

Innovation In Your Business



Contents

3	TECHNOLOGY HAS CHANGED EVERYTHING WE DO
4	Our pillars
5	Are you innovating?
6	WHAT IS INNOVATION?
7	- The road ahead
8	- Types of innovation
9	- Why innovate?
11	- The Frascati Manual 2015
12	- Framing Innovation
13	- Innovation assessment
14	- Sample of our reports
15	- How we can help
16	- Innovators hidden in plain sight
18	OUR TAKE ON INNOVATION
19	- What is our take on innovation?
20	- Our process
21	- Our approach
23	- Bleeding edge of innovation
24	- Never let innovation be an after thought
25	- Most businesses are leaving money on the table
26	- R&D claims
27	- We work with your accountants, not against them
30	OUR SERVICES
31	- Our service platform
33	- How we innovate
34	- Who we work with
35	- Lets work together
36	- Costs
37	- Our team





TECHNOLOGY HAS CHANGED EVERYTHING WE DO

Predicting which industries will rise and fall has never been so difficult - because the speed of disruption has never been so fast.

It is time to stay ahead through an Innovation Strategy.

The good news is, you're probably already innovating - you just don't know it yet.

OUR PILLARS

Innovation Strategy

Unlike other R&D specialists, we don't just take what you are doing and repackage it. We encourage you to think forward as to how your industry will change and develop over time and to therefore prepare your business for the times ahead. Innovation cannot be by accident rather it is a planned and methodical process.

Structure

By definition (Frascati 2015) Innovation is Novelty, Creativity, Uncertainty, Systematisation and Repeatability combined. Some of these qualities can be controlled, others cannot however having the correct structure and culture to allow innovation to flourish is paramount. We can benchmark your existing practices and help you record and as a result monetise the innovation that you carry out.

Funding

With a clear plan and structure in place we can enable you to isolate funding to support your works and those works that are essential to your companies future. Funding can come in the form of Tax Credits, The Patent Box, Low Cost Debt, Equity Release, Grants. The right mix will be designed and tailored to your companies future.

Patenting

Often the best ideas are the secrets that your company holds. We proactively identify patentable technology as part of a patent strategy and identify Intellectual Property within your company that could be leveraged to take advantage of the patent box legislation. Reducing corporation tax to 10% on qualifying incomes as a result.

Corporate Structure

Often existing corporate structures are not well structured to capitalise on innovation. We will support the establishment of Research entities as well as facilitating cross-licensing so as to maximize the outcomes of your innovation life cycle. This can support in the creation of new market opportunities for your company creating new revenue opportunities you may not have otherwise been aware of.

Monitoring

We are with you every step of the way. Whether our input be to seed ideas, to support you in access to academics and research or to simply ensure that your processes are maintained The Change will ensure that you record each detail effectively so as to maximise the benefits of innovation.

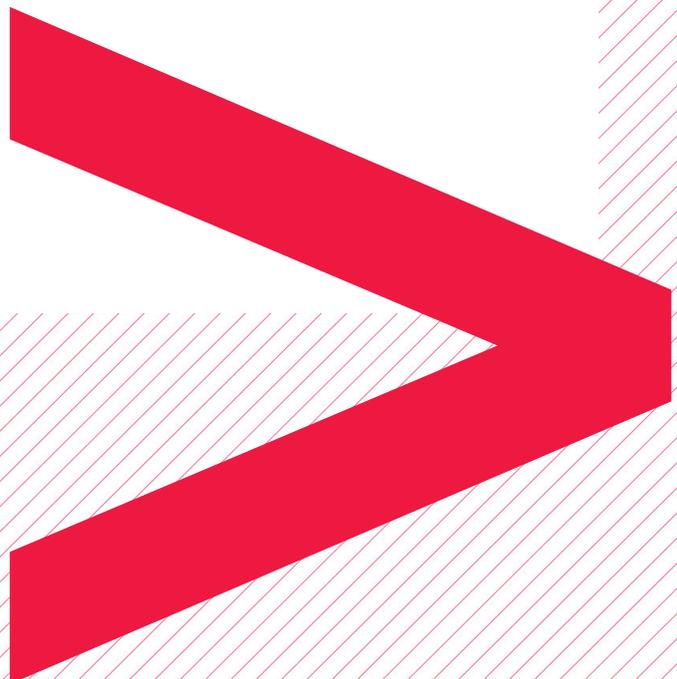
Are you innovating?

All successful businesses knowingly or unknowingly innovate.

But only a few have systems in place to ensure innovation is automatic.

Achieving and maintaining an industry-leading position, requires a long-term Innovation Strategy.

We exist to create one with you.



WHAT IS INNOVATION?

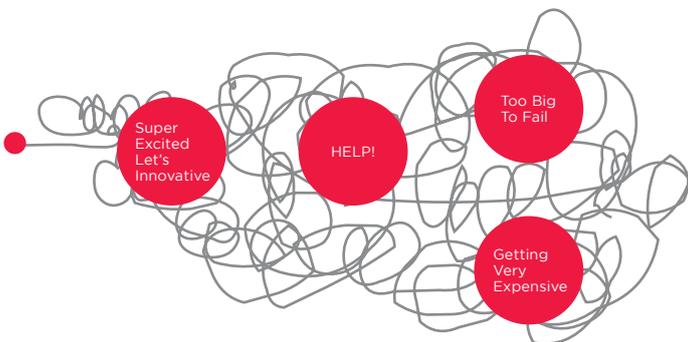
The road ahead

Innovation is a journey that starts with creating ideas, then choosing and implementing the best that add the most value.

Many businesses are great at ideas generation, but only some complete the innovation journey.

