



# Tekes strategy

Growth and wellbeing from renewal

Tekes – the Finnish Funding Agency for Technology and Innovation – is the main public funding organisation for research, development and innovation in Finland.



## Mission statement

Tekes promotes the development of industry and services by means of technology and innovations. This helps to renew industries, increase the value added and productivity, improve the quality of working life, as well as boost exports and generate employment and wellbeing.

# Growth and wellbeing from renewal

Success and continuous renewal of the industries is a precondition for sustainable growth and the wellbeing of people and the environment. Forerunners working to reinvent the industries and public research and enterprises reaching out for international growth have been identified as the main target groups for funding in Tekes new strategy. Tekes funding and more flexible operating practices will challenge customers to take their radical ideas and reforms forward.

Guided by selected focus areas, Tekes will channel part of its R&D funding to areas offering significant opportunities for renewal and growth.

## Innovation environment challenging to change

Finland will face tougher challenges due to a changing global division of labour, energy and environmental issues, ageing, rapid advancement of technology and state budget deficit. This makes it necessary to safeguard the growth of the domestic product. Total productivity has emerged as one of the key factors of growth.

Total productivity is mainly boosted by enterprises' intangible investments and the ensuing innovations. Studies indicate that public funding plays a key role in the innovation activities of enterprises, which is why we need to maximise incentives to innovate.

Customers, partners and stakeholders were involved in honing Tekes new strategy



Challenges in the innovation environment

Mission statement and values

The new strategy is based on a customer-oriented description of Tekes services and means that arises from the challenges in the innovation environment, Tekes basic tasks and values and the targets set for its operations. The strategy also includes certain focus areas and outlines a programme of change.

This brochure is a short summary of the new Tekes strategy. For a more comprehensive description, visit [www.tekes.fi/en/strategy](http://www.tekes.fi/en/strategy)

# Focus on forerunners and renewal



Tekes main target group will be **SMEs seeking growth in internationalisation**. For start-ups that may find it difficult to obtain funding in the capital market, Tekes steps in with small investments in a large number of seed stage enterprises and continues to fund the most promising ones with a significant input. Together with other actors, Tekes strives to provide preconditions for generating **new fast-growth enterprises** and facilitating their access to private capitals.

**Moderate growth enterprises** play nearly as vital a role as fast-growth ones in boosting the national economy. This is why their high-risk, growth-oriented development projects will remain a significant funding target.

The share of young enterprises is as high as one out of four in all Tekes funding for businesses. The new strategy will further increase this share to roughly one third.

The R&D efforts of **large companies** may be funded by Tekes when the new skills or cooperation patterns have significant impacts on third-party actors, or when a company is reinventing itself to achieve an essential change in its position in the global value network.

Financing for companies with less than 500 employees has dropped to less than one third of all Tekes funding for enterprises. This share will remain unchanged under the new strategy.



In **public research** funding, Tekes will focus on multi-disciplinary teams capable of creating a good foundation for research-driven business activities and companies, and new areas of spearheading expertise.

Networking research co-funded by companies will be more clearly limited to strategic focus areas, while Tekes will step up its funding for research generating new business and strategic research anticipating business life needs. Funding for international exchanges of scientists will remain in place.

Tekes will make selective contributions to **developing public services** in partnership programmes with the Ministries responsible for the services.

The strategy will be translated into action by means of **internal programmes of change** that focus on improved customer service, renewal of public research funding, more flexible and less drawn-out enterprise funding practices, reinventing programme activities and developing operating practices and the work environment.

## Funding targets

**Tekes funding under the new strategy will be targeted as follows:**

- one third for projects implemented by universities and research institutes
- two thirds for enterprise R&D and innovation projects

**Targeting of project funding for enterprises:**

- one third for young SMEs
- roughly one third for established enterprises with less than 500 employees
- less than one third for enterprises with more than 500 employees if external impacts on other actors are significant, or if the company is essentially reinventing its business operations

**The funding will be channelled through different operating methods as follows:**

- around 40 % for customer initiatives based on demand
- around 20 % for research programmes of the Strategic Centres for Science, Technology and Innovation (SHOK)
- around 25 % to focus areas through Tekes programmes
- around 15 % to other strategic choices

