



Innovation Voucher



PLAYBOOK

Digital opening for company growth



**BUSINESS
TAMPERE**



CONTENTS

- 3 FOREWORD**
- 4 #WHY?**
Your team thirsts for bigger arenas
- 7 #WHAT?**
What is an Innovation Voucher and how does it work?
- 12 #HOW?**
Make a digital launch
- 14 FAN MAIL**
What people are saying about the vouchers
- 20 GROWTH STORY**
How the HUOLETI app came to be
- 22 WORTH IT?**
The leader board speaks for itself
- 27 HOW TO GET STARTED**
This is how to kick things off



Hello to all of you who are interested in vouchers!

It is my pleasure and privilege to introduce you to the Innovation Voucher Playbook a'la Tampere City Region. I hope that this book will provide you with a quick and positive overview of what the Innovation Voucher is, why it is needed and how it works.

The journey has been an interesting and sometimes even challenging one, but it has certainly been worth it. The voucher model has opened a whole new opportunity for cooperation between the public and private sectors.

Convenience, speed, minimal red tape, targeting and customer choice. These are the ingredients for a functional approach to promoting the development and commercialisation of innovations in companies. Both the voucher users and service providers benefit from the end result.

Why is now the time to read this book and learn about the voucher model?

Publicly-funded enterprise services are currently undergoing changes and will be for

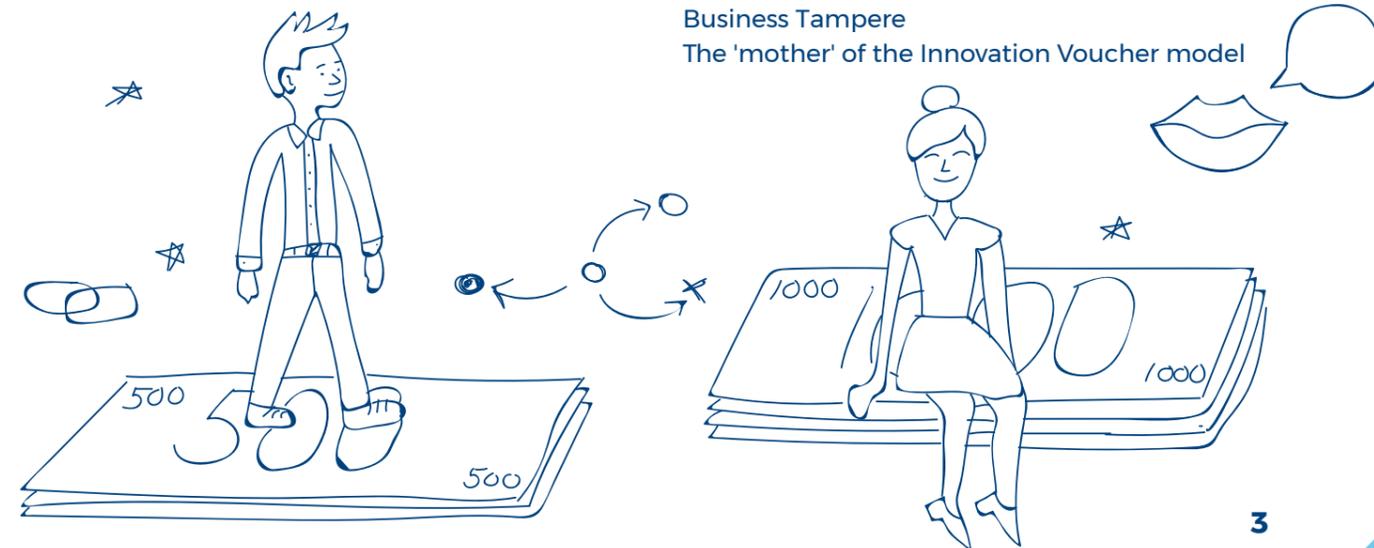
the foreseeable future. Digitalisation, market-oriented approaches and the requirements for transparency and openness at multiple levels will continue to increase the need for instruments like this.

I hope that this book will help you discover new ideas and give you the spark to adopt the voucher model for your own game. **Even though Playbook is the goal line for our Innovation Voucher pilot, we hope it will also serve as the kickoff for countless new voucher trials all over Finland.**

I would like to thank everyone who pitched in to make the Innovation Voucher happen. You are just the kind of trailblazers we need.

"A true journey of discovery lies not in seeking new shores, but in finding new eyes" - Marcel Proust

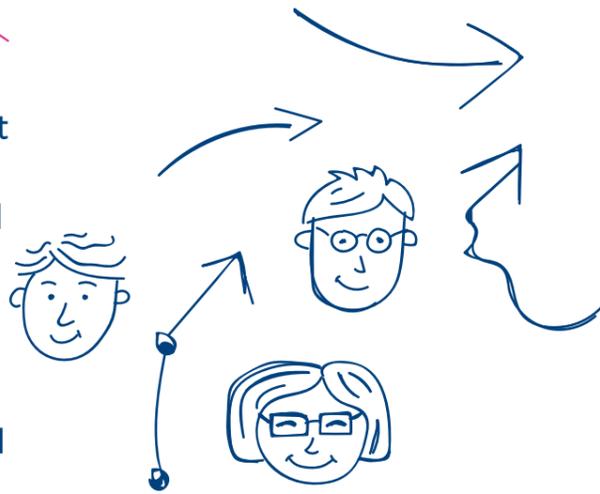
Niina Immonen
Director,
Smart City Solutions
Business Tampere
The 'mother' of the Innovation Voucher model



#WHY?

Your team thirsts for bigger arenas

Finland needs more businesses that want to internationalise and enter the export market. In particular, micro-, start-up and new enterprises need support to take on the world - and as nimbly as possible. The Innovation Voucher was created so that all businesses would have the opportunity to exchange their home field for bigger arenas.



Businesses want to grow and develop. Only 12% of Finnish SMEs export their products or services abroad, while the average for EU member states is 25%. In addition to internationalising SMEs, Finland also needs micro- and start-up enterprises aiming to enter the export market.

These growth needs also provided the impetus for the 2016 launch of the Innovation Voucher pilot in the Tampere City Region. The objective of the Business Tampere (Tredea) Innovation Voucher was to accelerate growth, internationalisation and exports abroad. The innovation voucher is a regional pilot project funded by the municipalities of the Tampere City Region and the Council of Tampere Region (with the help of ERDF).

However, this was not all. Our goal was also to try out a new kind of funding model, which had never actually been used in Finland before.

Vouchers are nothing new but open vouchers are

Intended as a means of leverage, vouchers are not a new invention in Finland. For example, Business Finland's (Tekes) innovation vouchers, which were introduced at the same time as the Tampere vouchers, have been major springboards for Finnish enterprises, providing a major boost to exports and the creation of new jobs.

The Tampere region vouchers had their own features. The Tampere operating model differs from the Tekes innovation vouchers in that, for example, it does not require established business operations. In addition, Tekes only accepts limited liability companies as beneficiaries.



Everyone should have the opportunity to receive support. That is why we want to create a genuinely open and equal operating model with a low threshold to ensure access for enterprises. Innovation nearly always requires co-operation, which is something that should also be encouraged in service providers.

Business Tampere's Innovation Vouchers emphasise a freedom of choice for first-time users and a market-oriented process. There is no competitive bidding for service providers - businesses are free to make their own choices. We will discuss this in greater detail in Chapter 3.

Tampere is the first to use digital vouchers

Not only should there be greater opportunities for support, we are living in a time when business services should function in an up-to-date and flexible manner.

The Tampere City Region was the first in Finland to adopt the digital business service voucher system.

