

Tips for planning a research and development project

[Research and development funding](#) aims to make companies better able to carry out productive innovation activities and identify new opportunities based on the customers, markets or needs.

The funding granted by Business Finland is governed by EU and national regulations. For example, Business Finland can only fund R&D activities as defined in the EU's Block Exemption Regulation.

Aid for research and development projects is based on Article 25 of the [General Block Exemption Regulation](#) and, on the national level, [Government Decree on Funding for Research, Development and Innovation Activities \(1444/2014\) \(In Finnish\)](#).

The OECD guidelines for R&D activities contain five elements. The definition applies to all industries.

- the goal is to produce new information and new results
- creative problem setting, solutions are sought with new concepts and testing of observed hypotheses
- risky; uncertainty about the results and the necessary resources
- systematic; planned, budgeted, and the implementation is monitored
- the result must be transferable and/or reproducible

On their own, one or some of the above elements do not alone satisfy the criteria for R&D activity in a way that would justify funding. In addition, companies are required to seek and be committed to gaining a competitive advantage in international markets.

For example, the questions below can be used when planning a R&D project:

- What is your company's core product and its competitive advantage now? • What is your position on the market in relation to your competitors?
- Do you operate in the domestic market and aim for the international market? Which international market are you currently operating in? What has been your export strategy until now?
- What problems/needs/unidentified needs have you detected in the operating environment of your customers and their customers, what would be your initial solution?
- Have your domestic competitors or competitors in the same foreign market already used a similar solution that you are considering?
- What are your company's resources in comparison to your competitors? Is it possible to hire new experts to develop the solution?
- What would be the primary export markets?
- Do you need international partners to develop or test the solution in the target market?
- Will your company be able to operate profitably during the project? If the project fails, is your company able to afford it?
- Who in the company will be involved with the project? Is the management committed to the project; who is in charge of the project, and who will take care of the practicalities?
- What would be the duration of the project and what kind of funding plan is needed to cover the costs; what if there are budget revisions? What kind of project monitoring will be carried out?
- How, where and to whom will the solution be sold? In what form is it, what is needed to protect the solution?