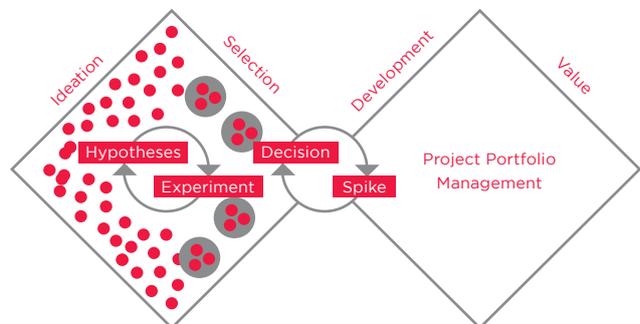
As Is →

This is often what innovation looks like in a business: unstructured, uncoordinated and not realising the full benefits that innovation can deliver.



To Be

This is how innovation should look: a structured process for capturing ideas and making sure the best ones are implemented and deliver value.



Types of innovation

Note: each approach can qualify as novelty.

- Architectural Innovations

New economic approaches and charging models which can unlock new markets for existing technology.

- Incremental Innovations

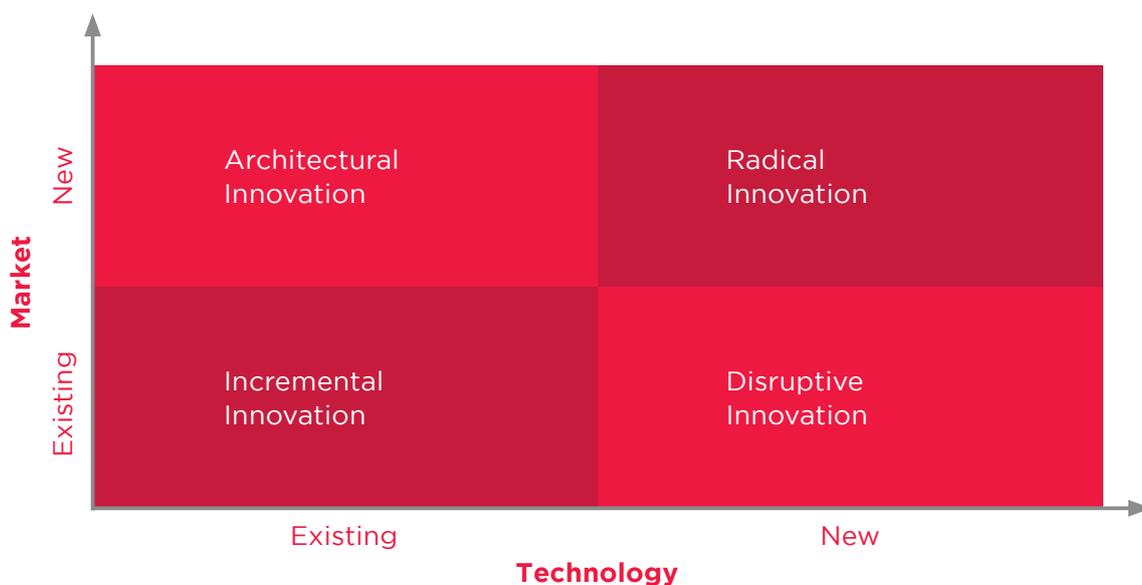
Applying existing technologies in existing markets.

- Radical Innovations

New products/tech that creates new markets.

- Disruptive Innovation

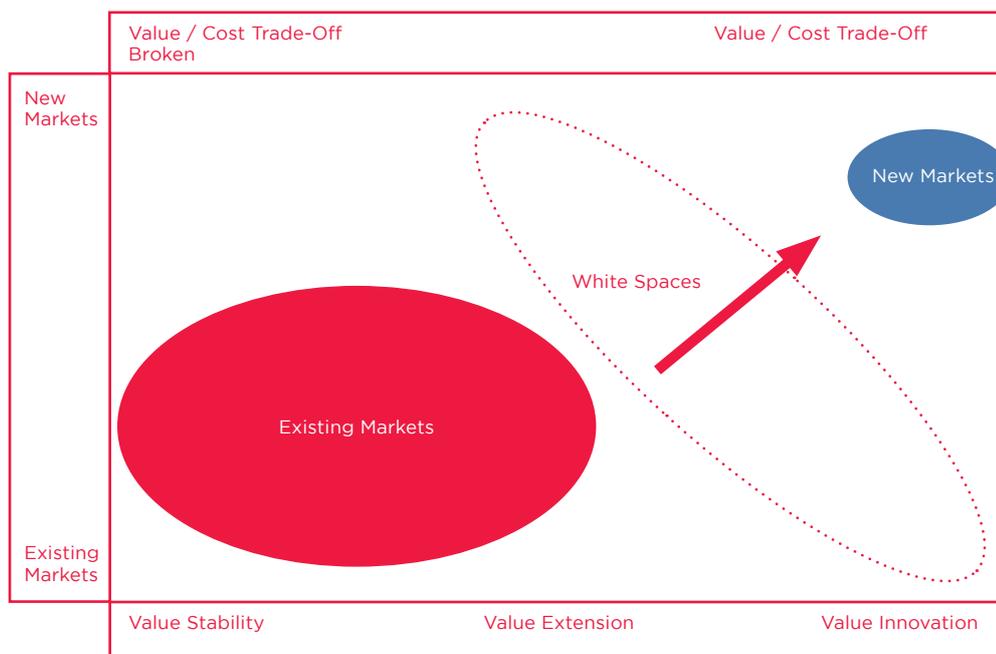
New tech for an existing market.

