



Innovation Policies for Inclusiveness – Policy Cases

Competitive Start Fund and Feasibility Fund for Female Entrepreneurs

Country: Ireland

1. Short Description

The *Competitive Feasibility Fund for Female Entrepreneurs* and the *Competitive Start Fund for Female Entrepreneurs* aim to assist female entrepreneurs and female-led start-ups with the capability to succeed in global markets to accelerate their growth. The Competitive Feasibility Fund for Female Entrepreneurs does so by providing grants for funding feasibility studies. The Competitive Start Fund for Female Entrepreneurs provides equity investment to support costs associated with developing business plans and making progress on reaching key commercial and technical milestones, such as evaluating overseas market opportunities, building prototypes and securing third-party investments (e.g. business angels and venture capital).

These funds support projects on a competitive basis, focusing on companies with a high growth potential within three years, in terms of international sales volume and employment creation in Ireland. These programmes are part of an integrated Female Entrepreneurship Strategy.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for social inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
Ireland Enterprise Ireland	2012 to present (as of December 2016)
Target group	Size and budget:
Groups (women entrepreneurs) The programme targets female-led businesses , an under-represented cohort in the start-up space both nationally and internationally.	Number of recipients: Between 15 and 20 recipients per call for proposals. Budget: Competitive Feasibility Fund: the total fund size reaches up to EUR 250 000 per call for proposals (approx. USD 290 000, PPP). Recipients receive grants of up to EUR 25 000 (USD 29 000, PPP). Competitive Start Fund: No data available



Type of policy instrument(s)	Inclusiveness focus
Financial support: grants (Feasibility Fund) and equity funding (Start Fund) Non-financial support: mentoring	Social inclusiveness

Policy objectives

The **Competitive Feasibility Fund for Female Entrepreneurs** aims to assist female entrepreneurs and female-led start-ups develop innovative technologies, products and services with a high potential for success on global markets, by providing funding for feasibility studies.

The **Competitive Start Fund for Female Entrepreneurs** aims to provide female-led start-ups with critical early-stage funding to reach key commercial and technical milestones, enabling them to get off the ground and launch new products and services in the international marketplace. Examples include evaluating overseas market opportunities, building prototypes, developing a market entry plan for exploiting international opportunities, securing partnership deals, identifying suitable channels to international markets and securing third-party investments (e.g. business angels and venture capital).

These programmes are part of a series of measures developed by Enterprise Ireland to fulfil its strategic objective of increasing the number and quality of High Potential Start-Up companies (HPSUs), defined as start-ups with the potential to employ more than 10 persons and achieve EUR 1 million in export sales within three years.

These programmes also form part of a series of measures developed in line with the **Female Entrepreneurship Strategy**, launched by Enterprise Ireland in 2012 to address challenges facing female entrepreneurs. The strategy defined the following objectives based on intensive research regarding challenges impacting the growth of female entrepreneurship:

- Increase the number of female-led HPSU clients.
- Ensure targeted access to finance supports for female entrepreneurs.
- Provide sponsorship for Female Entrepreneurship Awards and high-profile female events.
- Pilot female-only workshops and programmes focusing on skills gaps.
- Establish networks and networking partnerships and develop online networking sites.

Implementation of this strategy required a tailored, focused approach, in terms of support, personal development and networking opportunities. A range of initiatives were put in place including:

- Dedicated competitive funds (i.e. competitive start and feasibility fund).
- Identification and promotion of role models, which included sponsoring several awards, conferences and initiative to promote successful female entrepreneurs.



- Support for existing and new networks, including the creation of a dedicated, ambitious women's section on the Enterprise Ireland corporate website.
- Development of female-specific development programmes. Enterprise Ireland also co-funded four development programmes focused on optimising business capabilities for women-led businesses.

Rationale

The funds address the under-representation of female-led businesses (in 2011 only 7% of Enterprise Ireland-supported HPSU businesses were led by women). Female-led start-ups frequently lack the necessary resources to reach key commercial and technical milestones, in order to get off the ground and launch new products and services in the global marketplace.

Policy target recipient and selection mechanism

Competitive Feasibility Fund for Female Entrepreneurs:

The programme targets new female-led start-up companies (less than three years old) and female entrepreneurs, and focuses on supporting projects with a high growth potential within three years (annual sales of EUR 1 million [USD 1.16 million] and ten or more employees).

A call for proposals is issued and funding is attributed on a competitive basis. The business must operate on international markets. To be eligible, applicants should not have received more than EUR 10 000 (USD 11 600, PPP) in support from Enterprise Ireland during the past two years and not exceed the upper limit of de Minimis aid (EUR 200 000 [USD 231 000, PPP] per three-year fiscal period), as the scheme operates under the de Minimis aid regulations of the European Commission.

Applicants are evaluated in two phases:

- In the first phase, an evaluation panel evaluates applications and scores them on the strength of the business proposition (existing demand, capacity to achieve sustainable growth and reach the three-year growth objectives), profile of the applicants (track record, knowledge of the sector) and the innovativeness of the proposed good or service. These factors make up respectively 30%, 40% and 30% of the overall score. The panel shortlists the highest-ranking applications among the proposals that scored above 60%.
- In the second phase, shortlisted applicants are invited to give a short presentation on their project to an evaluation panel comprising representatives of Enterprise Ireland and industry experts. The presentation should highlight the capacity of the applicant to carry out the project, the needs the product/service responds to and its value in that regard, as well as its innovativeness. The evaluation panel scores the applicants on these four areas and ranks them. Funding is then attributed to applicants in order of merit until the EUR 250 000 (approx. USD 290 000, PPP) budget is spent or until all candidates with a score of 60% at this stage have been granted funding.