Digitalisation has brought about a host of new benefits: transparency, dynamism, customer-friendliness and agility. A digital platform makes fast, direct transactions possible for both businesses and service providers.

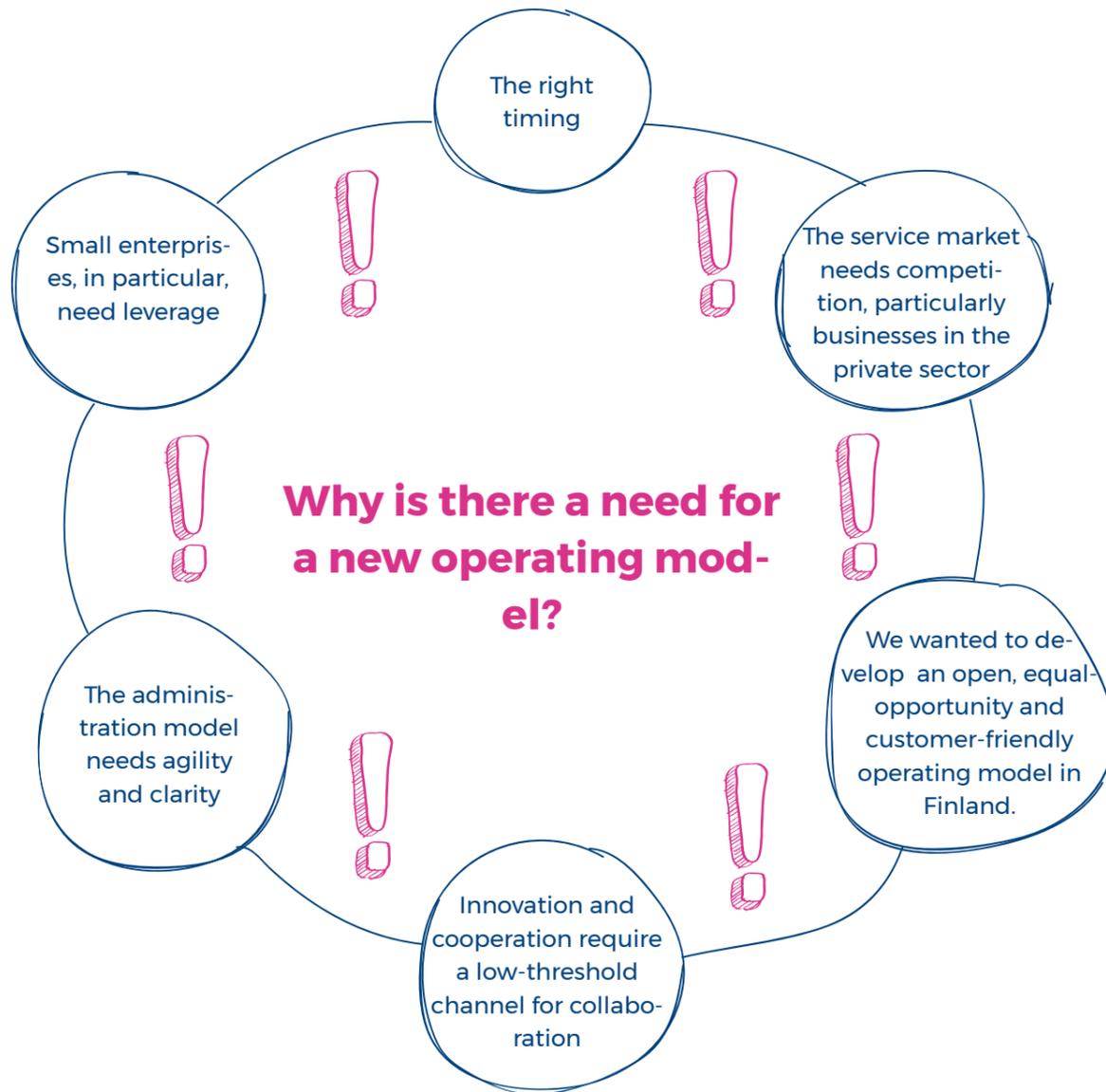
In addition, the platform is easy to manage. We also wanted to streamline the role of administrator within the growth service system.

Why not?

We have taken the first step on your behalf, making it easier for you to join. Not only that - the time is ripe!

The coming regional reform is a major opportunity to provide services in a whole new way.

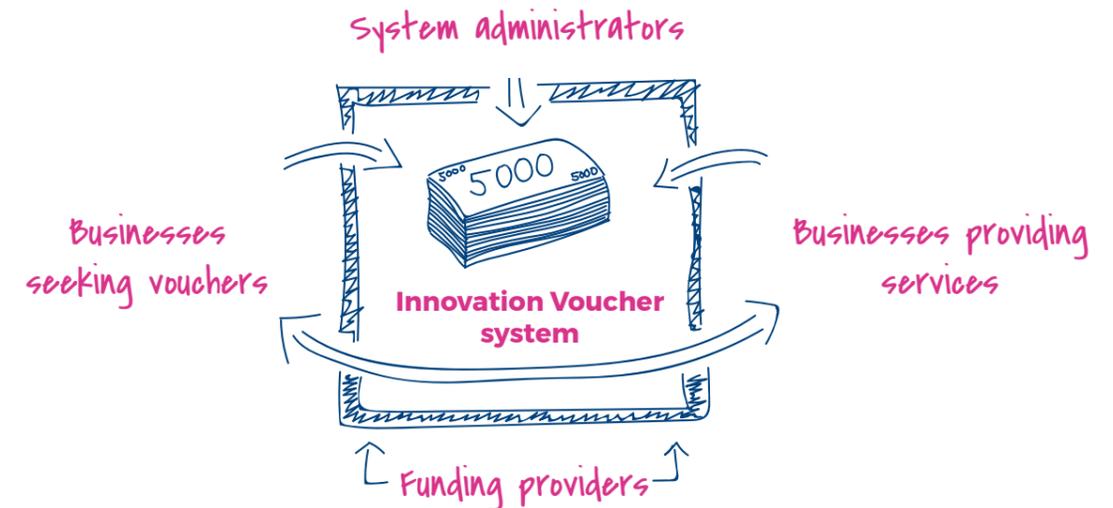
Follow the tips in the book and we'll see you on the playing field!



#WHAT?

What is an Innovation Voucher and how does it work?

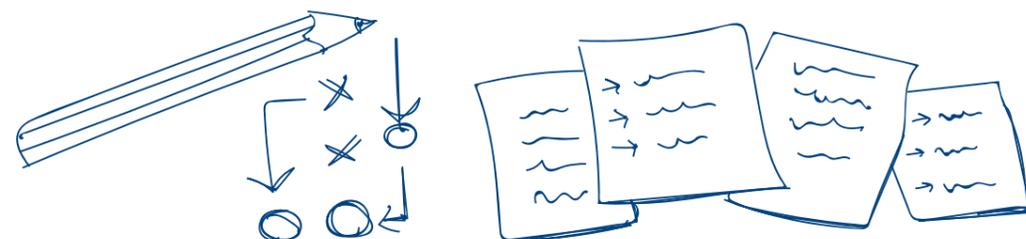
The Innovation Voucher offers an opportunity for taking that next step - in development, growth and internationalisation. In a digital Innovation Voucher system, a business can choose support for, among other things, development of its own digital services. Support is paid directly to the service provider in the system.