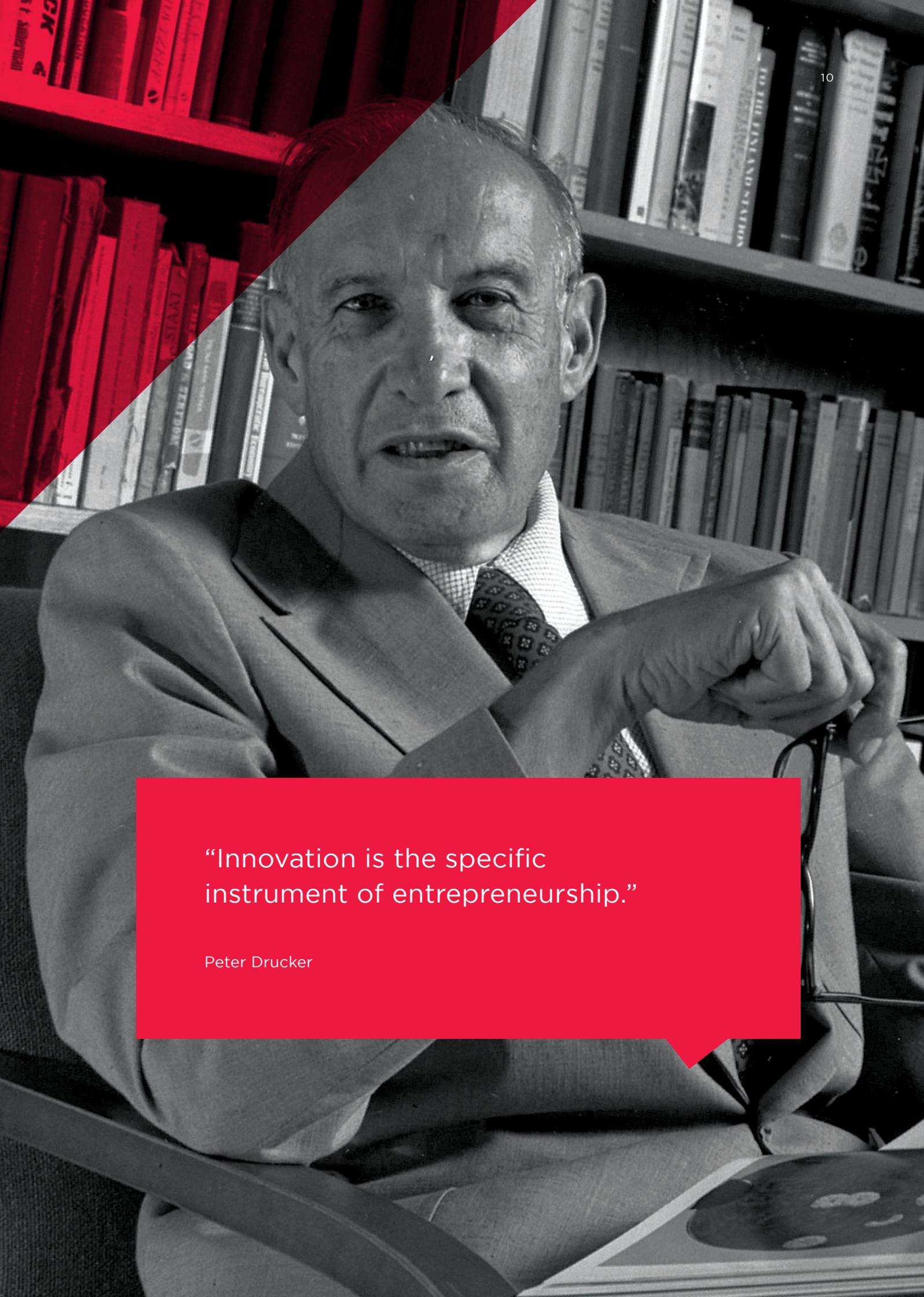


Why innovate?

- To Survive
- To Grow
- To Enter New Markets
- To Create New Markets

Creating new value propositions, opens new markets



A black and white photograph of Peter Drucker, an elderly man with short hair, wearing a suit and tie. He is sitting in a chair, leaning forward with his hands clasped, holding a pair of glasses. He is in a library or study, with bookshelves filled with books in the background. A red diagonal graphic element is present in the top left corner of the image.

“Innovation is the specific instrument of entrepreneurship.”

Peter Drucker

The Frascati Manual 2015

The Frascati definition of research

Research and experimental development (R&D) comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge - including knowledge of man, culture and society - to devise new applications.

The term R&D covers three activities: basic research, applied research and experimental development.

Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundation of phenomena and observable facts —without any particular application or use in view.

Applied research is also original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific practical aim or objective.

Experimental development is systematic work, drawing on existing knowledge gained from research and/or practical experience, which is directed to producing new materials, products or devices, installing new processes, systems and services, or to substantially improving those already produced or installed.

Pure R&D activities should have an element of novelty and the resolution of scientific and/or technological uncertainty, i.e. when the solution to a problem is not readily apparent to someone familiar with the basic stock of common knowledge and techniques for the area concerned.

Framing innovation

(Compliant with Frascati Manual/OECD guidelines)

“The pursuit of novel solutions **IS CORE** to your strategy. Embarking on creative projects over the years will lead to effective disruption. The route is uncertain, however, through a systematic, repeatable approach, you will develop the drivers required to transform your company.” T.A. Cuthbert

Frascati defines innovation as actions including:



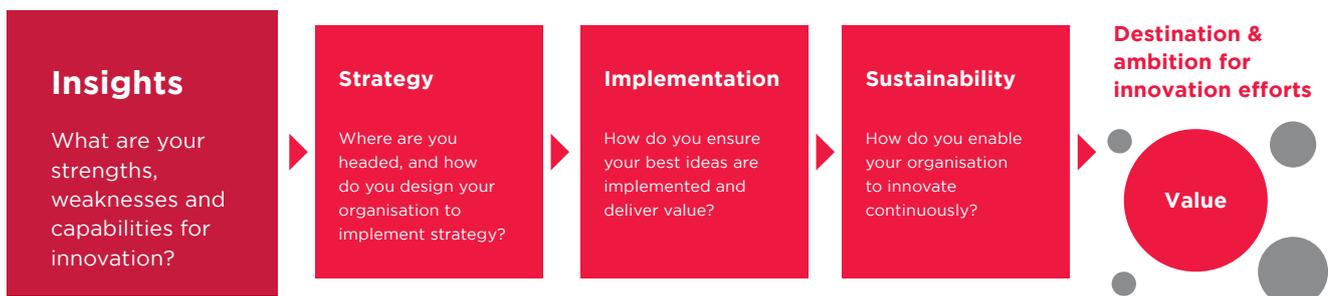
- 1. Novelty** – How will you be “industry-leading” as part of a long-term vision?
- 2. Creativity** – What innovation stages will you go through to create an outcome?
- 3. Uncertainty** – Is there risk of failure along the way?
- 4. Systematisation** – What processes will you build up along the way?
- 5. Reproducibility** – Can it be standardised across your company?

