



INNOVATION CAPABILITY VOUCHER SCHEME

The Singapore Government undertakes various initiatives to support small and medium enterprises (“SMEs”) in Singapore. In recent times, these have focused on raising the productivity and capability of SMEs. One of the current initiatives comes in the form of the Innovation Capability Voucher (“ICV”), administered by SPRING Singapore.

Under the ICV scheme, SMEs may apply for SG\$ 5,000 vouchers to pay for the services of participating service providers to embark on projects in selected areas. The scheme was first launched in July 2012, with a budget of SG\$ 32 million to be utilised over four years. An extra boost of SG\$ 10 million was pumped into the scheme recently, bringing the total budget to SG\$ 42 million.

Initially, ICV only covered 4 capability areas and their respective categories which allowed SMEs to upgrade and strengthen their core business operations through consultancy services provided by pre-approved service providers. These areas and their respective categories are:

- a. Innovation
 - i. Technology Development – Technical Feasibility Study
 - ii. Technology Development – Technical Support
 - iii. IP Business Diagnostic – Phase A
 - iv. IP Legal Diagnostic – Phase B
 - v. Customer Insights
- b. Productivity
 - i. Quality Management - ISO 9001
 - ii. Quality Management - HACCP
 - iii. SME Management Action for Results - SMART
 - iv. Productivity Management - Productivity Diagnosis & Measurement
 - v. Productivity Management - Productivity Improvement Projects
 - vi. Productivity Management - Benchmarking
 - vii. Service Excellence - Service Diagnosis
 - viii. Service Excellence - Mystery Audits
 - ix. Service Excellence - Service Improvement
 - x. Energy Efficiency Audit
- c. Human Resource Development
 - i. Manpower Planning
 - ii. Recruitment & Selection
 - iii. Compensation & Benefits
 - iv. Performance Management
 - v. Career Management
 - vi. Learning & Development
- d. Financial Management
 - i. Planning & Budgeting
 - ii. Cash-flow & Working Capital Management
 - iii. Financial Controls for SMEs
 - iv. Financial Assessment and Planning for Growth

SMEs who wish to continue with the recommendation by the service providers, or undertake a subsequent larger scale project may then tap onto the Capability Development Grant (“**CDG**”), for further support.

ENHANCED ICV

On 1 March 2014, the ICV scheme was enhanced to provide support to SMEs in also implementing solutions to meet their business challenges, and to put their business improvement plans into action.

The enhanced ICV scheme which now includes a new category for “Solutions”, go beyond the initial consultancy services to support the implementation of recommendations from previous consultancy projects, or alternatively to provide simple solutions in the areas of:

- a. “Equipment & Hardware”;
- b. “Technical Solutions”;
- c. “Professional Services”; and
- d. “Design & Renovation”.

SMEs can now thus apply for vouchers to implement solutions directly from SPRING Singapore, without having to first consult with pre-approved service providers. In order to obtain reimbursement for these solutions/items, SMEs must however ensure that all purchases are only made after the indicated solutions/items applied for have been approved by SPRING. At the same time, SMEs are required to explain how the solutions/items applied for can increase sales, improve efficiency or reduce waste of resources in improving the operations of the SME.

Who can Apply?

Companies which fulfil the SME criteria below, may apply for the ICV scheme:

- i. Physically present and registered in Singapore;
- ii. At least 30% local shareholding;
- iii. Group annual sales of not more than SGD 100 million, or group employment size of not more than 200 employees.

The ICV scheme however, is not available to non-profit organisations, volunteer welfare organisations, charities or communities.

SMEs must complete the consultancy projects under the Innovation, Productivity, Human Resource Development and Financial Management area within 6 months from the date the application is approved. Similarly, claims for reimbursement under the new Solutions category must be submitted to SPRING Singapore within 6 months from the date the indicated solutions/items are approved.

Gateway Law Corporation is one of the pre-approved service providers under the ICV scheme. We are therefore able to work with SMEs to assess the strengths and weaknesses of their company’s existing intellectual property portfolios and systems and generate a personalised report that outlines areas for improvement, with strategic and tactical growth options from a legal and IP point of view. Our report then forms a basis for SMEs who wish to continue with the recommendations, by tapping onto the CDG for subsequent assistance.

Please note that should you wish to discuss and/or intend to pursue the ICV scheme by SPRING Singapore, please contact the undersigned or your usual point of contact at Gateway Law Corporation. We would be glad to assist you.

For more details on the ICV Scheme and other support from SPRING Singapore, you may also visit <http://www.spring.gov.sg/Pages/homepage.aspx>.

27 March 2014

Name: Max Ng

Designation: Managing Director

Email: max.ng@gateway-law.com

Name: Alicia Chan

Email: alicia.chan@gateway-law.com

This article is only intended to highlight the salient points of the ICV Scheme by SPRING Singapore, and some of its recent enhancements, and is not intended to be comprehensive nor should it be construed as legal advice.