Coordinated by Business Tampere, the digital Innovation Voucher system was launched in 2016. The purpose of the two-year pilot project was to lower the threshold for businesses to avail themselves of innovation, internationalisation and growth services as well as accelerate and facilitate their implementation. A total of EUR 995,000 in funding was allocated. Of this, EUR 754,500 was the original project funding (60% ERDF/Council of Tampere Region, 40%

Tampere City Region municipalities). The rest was separate supplemental funding provided by the City of Tampere.

The Innovation Voucher system comprises of: 1) businesses seeking vouchers; 2) business providing services; 3) system administrators; and 4) funding providers.



1.



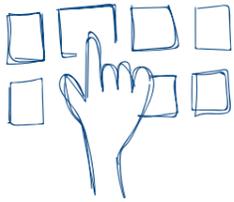
Service search

We will first examine the situation from the administrator and service provider point of view.

The process starts with a service search

The Innovation Voucher system needs good business services in order to function. Thus, the first task of the administrator is to launch a service search and target the notice to service providers within its region, such as companies, higher education institutions or research institutes, which meet the criteria set by Tilaajavastuu.

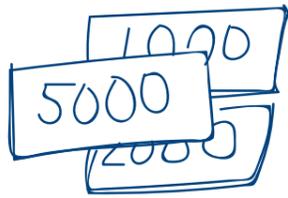
2.



Voucher search

Service providers are enlisted in accordance with the administrator's instructions and registered in the system. They present their offering in the system on product cards corresponding to the value of the vouchers. This may require the business to revise, productise and even introduce new services.

3.



Quantity

The administrator approves all the product cards, i.e. Innovation Voucher services, submitted to the system.

The business purchases expertise or knowledge with the vouchers

The next step is the actual search for Innovation Vouchers, which is targeted on the product card services.

4.



Terms

Once a business has decided that it wants to search for Innovation Vouchers, it logs into the administrator's digital voucher system, where the business can explore and compare various service alternatives as easily as browsing through an Ikea catalogue. Once a suitable service is found, the entrepreneur fills out an electronic application form for vouchers of a certain value and submits it to the system administrator.

5.



Confirmation

In the Tampere City Region pilot, vouchers were issued in six different values: 500, 1,000, 2,000, 3,000, 4,000 and 5,000 euros. Four applications rounds a year were held.

6.



Use

Prior to issuing a voucher, the administrator ensures that the terms of receiving support are met. In the case of the Tampere City Region, there were two basic terms: 1) The service being acquired with Innovation Vouchers had to be a major step in a

new direction for the business, i.e. it had to promote the growth, internationalisation or digital development of the business; 2) Vouchers would be issued if they were used to develop solutions for smart mobility, well-being, industrial reform, the Industrial Internet of Things or smart cities. A third term was set for the last two rounds: The business applying for a voucher had to have its domicile or at least a business location in the Tampere City Region.

In addition to the above, a business was required to accept the service voucher system terms of use, which were used to determine the suitability of the voucher recipient. Businesses were not, for example: to have any outstanding tax debts; to be in bankruptcy proceedings; or have any interests in the chosen service provider.

Once the voucher has been issued, the business receives a notification that the voucher is now available for use. Then, the business and chosen service provider would meet and agree on the service approach to be used, i.e. how to achieve the set goals in the best possible way.

The period of validity for vouchers in 2017 was three months from the date of issue. As this is considered business support, there is no need to pay it back. The Tampere operating model does not include any deductible to be paid by the

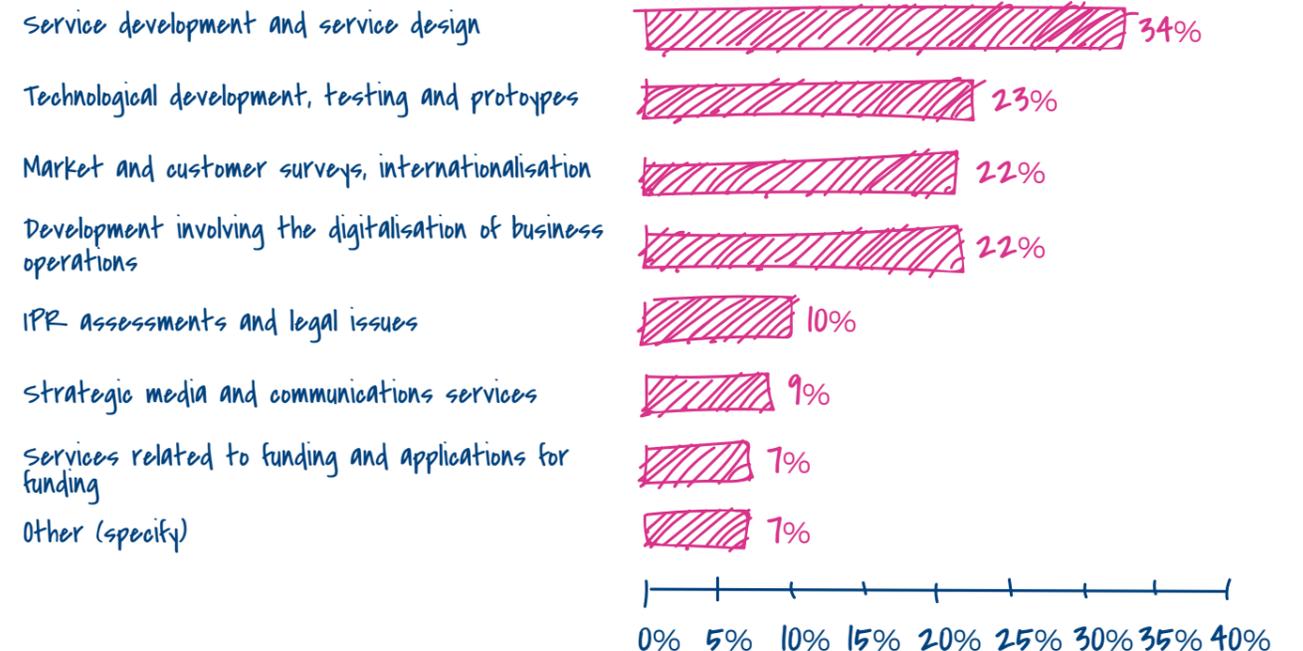
business, but the use of a deductible is possible. Instead, a voucher applicant in Tampere paid VAT, which is tax-deductible.

What are Innovation Voucher projects in practice?

Innovation Vouchers make it possible to receive and provide a variety of services. The resulting service catalogue also depends on the terms set by the administrator - what fields are to be developed and advanced within their own area?

A third of the Tampere Innovation Voucher projects involved service development and service design, which were clearly, in many respects, a move in a new direction. Vouchers were also used a great deal for technological development and testing, market and customer surveys, and development involving the digitalisation of business operations. Approximately one out of every ten voucher projects dealt with IPR assessments and legal issues, media and communications strategies or funding.

Businesses used Innovation Vouchers to develop, for example, its own products or services (50%), acquire new contacts, partners or customers (30%) and get assistance in internationalisation (24%).



Percentages of various services obtained with innovation voucher funding in Tampere 2016-18.