N.B. All five must apply to qualify.

Innovation assessment (IA)

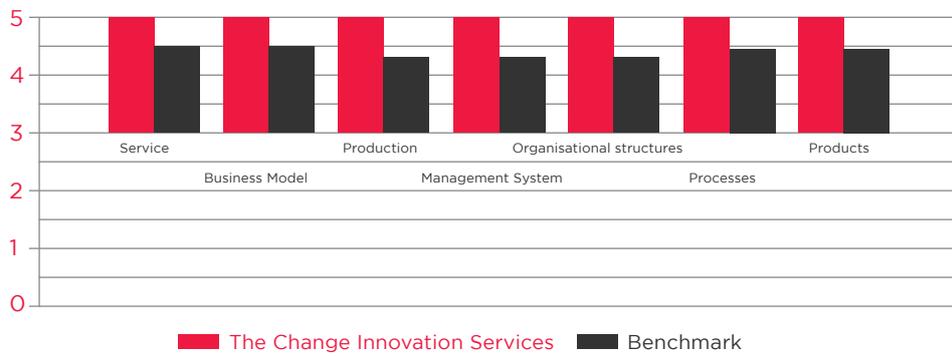
We begin with a broad and rounded assessment of our client's innovation capability and potential from a unique 360-degree perspective using world-leading approaches developed in Sweden. This full innovation assessment results in:

- A high-level Innovation-IQ score (a score between 0 and 100 showing their overall innovation capability).
- A detailed report including diagrams and narrative assessing their performance on metrics included in our Innovation Framework (e.g. culture, capabilities, process, strategy and leadership for delivering innovation).
- Benchmarking against more than 5,000 organisations across 65 different countries using the emerging ISO 56000 Guidance for Innovation Management — the first assessment of its kind worldwide.
- A tangible action plan for improving your innovation performance.

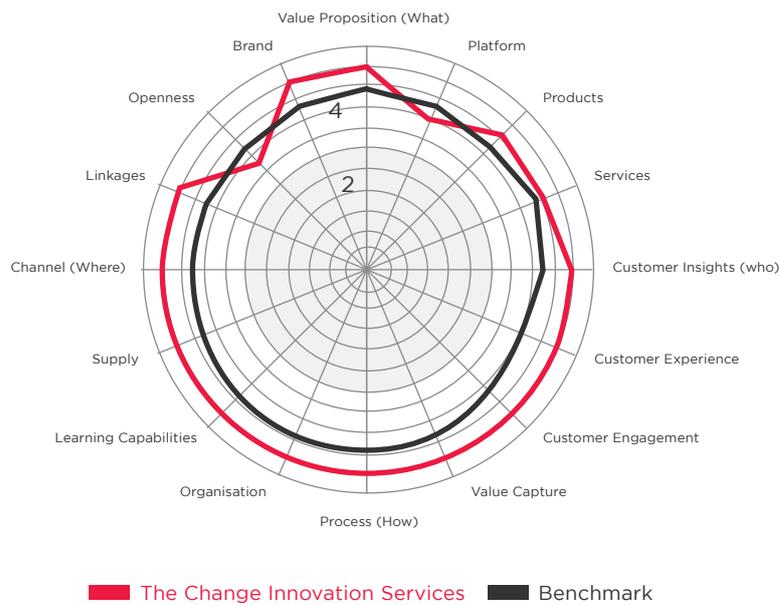


Sample of our reports

Type of innovation with peer benchmarks



Overall innovation footprint with peer benchmark



How we can help

Our approach helps ideas find practical application using a structured process that is repeatable and teachable, allowing innovation capability to be sustained from within.

We do this using an Innovation Framework that focuses on:

WHY a business innovates (e.g. to improve value to your customers, for profit, to increase market share).

WHAT type of innovation they engage in (product, process, service innovation etc...).

HOW they innovate (e.g. depending on leadership style and capabilities).

This begins by:

1. Gaining detailed **insights** into your innovation strengths and weaknesses.
2. Developing a **strategy** to set the vision and direction of your innovation activities.
3. Providing practical support to **implement** innovation initiatives.
4. Developing the internal capability to ensure innovation can be **sustained**.

Innovators hidden in plain sight

Chances are, your team already deliver a lot of what Frascati defined as R&D. You just don't realise they're innovating.