Competitive Start Fund for Female Entrepreneurs:

The programme targets female entrepreneurs or new female-led start-up companies, active in the manufacturing and internationally traded services sectors, including the following subsectors: Internet, games, apps, mobile, SaaS, cloud computing, enterprise software, life sciences, food, clean-tech and industrial products.

A call for proposals is issued and funding is attributed on a competitive basis. To be eligible, applicants must have registered a company active in the above-mentioned sectors and headquartered in Ireland. The company must be less than five years old from the date of registration, and all its intellectual property and assets must reside in the Irish entity. The company must not have received equity funding of more than EUR 100 000 (approx. USD 116 000, PPP) prior to the competition closing date, and its annual revenues must be under EUR 60 000 in any previous financial year. In addition, such companies should be capable of creating ten jobs in Ireland and realising sales of EUR 1 million (USD 1.6 million) within three years.

Applicants are required to complete a written online application as well as an online video interview/pitch (6 to 8 minutes long) presenting their project.

Applicants are evaluated in two phases:

- In the first phase, an evaluation panel comprising representatives from Enterprise Ireland and external consultants evaluates all applications and scores them based on the profile of the applicants (25%), the proposed product/service and its market opportunity (25%), the strength of the business proposition delivered by a video pitch (25%), the innovativeness of the proposed good or service (15%), and the ability to deliver key commercial and technical milestones over the following 12 months (10%).
- In the second phase, shortlisted applicants are invited to give a short presentation on their project to an evaluation panel comprising representatives of Enterprise Ireland and external industry experts. The applicant's performance will be scored based on three equally weighted criteria: the specific needs that the product or service addresses, the capability of the applicant and/or its team to execute the business plan presented, and the expected impact of an investment of EUR 50 000 (USD 58 000) on the execution of the business plan. Applicants scoring highest (up to 15) will be selected.

Policy instrument(s)

Financial support: grant (Competitive Feasibility Fund for Female Entrepreneurs). Successful candidates receive a grant to fund the proposed feasibility study, covering up to 50% of eligible expenditures for a maximum of EUR 25 000 (USD 29 000, PPP). The grant covers various activities typically involved in feasibility studies, including market research, cost analysis and financial projections, manufacturing process assessment and plant selection, raw material sourcing and prototyping. Negotiation with potential partners or manufacturing licensing may also be included. Eligible costs include salaries, foreign travel costs, external consultancies, building and/or testing of a prototype and participation in an overseas trade event.



Financial support: equity funding (Competitive Start Fund for Female Entrepreneurs). Successful applicants will receive an equity investment of up to EUR 50 000 (USD 58 000) from Enterprise Ireland for a 10% shareholding in the company. The equity investment will be made in two equal tranches of EUR 25 000 (USD 29 000, PPP). The first tranche must be matched by a new investment of EUR 5 000 from the promoters or other third-party investors. The investment of the second tranche is conditional on the submission of a satisfactory progress report. The report details the use made of the first tranche of investment and states progress on agreed commercial and technical milestones from the company's original application. The second tranche of equity investment may not be released in cases where the achievability of agreed goals is questioned.

The investment aims to support costs associated with developing the business plan and making progress on key technical and commercial milestones, including salaries, travel expenses and consultancy fees. Projects should start within three months of approval and be completed within 24 months. A final report to Enterprise Ireland that satisfactorily outlines how the second tranche of monies were spent is required on completion of the business plan.

Non-financial support: mentoring (Competitive Start Fund for Female Entrepreneurs). Successful applicants under the Competitive Start Fund are appointed a business mentor who provides tailored advice, guidance and support to assist female entrepreneurs with accelerated growth and building management capability. The support consists of ten one-on-one sessions with the mentor.

Policy challenges

Enterprise Ireland's Female Entrepreneurship Strategy is having a positive impact, with the relatively fast emergence of a larger number of strong growth-orientated, female-led businesses (in 2014 investments by Enterprise Ireland in female-led HPSUs reached 18%, significantly up from 7% in 2011). As implementation of the strategy continues the original policy challenges (and associated objectives) remain constant:

- lack of role models for female entrepreneurs;
- less access to finance and lower levels of risk taking;
- low self-confidence among female entrepreneurs;
- shortage of female networking opportunities;
- lack of technical expertise among female entrepreneurs.

Actions undertaken to address challenges

Implementation of the agency's strategy continues while learning lessons from regular evaluation.



Evaluation and outcomes of the scheme

Enterprise Ireland regularly carries out evaluation on the effectiveness and efficiency of its Female Entrepreneurship Strategy, in order to improve implementation of supports under this initiative.

Sources

Enterprise Ireland (2015), “Competitive Start Fund for Female Entrepreneurs”, Enterprise Ireland, Dublin, www.enterprise-ireland.com/EI_Corporate/en/funding-supports/Company/HPSU-Funding/Competitive-Start-Fund-for-Female-Entrepreneurs.html.

Enterprise Ireland (2015), “Reference Document Competitive Start Fund (CSF 30)”, Enterprise Ireland, Dublin.

Information provided to the OECD by Ian Hughes and Paula Maguire (Enterprise Ireland).

Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

Policies are searchable by inclusiveness type, objective and implementation challenge on:
<https://innovationpolicyplatform.org/inclusivetoolkit>