The service provider markets its expertise online

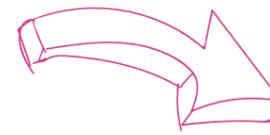
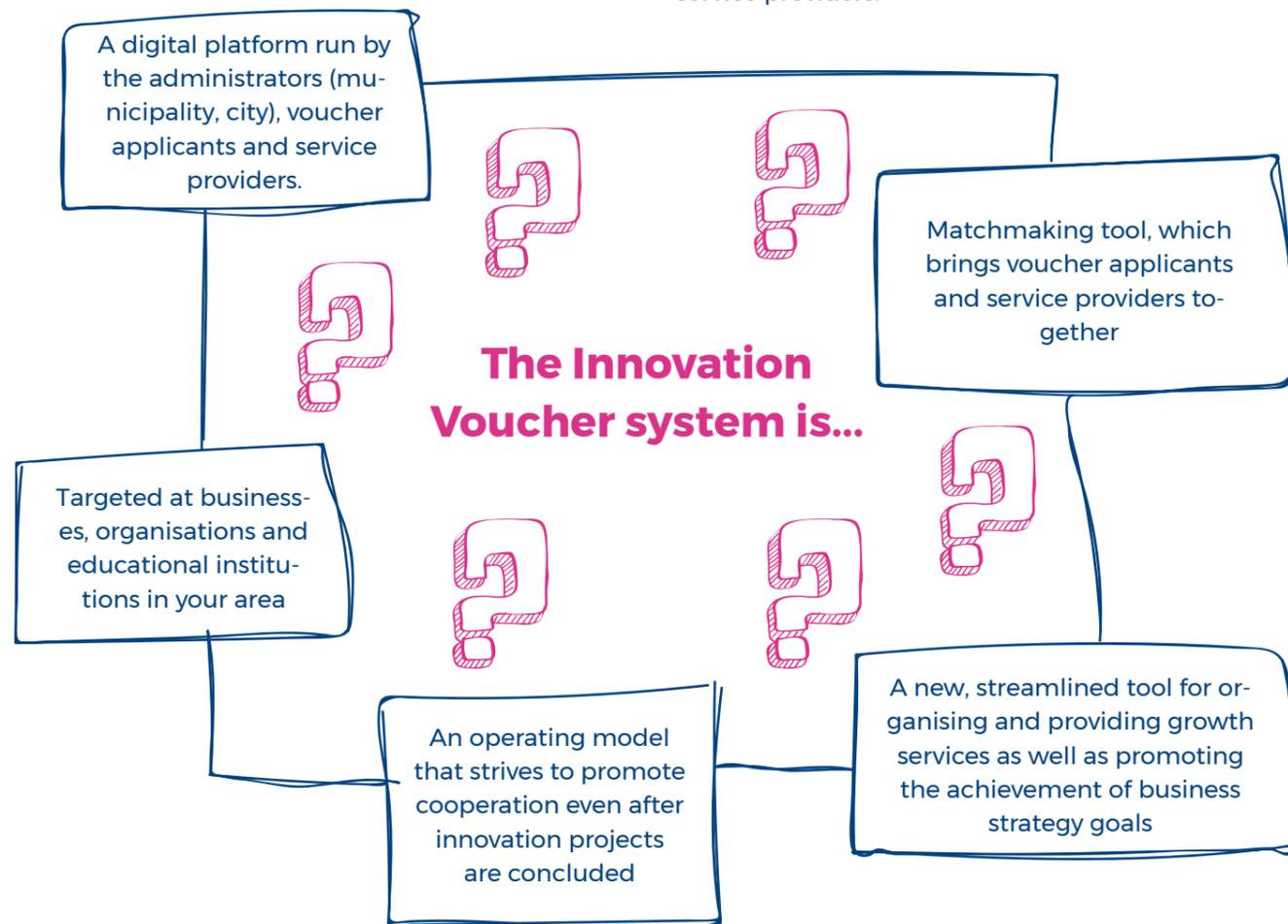
Businesses applying for vouchers and service providers meet on a digital platform. When a business has found a suitable service (i.e. a product card) and is issued a voucher, the business and service provider begin working together. The platform facilitates marketing and communications for one's own service.

Once everything is done, the business receiving the voucher acknowledges completion of the

work in the system and submits a short report. This acknowledgement activates the payment to the service provider.

See the entire Innovation Voucher system operating model description and roles on page 18.

Innovation Vouchers were piloted in the Tampere City Region together with local businesses. The pilot included over 400 product cards from some 200 service providers, nearly half of which received one or more customers through the Innovation Voucher. It was possible to apply for vouchers in multiple lots, targeting different service providers.



Tactical corner: Two ways to distribute vouchers

Vouchers can be distributed quickly and easily in two different ways thereby --minimising government assessment. During the first application round of the Tampere pilot, vouchers were issued in the order that the applications were received. In the second round, speed was not the focus - the voucher recipients were drawn at random. The drawing model has been used in service voucher searches in, for example, the United Kingdom and The Netherlands.



#HOW?

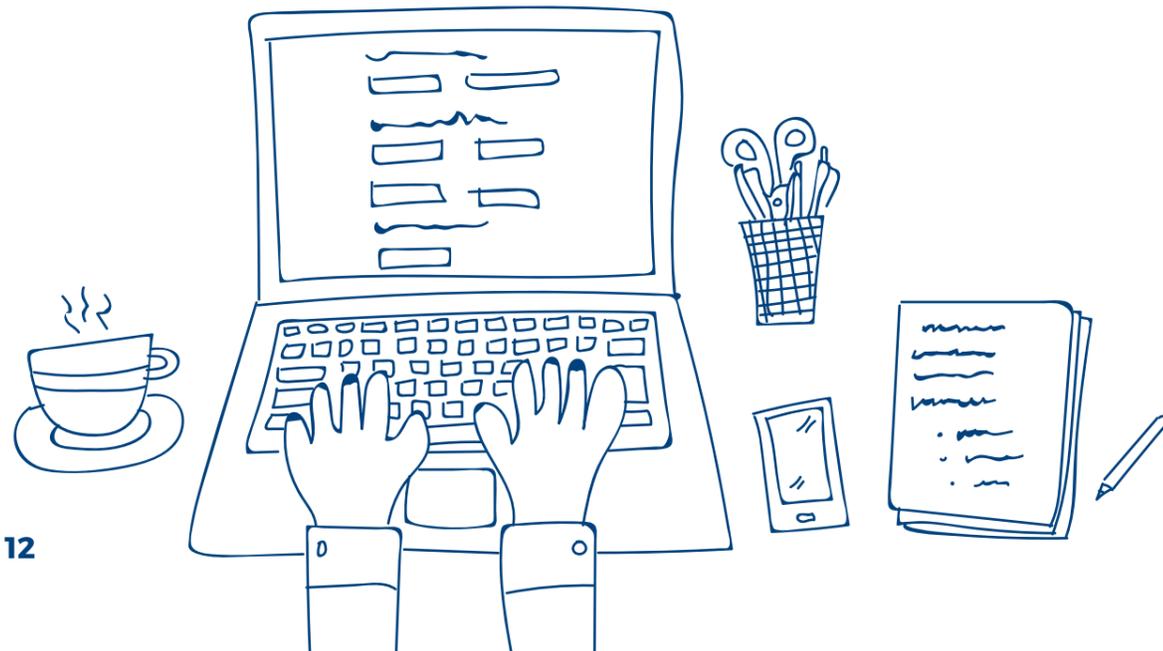
Make a digital launch

Not everyone can make the team or can they?

We feel that businesses need a support system based on openness and easy access, welcoming actors of all sizes to choose the services that are just right for them. It's time to open a new, open playing field!

One of the goals of the Innovation Voucher is to lower the threshold for access to innovation and growth services. This is why the business service system was included as part of the broader PSOP system used in health care. PSOP is a national service voucher and outsourcing system, which will be linked with the framework agreement with KL-Kuntahankinnat Oy concerning the business service voucher application.

The digital PSOP system makes it easier to allocate support. Thanks to the system, the support application process is more streamlined and easier to implement, particularly for small businesses. Customer business feedback emphasises speed, convenience and satisfaction with minimal bureaucracy.