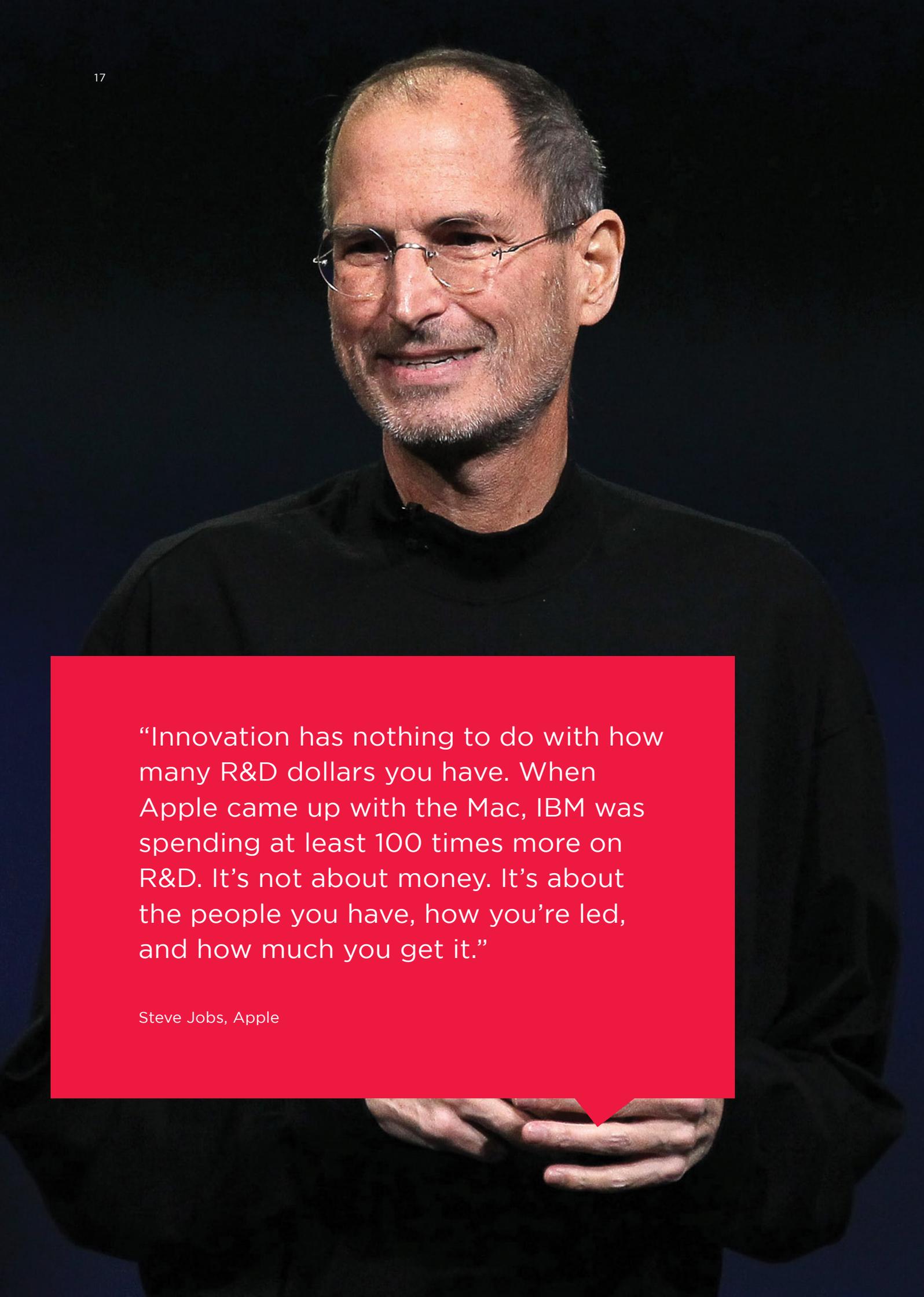
We help you identify where each of your team members fit within your overall Innovation Strategy.

(Some people are better at Systematisation and Reproducibility while others are drawn towards Creativity and Novelty).

Once we identify the role each team member plays, their contributions can be optimised, ultimately leading to bigger and better commercial outcomes.

For example:

On a recent project, members of our team were able to allocate 60% of previously unclaimed staff time towards R&D.

A portrait of Steve Jobs, wearing his signature black turtleneck and round glasses, smiling slightly. The background is dark. A red rectangular box is overlaid on the lower half of the image, containing a quote.

“Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It’s not about money. It’s about the people you have, how you’re led, and how much you get it.”

Steve Jobs, Apple

OUR TAKE ON INNOVATION

What is our take on innovation?

Innovation is turning your ideas into value.

In other words, to generate income from previously untapped avenues, that can be used to fund current and future projects.

INNOV

Our process

1. Identify Strategy

**2. Define Innovation Actions
& Plan Projects**

3. Identify & realise funding sources

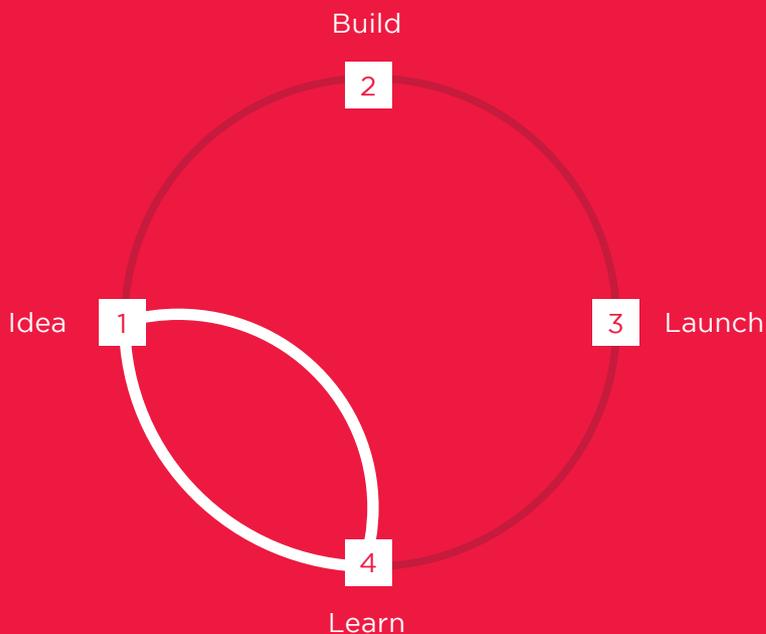
Even though the process will only takes days of your time, it will create a lifetime of value.

