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**Approved Scheme to enable IDA Ireland to administer a Business Development Programme (BDP)**

**2018 to 2024**

**Amended and Extended to 2029**

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1. **Background**

There have been significant changes in the international and domestic environment since the launch of IDA strategy in 2021. This new environment brings both opportunities and challenges for companies. Existing IDA client companies have a need to continue to bring strong leadership and be at the forefront of innovation and change to remain relevant and important to their parent.

The challenge for existing IDA companies in remaining relevant is becoming increasingly more urgent as international challenges impact on supply chain, the speed of technological change is driving change and globally companies are looking to make efficiencies as all these changes impact on their operations.

With this context in mind, IDA has a renewed focus on developing existing clients, managing risks and supporting companies to develop opportunities that will sustain and grow the existing base. This focus supports companies in their constant drive towards improving their own strategic positioning within the global Corporation; clearly articulating their added value; be able to respond to increasing competition from other subsidiaries in the group; respond productively to the threat of outsourcing decisions and be able to clearly visualise the strategic direction of the corporate strategy.

The purpose of this Scheme is to provide consultancy support to help leadership teams in client companies in three ways:

1. To proactively work with IDA to co-develop a Client Development Process Framework and subsequently to implement the business opportunities identified through the CDP exercise.
2. To support companies, develop a transformation agenda to respond to high-risk situations,
3. To support companies to undertake a detailed facilitated advanced manufacturing maturity assessment, facilitating the development of an Advanced Manufacturing and/or a Strategic Digitalisation Services Plan for companies who struggle to articulate their mission, vision and goals in these areas.

This scheme is motivated by a desire to ensure that the operation in Ireland plays a more significant role in the global group and drive transformation through innovation, digitalisation, sustainability, and talent development.

**Client Development Process (CDP)**

IDA manages and develops its portfolio through the CDP. There are three phases to the process:

1. Portfolio segmentation which is about how the IDA manages and services its 1800 client companies. This phase involves dividing our client base into four distinct segments.  Clients are ranked in terms of their priority/importance to the economy and the potential they hold for additional investment,
2. Segment specific development activities, comprising of three different approaches,

* Strategic and Strong clients follow a proactive solutions-based approach involving Research, Analysis and Planning,
* Support clients take a proactive product-based approach involving Preparation and Scheduling,
* Sustain clients follow a reactive approach in some cases where an event based, and quarterly newsletter is used to engage with these clients. With other clients segmented as Sustain, a transformation agenda with a range of products such as Lean, International Marketing Programme, Innovation Vouchers and Business Asset Grant are offered to stimulate sustainability with some growth,

1. Implementation which is about trying to support companies to convert the opportunities identified through the process. This phase involves implementation of the framework and pursuit of the opportunities identified in Phase 2.

The Client Development Committee (CDC) is the management group responsible for overseeing, leading, and driving the Client Development Process within IDA. The Committee places significant emphasis on guiding and supporting Executives in developing and implementing the Framework.

With the Strategic and Strong segmented clients, there is a focus on a search for potential new investment opportunities which forms the basis for engagement with these clients with a view to developing the mandate further and adding a strategic relevance and value to Corporate. For the Support and Sustain segmented clients, the CDP looks towards transformational interventions that contribute to the sustainability and potential growth of these companies. This agenda is also concerned with those companies at high risk regardless of segment.

This scheme will provide for consultancy support to companies to facilitate the development of the following options:

1. A strategic intent to add value to Corporate through an enhanced mandate,
2. Implementation options to drive the opportunities identified through the CDP frameworks,
3. Identification of new strategy as companies experience their existing activities becoming obsolete.

This scheme will become an essential part of the CDP in supporting uplift by companies that currently are struggling to vision and articulate the future of the Irish site and need a new proposition that keeps them relevant to their Corporate.

**Framework Development -** Researching the company, its industry, competitors, and the current and future drivers of the client’s business.  Analysing the information to identify value adding opportunities.  Developing a plan to target the relevant decision makers in the company.

**Implementation** – Targeting the relevant decision makers in the company to convert these opportunities into projects.

1. **Legal Basis – Irish Law**

The Scheme will be administered by IDA Ireland under Section 8 (c) of the Industrial Development Act, 1993 (as amended by Section 37 (1)(a) of the Industrial Development (Forfás Dissolution) Act, 2014 as authorised by the Minister for Jobs Enterprise and Innovation, with the concurrence of the Minister for Public Expenditure and Reform.

1. **Legal Basis – EU State Aid Law**

A grant under the scheme shall constitute De Minimis aid to the grantee in accordance with Commission Regulation (EU) No. 1407/2013.

1. **Funding**

A total of €2,000,000 has been allocated for the scheme. The maximum grant per project under the scheme shall be €300,000 per application and the scheme should run for a further two years from the date of approval by the Department.