The digital platform also facilitates the provision of services. Businesses and service providers can conveniently find the right partners through the system. Municipal actors also support businesses providing support services in offering a new, easy-to-use channel for providing services and contacting businesses. This is why the use of vouchers should be promoted wherever possible, even if vouchers are not in continuous circulation.

Both businesses using the vouchers and service providers have been satisfied with the voucher application and usage process. Administration has also been easy. The Innovation Voucher platform is actually so user-friendly that vouchers could be issued to a far greater extent without significantly increasing the amount of necessary administration work.

Developed by Digia Finland Oy, the PSOP system is administered by Kuntien Tiera Oy.

More freedom of choice for business support

One of the best things about a more streamlined voucher is a real freedom of choice. Previously, when service providers were pre-selected, businesses seeking support did not always find the service provider that met their specific needs. Now, businesses choose what they need and who is to provide it.

The competitive nature of this arrangement makes the market more dynamic. It also gives service businesses just starting out an opportunity to provide publicly funded services.

Service providers have also found the new operating model to be an excellent way of presenting their own services. It also makes it possible to develop and productise one's own services more effectively. Because Innovation Voucher support is applied for in the form of ready-made service entities, operators registered as service providers have been required to develop a voucher for their own service offering to be included in the product cards on the platform.

In the Tampere pilot, one out of every seven service providers developed an entirely new service for the vouchers and half of the service providers redesigned their existing services to make them usable with the vouchers.

Indeed, one of the goals of the Innovation Voucher is to make an effort to influence the structure of the service market. Productising expert services and redesigning service offerings into voucher-procured entities helps clarify the service offering content and benefits, also where the customer is concerned.

Ensuring legal compliance

Business Tampere (Tredea) commissioned a legal expert report concerning the organisation of business services in an electronic business voucher system because all public activities must strictly observe the applicable laws.

A hand-drawn illustration of a document with a paperclip at the top. The document contains a list of excerpts from an analysis.

The analysis examined procedures in terms of public, competition and IT law. Below are a few excerpts from the analysis:

- The Innovation Voucher may be issued to a business as de minimis business support.
- The recipient of a service voucher is not obligated to bid for service providers under the Act on Public Procurement and Concession Contracts.
- Special attention must be paid to, for example, the consent of the user/applicant, the legality of information given regarding commitments and the limitation of the service provider's liability.
- The requirements laid out in the EU general Data Protection Regulation must be taken into consideration.
- If a system is developed with public funding, it must be done in accordance with the applicable law.

FAN MAIL

What people are saying about the vouchers

In this section, we'll pass the ball over to the voucher system users. We asked the various participants of the Tampere Innovation Voucher project for their thoughts on how the new Innovation Voucher works.



"The voucher was sufficiently flexible, but it also provided a framework within which you had to work."

CEO Jukka Kivimäki, Remion Oy

"The Innovation Voucher is part of the service offering precisely because of its flexibility. Its approach can also be used in the spirit of regional reform."

Research Director Jari Kolehmainen, University of Tampere School of Management



"Ideally, when the customer has submitted its voucher application, it will be processed within a few hours and the business can get right to work."

Senior Advisor Janne Kärkkäinen, BusinessOulu



"Because bureaucracy was kept to an absolute minimum, it was unbelievably easy for customer businesses as well as us service providers."

CEO Tommi Pajala, Fimentum Oy



"The support helps businesses invest in their innovation and development, which are easily put on the back burner in small enterprises."

Innovation Voucher Project Manager Jukka Reunavuori, Business Tampere



"The whole region benefits when the expertise and knowledge of higher education is more effectively put at the fingertips of SMEs, thus accelerating their innovation processes."

Director of Stakeholder Engagement Päivi Myllykangas, Tampere3

"The voucher process was virtually painless in terms of applications, approvals and implementation."

CEO Ville Salonen, Room Escape Finland Oy

Shown here: Leonidas software developer Toni Jyrkinen, who is responsible for the implementation of the service.



"In many cases, making contacts with experts and finding the right partner for getting development moving is even more valuable than money."

Research Manager Kari Lyytikäinen, Tampere University of Technology



"Without the vouchers and their accelerated timetable, we would've never made our company videos or enjoyed the benefits they provide."

Managing Director Harri Toijanen, Hypcom

Shown here: Creative producer Leila Viitala, who is responsible for the implementation of the service.



"Thanks to these vouchers, cooperation with different businesses has improved."

Deputy Mayor Anna-Kaisa Heinämäki, City of Tampere

Young operators also participated in the Tampere pilot

Tampere Region Innovation Vouchers were issued to 205 businesses, most of which were young entrepreneurs and small enterprises. Roughly half of all of the businesses were founded in 2012 or after, i.e. they had been in business for no more than five years by 2017.

A total of 93 different service providers launched voucher projects. A majority of the service providers were registered in Pirkanmaa (58%). The next most common domicile was Uusimaa, where a total of 21 businesses were registered (23%). The domiciles of other service providers were distributed quite evenly among seven other regions. In addition to these, businesses registered in foreign countries – Sweden, Spain and India – also participated as service providers on a trial basis. Service providers operating outside of Finland could not actually participate in the pilot, but it would be an extremely good idea to continue international development.

Voucher distribution is not free

The costs of the Tampere pilot amounted to approximately EUR 1.7 million for the period 2016-2018. EUR 1 million of this amount was issued to businesses in the form of vouchers.

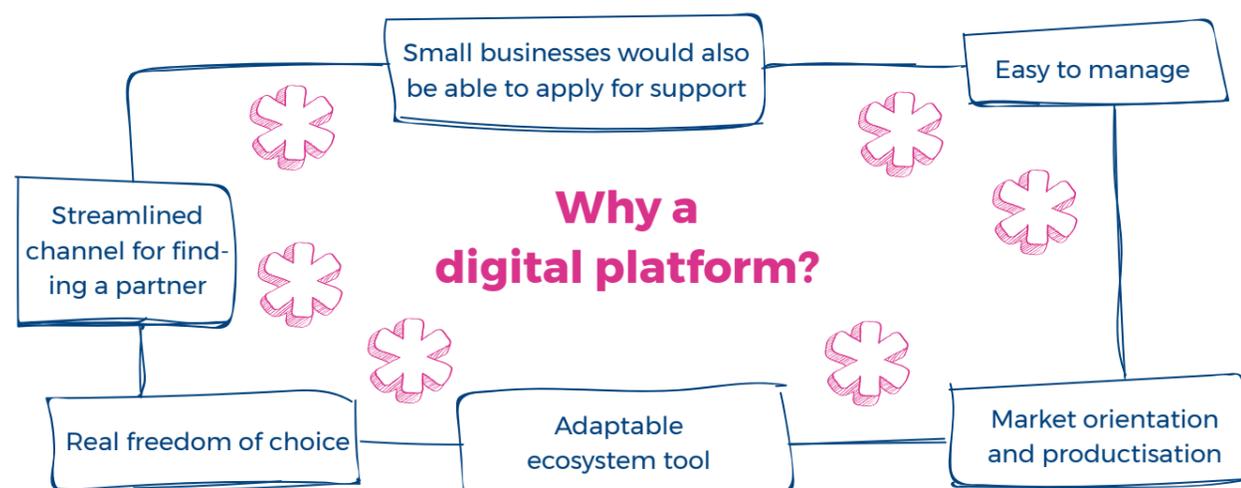
The administrative costs were incurred by, for example, the development and maintenance costs of the digital platform, which totalled approximately EUR 300,000. Personnel costs for the

two-and-a-half year period amounted to EUR 295,000. In addition, the project procured legal consultation services (approx. EUR 40,000), communications and information services (approx. EUR 28,000) and impact assessment services (approx. EUR 30,000). The project also had general implementation costs amounting to approx. EUR 70,000.