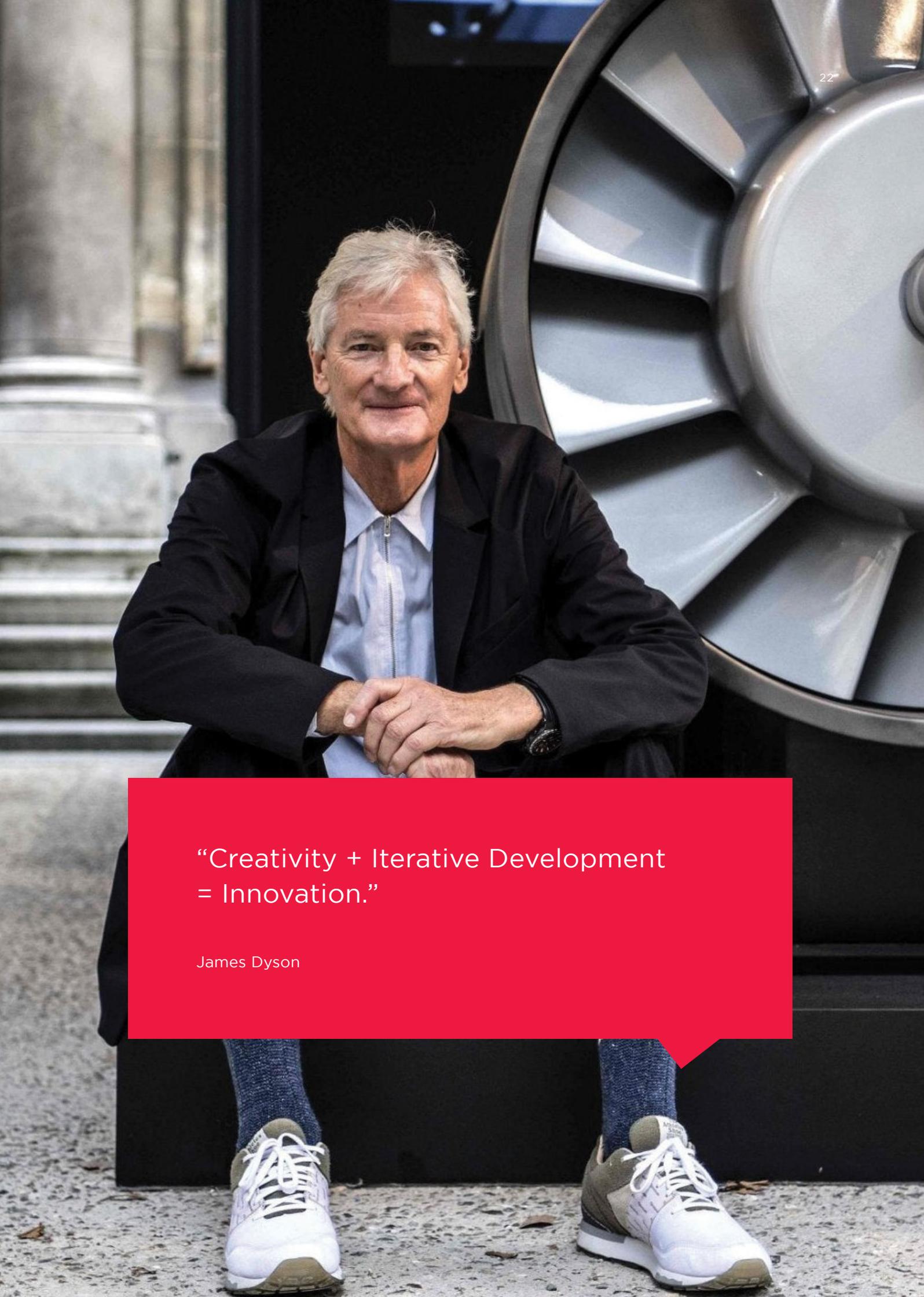
WHAT TO DO

Our approach

We don't walk. ***We sprint.***

Our Strategic Innovation Sprint is an intense process - usually taking place in the form of a workshop - that allows you to visualise the next ten years in one day. It creates a space for you to iterate ideas without the cost and time of deploying resources.



A photograph of James Dyson, an older man with white hair, wearing a dark blazer over a light blue zip-up shirt and white sneakers with blue socks. He is sitting on a large, silver, multi-spoke wheel, possibly a car wheel, in an urban setting with stone steps and a building facade in the background. A red speech bubble overlay is positioned in the lower half of the image, containing a quote and his name.

