand on the use of their internal resources. Conversely, no difference was found between the two groups of companies in their interest for purely meeting new knowledge partners. This approach gives the larger companies an opportunity to be more selective in choosing the start time and how many resources to spend on a project. However, it also decreases the amount of knowledge transfer projects that are started, especially for larger companies.

This finding should be taken into consideration when planning knowledge transfer programs with included funding schemes in the future.

References

1. Danish Agency for Science Technology and Innovation (DASTI). Innovation Agents: New roads to innovation in small and medium-sized enterprises. The Danish Agency for Science, Technology and Innovation. Copenhagen, Denmark (2009)
2. Hallgren, E.W.: Employee-driven innovation: A case of implementing high-involvement innovation. Academic dissertation. Ph.D. thesis (2009) ISBN: 978-87-90855-16-1