A cost-benefit analysis showed that the vouchers would most likely have a positive impact on value added. It was also found that administrative costs had a major impact on this. Operational efficiency is compromised by financing and administration using project funding, which is tied up in a certain amount of human resources and a considerable amount of project-related reporting.

Tactical corner:
Getting administrative resources under control

If a voucher-based business funding service were to be integrated as part of established operations instead of a project-based one, the administrator's resources could be used more flexibly and effectively. At the same time, it would be possible to more effectively take advantage of the benefits provided by a digital platform.



Communications get you to the goal

Success of the Innovation Voucher requires active communications throughout the entire process.

Voucher system communications are the responsibility of the administrator, whose task is to provide information to service providers and businesses applying for vouchers as well as submit reports to funding providers on the progress of the system and, above all, the results achieved by means of the vouchers. A comprehensive communications plan is an effective tool for Innovation Voucher administrators.

Because this is a rough operating model, it is vital that information is actively exchanged both internally and externally. The system participants must be committed. Failure to communicate makes things more difficult, particularly the starting phase, on which the administrator should place an emphasis.

In the initial phase, communication, especially with service providers, is vital, as they ensure the quantity and quality of the product cards.

Informative events

Various informative events were held around the Tampere Innovation Voucher pilot. These events were considered a big success. At information session, businesses and service providers received information on the new voucher system, what would be required of applicants to it, and what benefits it would provide.

A special 'Voucher Day' was also held in Tampere. Its purpose was to sum up all the project results and experiences up to that point and serve as a more comprehensive sounding board for the Innovation Voucher system.

Ensuring local exposure

The Innovation Voucher is a major investment and exposure is desired, especially at the local level. Media and press relations help in communicating information on the voucher, which is why close contact with local media outlets should be maintained.

In Tampere, the newspaper *Aamulehti* reported repeatedly on the start of voucher applications and conducted interviews with businesses and service providers participating in the voucher pilot. Case study type stories on participants gave a face to the Innovation Voucher, attracting interest in the voucher programme and getting people to join in.

In Tampere, every other (49%) service provider received information on the Innovation Voucher from Business Tampere, one out of every four (25%) from a business partner and the remainder from customers, the media or another source.

Tactical corner:
Voucher Day captures the attention of the media

A Voucher Day was created for the Tampere Innovation Voucher pilot. Its purpose was to present the project results and provide information on the ability of the Innovation Voucher to meet changes in the operating environment of companies. The information was aimed at service providers, businesses and administrators. In addition to this, background information on previous voucher trials and new aspects of the Innovation Voucher were discussed.

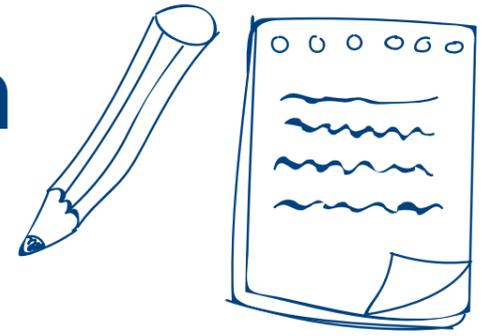
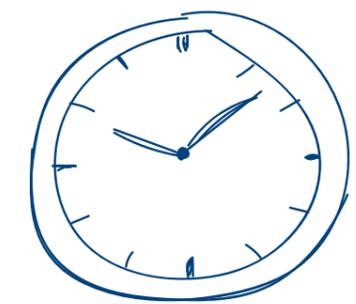
Voucher Day also enjoyed extensive media exposure, appearing in regional YLE news broadcasts. Voucher Day was organised by Business Tampere, with speakers from the Council of Tampere Region, City of Tampere, University of Tampere, Digia, KPMG and representatives from businesses using the vouchers.

This is how the Innovation Voucher system works

Before you issue a voucher, check the following:

Administrator checklist

- Legal adviser analysis
- Funding in order
- Voucher applicant terms set
- National service voucher and outsourcing (PSOP) system under control
- Communications plan set



The Administrator makes

Service search
• announced

Product card check and approval

Service launched and voucher application call announced

Confirmation
-> Notification for the service provider and vouchers for the applying business

Acknowledgement
-> The Administrator acknowledges and transfers the payment to the service provider

Monitoring and impact reporting for funding providers

Communications: • for participants • for authorities • for funding providers • for the media/press

Preparations made

Services for the voucher system

Voucher search up and running

Innovations underway
Lasts no more than 3 months

Final sprint

The service provider joins the Tilaajavastuu Reliable Partner service

The service provider registers with the system and makes product cards

The applicant checks the service category

Opening discussion
-> Service provider and applicant talk about what constitutes a suitable service

The applicant applies for a voucher

Innovation Voucher agreement
-> Applicant and service provider reach an agreement

Done!
- The applicant acknowledges receiving the service and gives feedback on the work performed

The service provider reports (voluntarily) and submits a VAT invoice to the voucher applicant

★ Need for business development



GROWTH STORY

How the HUOLETI app came to be

HUOLETI is a mobile application which helps the user in the event of a serious illness or other challenging life situation. Without Innovation Vouchers, this important service might not exist.

When you need help – a support network in your pocket

HUOLETI is a mobile application aimed at people going through a difficult time along with their loved ones and volunteer helpers. The app makes it easy to provide and ask for support and assistance. In other words, it brings the helpers and people needing help together. HUOLETI Oy was founded in January 2017.

HUOLETI helps the user get on with their lives despite suffering from a serious illness or challenging life situation. With HUOLETI, the user can easily invite family and friends to stop in for a visit as well as find others in the same situation.

HUOLETI makes asking and providing assistance easy - you have a support network right there in your pocket.

"Our goal is to have health care providers advise their clients to install the HUOLETI app when they are diagnosed with a serious illness," explains HUOLETI Oy Managing Director **Carita Savin**.



The service would provide access to assistance even for routine chores, such as walking dogs, cleaning or going to the store. It also brings volunteers and people needing help together.

Assistance with the prototype and funding plan

The Innovation Voucher was one of the biggest accelerators for HUOLETI Oy. According to Savin, it turned out to be absolutely vital.

"I heard about the Innovation Voucher on HealthHub, where numerous health care providers are found. I had just completed a prototype and wondered where I would be able to get funding for the first technical implementation of the app. It very well might be that the service never would have happened without the Innovation Voucher," says Savin.

HUOLETI made its first mobile user interface in collaboration with Haltu Oy, which was found through the Innovation Voucher system. With Haltu's help, the application was made to the highest standard of quality. The result? HUOLETI has won several idea competitions and received a great deal of attention in the media.

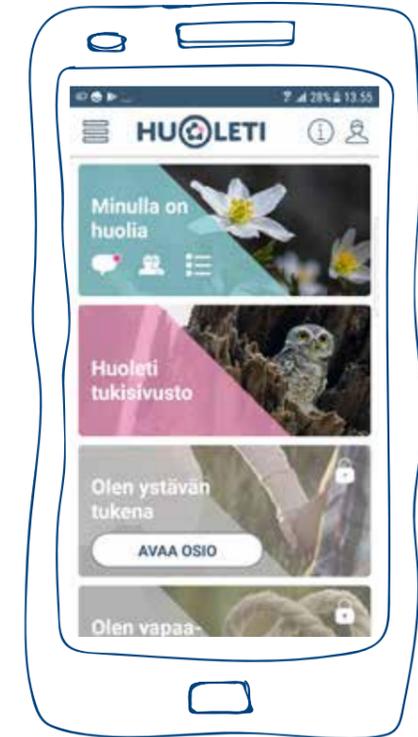
Fimantum Oy, which also came into the picture through the Innovation Voucher system, helped with drafting a funding plan and preparing the voucher application.