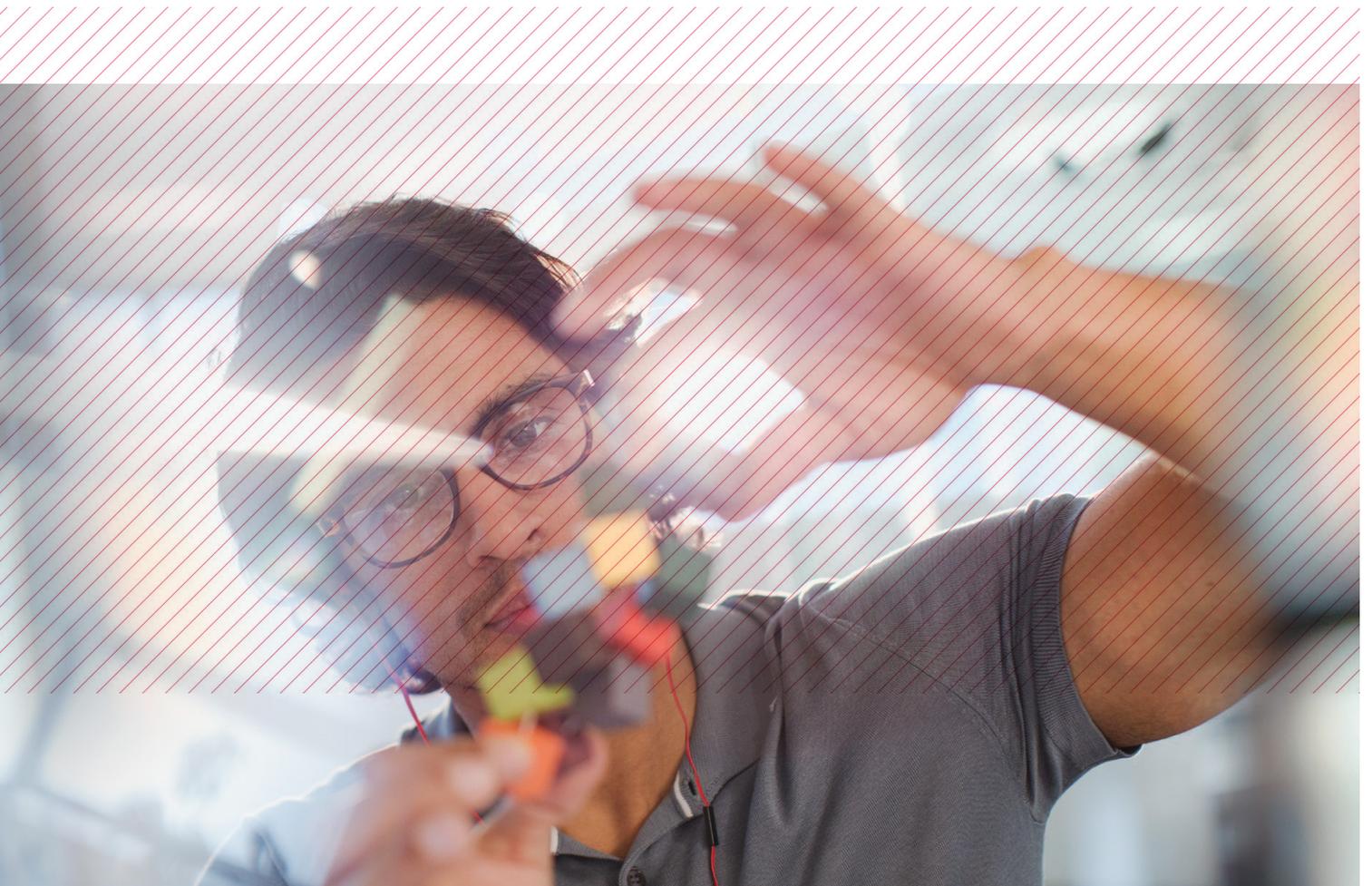
“Creativity + Iterative Development
= Innovation.”

James Dyson

The Change is at the bleeding edge of innovation. We approach technology systematically facilitating “industry-leading innovation” on behalf of our clients.

We can help you do the same.

Even if you’ve never even heard of the Gartner Hype Cycle, read an EY or Deloitte Report, or don’t currently apply PWC’s Essential Eight our processes will ensure you lead the way in your industry.



Never let innovation be an after thought

Too many businesses link innovation to R&D Tax Credits where they claim back small amounts of money - often in retrospect - because a specialist approached them after the event.

But HMRC is clamping down and may request pay backs for any such claims in the future.

Therefore Innovation must be planned.

This is very important because:

- Patents can't be applied for in retrospect, meaning you'll lose out on a 10% corporation tax benefit.
- Grants & Academic research can't be applied for in retrospect. Planning these in advance will help your business find its unique vision and uncover novelty. Together with other core benefits, this will assist with PR/marketing.
- Any benefit you get from a non-strategic approach to R&D Tax Credits may be short-lived.
- You may end up having to pay the money back.

Most businesses are leaving money on the table

We have knowledge of “Big 4” reports claiming approximately **£200k** in R&D Tax Credits, yet after an innovation review being carried out the same claim was resubmitted and **approved by HMRC at 8.5 times the value.**

This amount was untapped every year, and the company had a turnover of £20m.

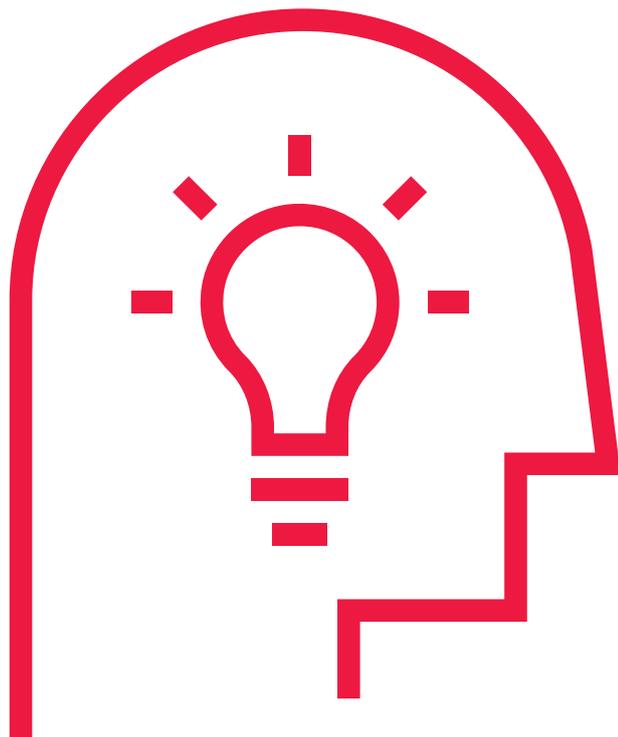
The business hadn't been aware of the **value an Innovation Strategy would bring.**

UK companies can back claim two years of tax history. Companies in ROI can claim up to 12 months.

Even if you have made a previous R&D Claim, **you can still resubmit.**

We recommend carrying out an **innovation review** in time for your next **annual return** to avoid missing out.

You may have millions of unclaimed innovation incentives which could be used to fund your immediate future.



