

Does my organisation qualify as an SME?

If you can answer 'Yes' to all four questions, your organisation qualifies as an SME under the EU definition.

YOUR ORGANISATION IS NOT AN SME.

NO

Is the organisation an enterprise, i.e. engaged in economic activity?

 YES!

NO

Does it have fewer than 250 employees?

 YES!

NO

Does it have an annual turnover not exceeding €50 million?*

Or

Does it have a balance sheet total* not exceeding €43 million?

 YES!

To answer Yes, at least one of these conditions must be fulfilled.

*according to its most recent audited accounts

NO

Is it autonomous?

 YES!


For the definition of autonomy, and to learn how your enterprise may qualify as an SME even if it is not autonomous, see the detailed definition on the *SME TechWeb*.

YOUR ORGANISATION IS AN SME.

What else do you need to know?

SME TechWeb

The *SME TechWeb* offers a range of information for SMEs that would like to take part in EU research. It is designed for technology oriented companies wishing to innovate and internationalise. Using clear, simple language, offering numerous concrete examples of projects, this website will be of particular value to those applying for research funding. Visit it now at:

ec.europa.eu/research/sme-techweb

SME National Contact Points

SME National Contact Points have shown their worth in the past as providers of information and guidance to SMEs wanting to participate in EU-funded research. This role will be strengthened throughout FP7 (2007-2013). A complete list of NCPs for FP7 is available at:

cordis.europa.eu/fp7/ncp_en.html

General FP7 information

For information about related research activities, calls for proposals, work programmes and schemes in FP7, please visit the following comprehensive websites:

Europa: ec.europa.eu/research/fp7/
CORDIS: cordis.europa.eu/fp7/home.html

Contacts

Martina Daly

Martina.DALY@ec.europa.eu

Research enquiries service:

ec.europa.eu/research/enquiries

RESEARCH FOR SMEs at a glance

Objectives	To improve SME competitiveness by investing in the acquisition of new knowledge from RTD providers.
Main applicants	Small and medium-sized enterprises
Beneficiaries	SME participants
Owners of IPR	SME participants by default
Total project budget	Typically €0.5 to €1.5 million
EC funding	75% of research costs, 50 % of demonstration costs, 100% of costs for management and other activities ²
Number of participants	Typically 5 – 10
Project duration	Typically 1 to 2 years

² The financial support of the Community is in accordance with the Rules for participation and will be capped at a value not exceeding 110% of the estimated price to be invoiced by RTD providers to SMEs.

Research for SMEs creating knowledge for growth

The Seventh Framework Programme (FP7) provides financial support to innovative SMEs investing in the acquisition of new knowledge from RTD providers to improve their competitiveness.

Research for the benefit of SMEs

For many European small and medium-sized enterprises, continued success and robust growth is linked to competitiveness in the global economy. Fresh ideas and novel approaches to business are important for SMEs to compete in today's globalised market. Research is an integral part of this process.

In the **Seventh Framework Programme (FP7)**, the European Commission will continue to provide financial support to innovative SMEs investing in the acquisition of new knowledge from RTD providers to improve their competitiveness.

Under FP7, the funding model used for **Research for SMEs** (formerly Co-operative Research) maintains its guiding principle to strengthen the innovation capacities of SMEs to develop new products and markets through the acquisition of new knowledge from those institutions best suited to carry out research.

The relationship between participating SMEs and RTD performers is a simple customer-seller one. RTD performers agree to undertake research on behalf of an international consortium of SMEs, and will be remunerated for their services by the SMEs with a significant portion of the research costs funded by the EU.

RTD performers conduct research, SMEs purchase the results and it is then up to them to evaluate, validate and apply these to their business model.

Principal focus of RESEARCH FOR SMEs

Projects aim to solve common or complementary technological issues facing SMEs. They centre around research needs which SMEs are unable to address on their own.

As **Research for SMEs** is a bottom-up scheme, research topics span the entire range of science and technology challenges faced by SMEs.

As the focus of **Research for SMEs** is on the strengthening of the competitiveness of SME participants and improving industrial competitiveness across the entire European Union, particular emphasis will be given to the economic impact of the results for the participating SMEs. When conveying project results, participants are to consider the findings' relevance in the context of EU policies and their capacity to foster dialogue beyond the research community, explore wider societal issues and address possible synergies with education initiatives.

Activities supported by RESEARCH FOR SMEs

Within the framework of each project, the Research for SMEs scheme will support SMEs in:

- **Research and technological development activities.** Research undertaken by RTD performers will form the bulk of each funded project. SMEs will focus on the testing and validation of project results, and the preparatory stages for applied use. Knowledge management and Intellectual Property Rights protection will contribute to a clear economic impact of project findings.
- **Demonstration activities.** These are designed to demonstrate the viability of new technologies produced through the research that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of product-like prototypes).
- **Training and dissemination activities.** RTD performers will train technical and managerial staff from the participating SMEs, focusing on best-practice utilisation of results and technologies generated by project research. Dissemination to third parties will be accomplished through conferences, publications, workshops, web-based initiatives, etc.
- **Management activities.** Over and above the technical management of individual work packages, these activities will provide an appropriate framework bringing together all project components and maintaining regular communication with the Commission.
- **Financial support** of the Community is in accordance with the Rules for participation and will be capped at a value not exceeding 110% of the estimated price to be invoiced by RTD providers to SMEs.
- **IPR.** By default, SMEs retain full ownership of the Intellectual Property Rights. The consortium may however reach a different agreement in their own best interests, as long as the SMEs are provided with all the rights that are required for their intended use and dissemination of the project results.

Forming a RESEARCH FOR SMEs consortium

The composition of the consortium must meet certain minimum requirements.

• SME participants

A consortium must contain at least three independent SMEs¹ headquartered in three different Member States or Associated Countries. SME participants cannot be research centres, research institutes, contract research organisations or consultancy firms.

• RTD performers

A consortium must contain at least two RTD performers independent from any other participant. They are legal entities able to carry out research and technological development activities for the benefit of SME participants. Examples are universities, research organisations and industrial companies, including research-performing SMEs.

• Other enterprises and end-users

A project consortium may additionally include "other enterprises and end-users" who contribute to the project and aid in solving specific problems of SME participants, though only in a secondary role.

Co-ordination of a funded project may not be subcontracted. The organisation acting as co-ordinator must have the necessary capacity and competence to effectively assume all co-ordination responsibilities. Co-ordination will normally be assigned to one of the SME participants or RTD performers, however in some cases it may be entrusted to an "other enterprise and end-user" specialised in professional project management.

Participating in RESEARCH FOR SMEs: Calls

The first call for projects under Research for SMEs will close on **4 September 2007**. It is open to organisations in all research fields. For more information on how to submit a proposal and related details, please consult DG Research's SME *TechWeb* at:

ec.europa.eu/research/sme-techweb or cordis.europa.eu/fp7/dc

¹ SME Definition Commission Recommendation 2003/361/EC