The Innovation Voucher application and application process were simple and easy to understand. Savin wholeheartedly recommends Innovation Vouchers to businesses wanting to try a new idea or service.

"In many cases, people are reluctant to invest in these kinds of ideas costing a few thousand euros unless they are absolutely sure they will be a winner. However, the service you get for that amount might ultimately be the key factor in taking the next step. That's how it went for us," says Savin.

HUOLETI doing well

Now, as we head into the summer, things are really moving at HUOLETI.



Anyone can register with the service. For example, a seriously ill person can use the app to send out invitations to join their support group to the desired people. The person sending the invitation specifies in the app the areas in which they need help.

HUOLETI Oy launched the public version of its application in February 2018. The population and sales of the service is going full steam ahead. Thanks to strategic partners, the service is enjoying distribution in several different channels.

"The big pharma companies are happy to work with us in order to create a whole new service concept," explains Savin.

Internationalisation is on schedule and there are plans to launch a pilot in an American innovation hub sometime this year. Hopefully, HUOLETI will also be able to participate in an American accelerator programme. The company is currently in negotiations regarding these.

"We here at HUOLETI want to change the world. We started it here in Finland and then worked to expand our business internationally," says Savin.

WORTH IT?

The leader board speaks for itself

As is the custom after a game, we follow up by analysing our plays through the results. Did the ball hit the post? Is there any way we can make the finals with another goal? In the spring of 2018, we conducted an impact assessment on the Tampere Innovation Voucher pilot. The results and conclusions of the survey are presented here in this chapter. We hope that the final results will also encourage you to start up your own growth game in your own area.

Win-win

The user feedback on the Tampere Innovation Voucher has been promising – there has been a great deal of satisfaction with and enthusiasm for the new operating model and the impacts of the voucher. Users praised the fast, user-friendly process and the openness and market-orientation of the digital platform.

The Tampere impact assessment was conducted in February-April 2018, with 125 businesses and 59 service providers participating. The assessment included expert interviews and surveys.

The results made for very enjoyable reading. According to the assessment, the vouchers, in many cases, served as a kick-start for development and co-operation – which was the whole point of the voucher. According to the results, a large percentage of the businesses received or believe that they will receive a major boost in turnover or were able to expand their opera-

tions into new market areas with the help of vouchers.

According to a cost-benefit analysis, a boost in the turnover of businesses over the next two years amounts to 3.4–5.4 euros for every "voucher euro".

We believe that the Innovation Voucher could also be a permanent solution for providing public business services. It's a win-win situation that benefits businesses, administrators and society as a whole. We will discuss these more below.

How do businesses apply for the vouchers benefit?

Even small businesses are eligible for vouchers. The Innovation Voucher equalises the availability of services and lowers the threshold to purchase services considerably. In Tampere, businesses receiving vouchers were primarily small and young. 69% of the businesses employed a staff of 10 people or fewer. 58% were founded in the 2010s.

Vouchers make the impossible possible.

A quarter of the impact survey respondents from businesses said that their project or product would never have come to fruition without vouchers.

Vouchers achieve excellent results quickly.

A majority of the respondents said that their development projects were completed more quickly thanks to the Innovation Voucher. A majority (85%) of the respondents from businesses said that they had achieved the desired results and 14% said that they had partially achieved the desired results.

Impetus for taking a step in a new direction.

Service development was the single largest type of project in the Tampere pilot, with a third of the respondents using vouchers in the development of their services. A majority of the businesses have continued or intend to continue the development projects launched with Innovation Vouchers.

The voucher creates new jobs and generates exports.

In Tampere, the Innovation Voucher created an average of 27.5 new jobs for businesses. In addition to this, 58% of the respondents anticipate the creation of new jobs. And half (50%) of the businesses are expanding their operations into new export market areas.

Business growth. The voucher project resulted in an over 10% increase in turnover in 17% of the businesses. 64% of the businesses said they believed a significant increase in turnover would be likely in the next two years.

How do service providers benefit?

No bureaucracy. The Innovation Voucher was found to be a streamlined funding service that minimised bureaucracy. 25% of the service providers responding felt that the process was very convenient and 54% said it was convenient. A majority of the service providers were also small enterprises, with 80% falling into the micro-enterprise category. There were a large number of young consulting firms represented.

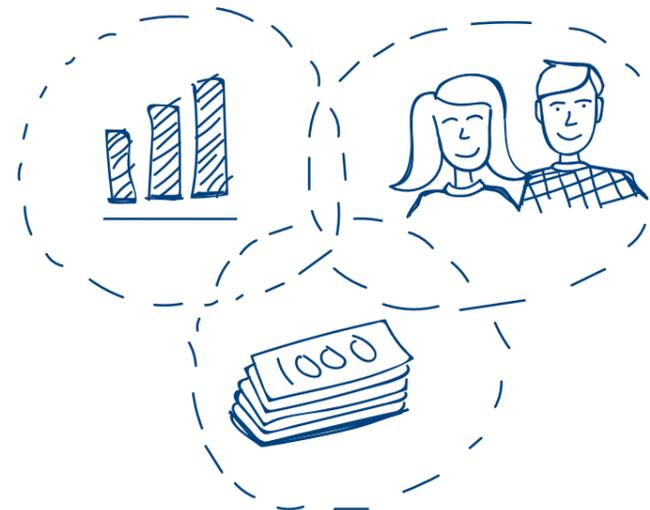
Services provide exposure. A digital system is an excellent matchmaking tool for getting businesses and service providers together. The services are easy to find. Innovation Vouchers also lower the threshold for purchasing services, i.e. vouchers tend to make the public business service sector more attractive.

Vouchers bring in new customers. As many as four out of every five (80%) service providers said that they brought in one or more new customers. Likewise, four out of every five service providers said that they had plans to continue cooperation.

Possibility of better and entirely new services.

The vouchers have encouraged service providers to design and package their own services into clearly-defined entities that meet the customers' needs and are suitable to the prevailing economic conditions. 14% of the service providers developed an entirely new product. 49% said that they had partially developed a product, adapting an existing product for use in the Innovation Voucher project.

Positive impact on the service market. Competition between service providers accelerates development: two out of every three service providers feel that the voucher had a positive impact on service marketing and two out of every five expect the voucher to bring new service providers into the market. Service providers market services provided with vouchers quite diligently to existing (48%) and new (46%) customers.



How do administrators benefit?

User-friendly system. From an administrator standpoint, the voucher is a customer-friendly, easily managed and highly adaptable tool. A majority of the transactions are conducted on a digital platform, thus streamlining the application and procedural processes.

Possibility to focus on the needs of your own area. For regions, the voucher is a new, streamlined tool for organising and providing growth services as well as promoting the achievement of business strategy goals. Administrators choose the voucher target group within their own areas so that vouchers find their way to the desired sectors and target groups.

Increase in regional cooperation. Where municipal vitality is concerned, the vouchers provide an opportunity to support city

development, trials and engage businesses in urban development. The Innovation Voucher is also one of the only ways to provide services together with the market.

Threshold for using other public services is lowered. The Innovation Voucher can also be used as a loss leader for business services and to activate the service market.