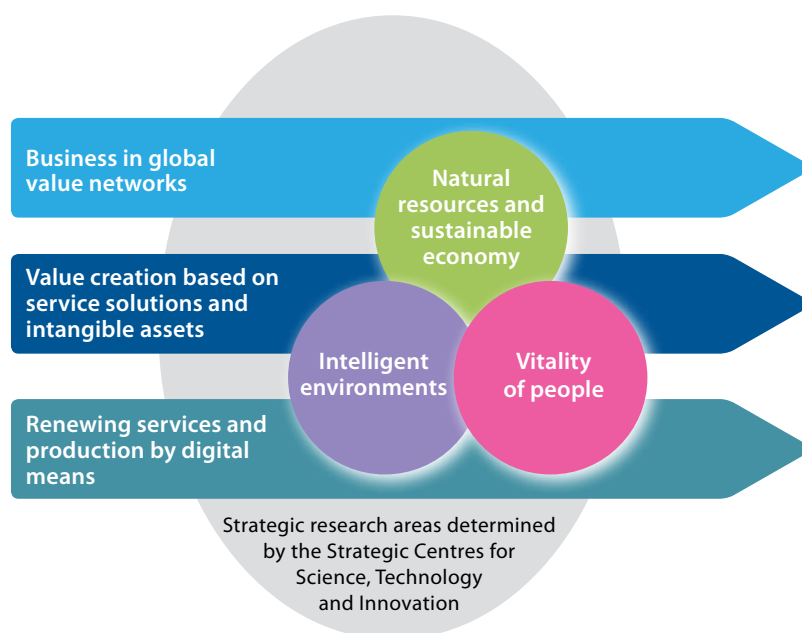
Regardless of the channel used, all projects funded will be based on customer ideas and plans.

# Selected focus areas open up wide possibilities

Tekes will direct roughly one half of its funding to focus areas whose content has been selected together with customers, partners and stakeholders. Above all, these focus areas will be reflected in Tekes programmes and the research programmes of Strategic Centres for Science, Technology and Innovation (SHOK). Tekes programmes to be launched will be selected to avoid any overlap with SHOK programmes.

Tekes programmes will be developed along two lines. Some will target long-term development of skills of anticipated future importance, stressing public research. The needs of SMEs will be catered for through a separate and particularly agile model of programme activities.

## Focus areas guide selections in Tekes programmes



As focus areas, Tekes has selected six content areas expected to play a key role in the success of Finnish enterprises and research.





## Focus areas

### Application areas

#### Natural resources and sustainable economy

- Energy and raw material efficiency
- Renewable energy solutions
- New forest and biomass solutions
- Sustainable solutions for mineral resource use and water consumption

#### Vitality of people

- Health promotion
- Efficient and high-quality social and health care service system
- Work and learning that regenerate human skills and capabilities
- Affective and meaningful free time experiences

#### Intelligent environments

- Smart energy systems and sustainable material economy
- Safety and security of the living environment which makes good use of digital systems
- User-oriented products, services and processes

### Shared success factors of all sectors

#### Business in global value networks

- Radical renewal through business concepts
- Diverse innovation activities

#### Value creation based on service solutions and intangible assets

- Service innovation, immaterial resources and intellectual assets enabling value creation
- Globally scalable, locally tailored comprehensive solutions

#### Renewing services and production by digital means

- New ICT enabled business processes
- Knowledge and information-based business concepts
- Connecting real and virtual worlds

# How will the new strategy be reflected in practice?

**Tekes new strategy will provide customers an incentive for significant renewal and aim at greater benefits for the national economy and society.**

- Focus on forerunners will cut down on the number of projects funded and mean increased financing for individual projects. Tax breaks for R&D activities that may be introduced will help to provide incentives for a larger number of companies.
- Increasing funding for young companies will mean taking higher risks, resulting in both greater benefits and a larger number of failures.
- International cooperation will be a cross-cutting theme in all Tekes activities. In public research, international cooperation will be a key funding criterion. In particular, Tekes will invite enterprises seeking growth in globalisation to take up the challenge, while its funding will be restricted to globalisation of R&D and innovation activities and planning of international business activities.
- Customer-driven value network projects and programmes aiming at reinventing the business will underline focus on customers and demand.
- More flexible funding for innovative experiments will speed up the uptake and commercialisation of research outcomes.
- In addition to current forms of joint projects, the renewal of public research will give rise to operating modes that create new business opportunities and generate areas of expertise vital for Finland.
- Tekes will encourage its customers to devise total solutions for end customer needs, making no difference between services and industries, or technological and intangible development.

[www.tekes.fi/en/strategy](http://www.tekes.fi/en/strategy)



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