1. **Eligible Applicants**

The Project Executive and Departmental Manager propose the take up of the Business Development Programme and this is presented to the CDC for discussion through existing channels. This will be targeted towards a client company that:

* is segmented as strategic or strong where use of the scheme would result in the development of a high-quality Framework,
* has an agreed Framework in place where use of the scheme would support implementation of the Framework,
* is recommended by the CDC as part of their function in portfolio management,
* is recommended by managers because a company is in a high-risk situation and use of the scheme could help deliver a solution or way forward,
* needs to develop a transformation programme of change focusing on innovation, digitalisation, and sustainability.

1. **The Business Development Programme**

The Business Development Programme will be positioned as part of the suite of supports offered to existing client companies as part of the Client Development Programme (CDP).

The Business Development Programme is intended to assist in funding the cost of consultants or providing access to consultants engaged to work with a company’s Irish leadership team in one of two ways

**Framework Development and Implementation**

Develop a strategic plan that identifies new and/or additional activities including those opportunities already identified by Executives through the Frameworks. Very large strategic clients of IDA are most likely to benefit from this support. Additionally, the consultant might continue to work with a company on their implementation plan based on these opportunities such as the establishment of an R&D Centre, Satellite hubs, Global Innovation Centres, diversification from existing product and services, increased digitalisation, growth in new market, etc.

**Transformation**

Develop a comprehensive strategic response to a high-risk situation such as merger, acquisition, digitalisation, new competitors, or subsidiary competitors. This should trigger a transformation agenda that will also include an engagement plan with Corporate.

The criteria for the selection of a company for the scheme will fall under one of these two ways and is the responsibility of the Project Executive and Departmental Manager to identify this programme as a practical and valuable support for Framework Development and Implementation or for Transformation.

1. **How applications will be made**

Companies will apply using the BDP Application Form which is available from IDA Ireland’s Project Executive. Consultants supporting the Scheme must be selected from a database provided by IDA Ireland. The Application Form should be completed outlining the work to be undertaken, the timeframe for completion and the milestones to be achieved.

1. **Eligible Expenditure**

Depending on the level of engagement required of the consultant by the company, the cost per day for the consultant is recommended at no more than €1,500. The minimum required for any of the companies is likely to be 7 days and the maximum is likely to be 33 days. The maximum amount of grant aid for any one company for this programme will be capped at €300,000.  The level of grant aid would be applied on a case-by-case basis, proposed by the Project Executive and Departmental Manager. The determining factors for this will include the size and existing scale of the company, its location and its segmentation and the urgency required for the programme by a client. The company will match the grant. Only on occasion where the following occurs, will the CDC determine whether match funding is required: -

* Company does not have sufficient cash flow and is at high risk;
* Company cannot secure funding from Corporate.

The work of the consultant would include:

* working with the Project Executives on the approach to be taken with the company;
* utilising IDA Ireland diagnostic tools;
* time spent with the leadership team exploring opportunities;
* work with the individual CEOs and other leadership team members;
* development of implementation plans;
* potentially supporting a corporate engagement;
* working with the company as key milestones occur (could be quarterly).

The last point is important if we are to ensure implementation, but the main point of consistent contact will always remain that of the IDA Project Executive.

1. **Evaluation Process**

On submission of the BDP Application Form, IDA Project Executive will confirm that the application meets the requirements of the scheme and will be submitted through IDA’s approval process. Application approval will be grant aided up to a maximum of €300,000 of eligible expenditure.

1. **Scheme Administration**

Letter of offer will be sent to the approved company by IDA Ireland’s Grant Administration Team. This will need to be signed, accepted, and returned by the company.

1. **Drawdown of monies – Output and Outcomes necessary for grant drawdown**

Grant drawdown will be based on receipt of a written report from the consultant and agreed with the company to the IDA Project Executive setting out the agreed work concluded as part of the programme, which will include:

1. Strategic Plan;
2. Implementation Plan;
3. Corporate and Stakeholder mapping ;
4. Transformation plan/agenda;
5. Proposal for new value proposition;
6. An Advanced Manufacturing and/or a Strategic Digitalisation Services Plan.

The grant should be repayable in full if no attempt is made to meet the key milestones identified in any of the above. In a situation where milestones change but effort is made to implement, no repayment of grant is required. The Project Executive will inform Grant Payments that grant revocation is required and will report on this to the Client Development Committee through the implementation update phase of the Committee cycle.

1. **Outcomes**

The real success of this scheme will be determined by the impact on the Irish site through its ability to transform and maintain steady progress towards full implementation of agreed priorities. Moving towards this objective will be the focus of discussions by Executives when they meet their companies. The Project Executive will present the programme updates to the CDC as part of the existing Client Development Process.