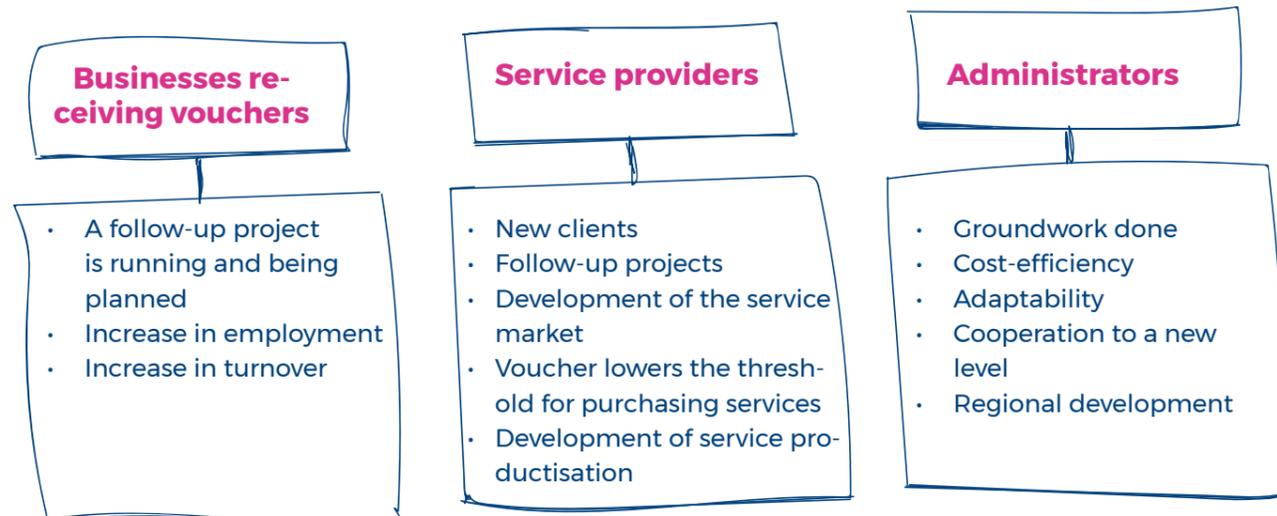
Development work already done. The administrative model and platform developed in the pilot project will facilitate operational efficiency, and the benefits of digitalisation will be more effectively realised with the establishment of operations and increase in volume. **If the model is fully adopted and established, it will be possible to lower administrative costs considerably in the future.**



A nearly perfect game

According to respondents, the following items still require a lot of fine-tuning:

- The user-friendliness of the digital platform
- Clearer instructions on invoicing VAT
- Improving how businesses being funded are chosen



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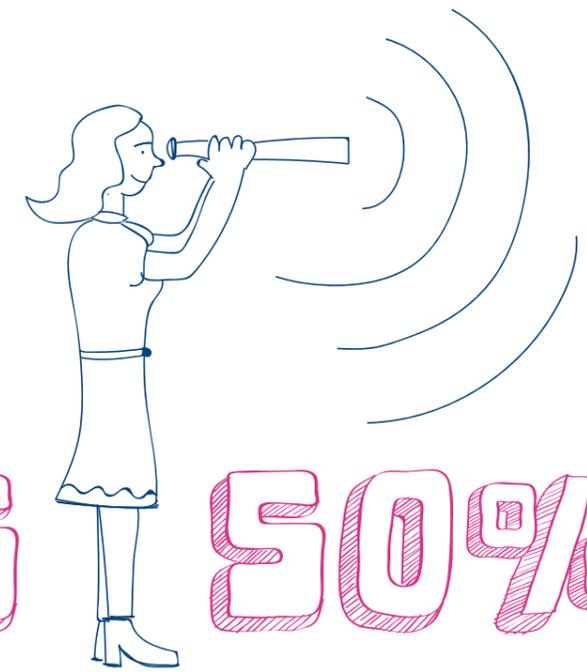
vouchers issued

27.5

jobs

217

services provided



50%

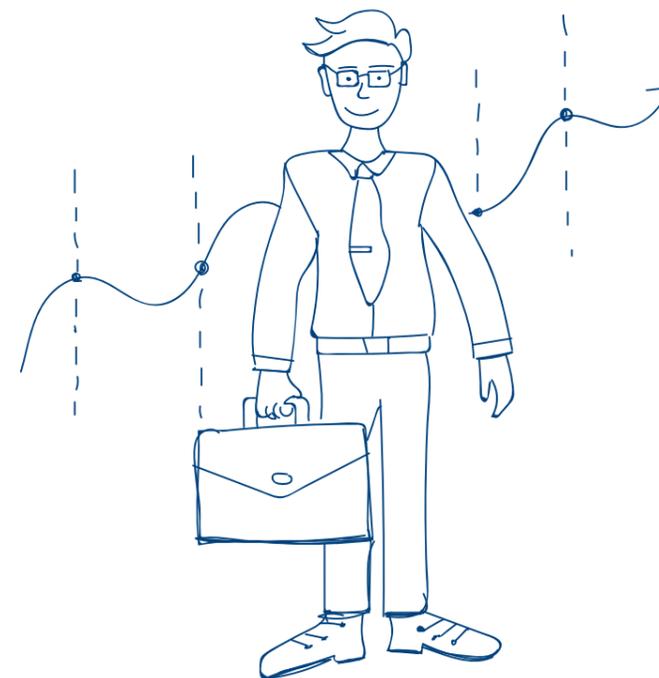
of the businesses receiving vouchers starting export operations or expanding into a new market area

17%

of the businesses receiving vouchers have increased their turnover considerably

64%

of the businesses receiving vouchers expect a considerable boost in turnover



A few last words from the coach - then it's time to take the field!

Seen from a broader innovation policy perspective, vouchers are a welcome and useful tool when used properly. It is suitable for use in an alliance involving several funding providers and operators.

This is a question of filling a missing market need, not handing out money. Indeed, the vouchers must be seen as, above all, a match-making tool for increasing cooperation between small businesses and service providers, not a funding instrument or patch to fill missing funding.

The most important thing about the Innovation Voucher is that it 'pushes' businesses to establish and launch operations that might not ever come to be without vouchers. It was a pleasure to watch such cases unfold in the Tampere pilot. We will see the more extensive social impacts of the voucher later, once the currently running follow-up projects are concluded.

Based on the results of the Tampere pilot, it can be said that the vouchers work best as a temporary and precisely targeted intervention to resolve a specifically identified market shortcoming - not a permanent or blunt, untargeted instrument. The vouchers will be harmonised with other forms of RDI support.

Our tactical plan is now set. Let's go for the win!



HOW WILL YOU START?

Here's how to control the ball

- 1.** **Read this book.** If you browsed directly to this section, go back and read from the beginning - reading the whole book will provide you with a clear idea of how the Innovation Voucher works.
- 2.** **Check your region's business strategy.** What areas need to be accelerated? Enter the voucher and service search criteria based on these observations.
- 3.** **Ensure funding and legal compliance.** In addition to funding providers, the Innovation Voucher needs legal expertise. Remember - the vouchers will be harmonised with other forms of RDI support.
- 4.** **Adopt the PSOP system.** The national service voucher and outsourcing system, or PSOP, is administered by Kuntien Tiera Oy. If you want additional information on the PSOP system or you would like to join, please contact Business Manager Sari Koljonen at sari.koljonen@tiera.fi.
- 5.** **Stand up and support the use of vouchers!** First with service providers and then those applying for vouchers. Draft a comprehensive communications plan, which provides information to members of the voucher system, authorities and media.



**BUSINESS
TAMPERE**



TAMPERE



**COUNCIL OF
TAMPERE REGION**



**Leverage from
the EU
2014–2020**