We work with your accountants, not against them

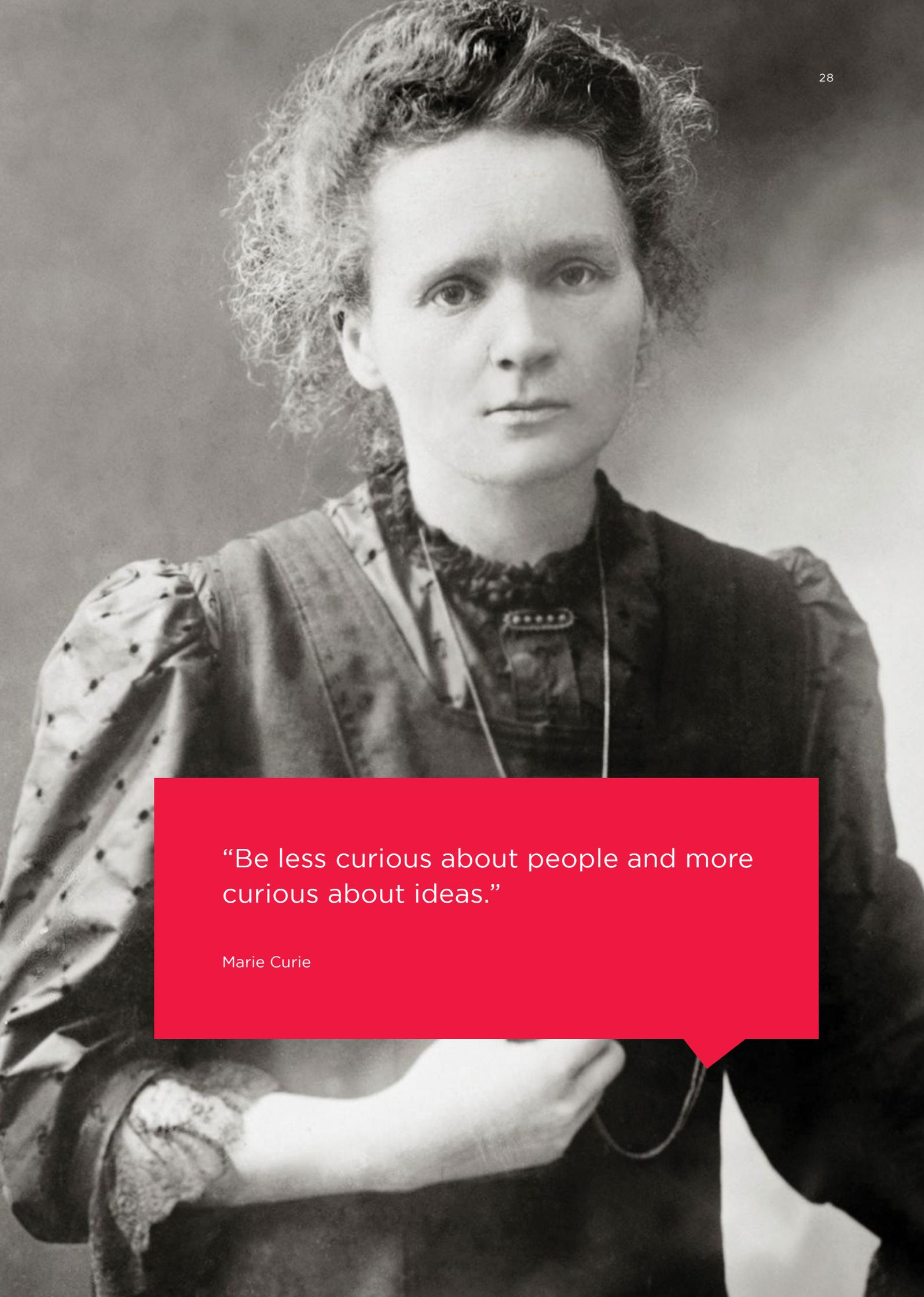
Traditional R&D Tax Credit strategies fail to identify the massive opportunities available through innovation.

Through our Strategic Innovation Sprints, we unlock new opportunities and identify budgets from a variety of financial instruments and tax incentives.

By working closely with your executive team and technical staff, we can extract the real value of innovation being carried out by your company.

All of this leaves an auditable trail that your accountants can follow and integrate into your wider tax strategy.



A black and white portrait of Marie Curie. She is shown from the chest up, looking directly at the camera with a serious expression. Her dark, curly hair is styled in an updo. She is wearing a dark, high-collared dress with a patterned bodice and puffed sleeves. A red speech bubble is overlaid on the lower part of the image, containing a quote and her name.

“Be less curious about people and more curious about ideas.”

Marie Curie



“Every new thing creates two new questions and two new opportunities.”

Jeff Bezos - Amazon

OUR SERVICES

Our service platform



Innovation Actions (IA) Discovery

- Technical and financial evaluation
- IA mapping



R&D & Patent Audit

- Retrospective R&D review and ongoing improvement of future planning and claims



Track & Trace

- Automated I Gemii audit
- OECD / Frascati model compliance
- API integration



IA Creation

- Identification & filing
- System integration



IA Protection

- Intra-group licensing
- Interacting IA strategy



Incentives

- Grant applications
- Innovation box implementation & tax structures
- Cross licensing
- Validation of industry leading innovation



STS

- Sprint process to map strategy
- Written report every 5 years
- Initial Assessment & ongoing process



Design Sprint

- Sprints to short cut development times and market fit
- Ongoing process implementation



Lessons learned (LL) Sprints

- Enable an understanding & learning process from failure.
- Ongoing process



Funding Identification

- Grant & specialist debt funding
- On going process



Benchmarking

- Staff, company & project benchmarking
- Initial assessment & ongoing process



Academic Integration

- Integration of academics into your research
- Ongoing process



Appropriating

- Appropriating revenues to the patent box R&D tax credits, depreciation and licensing.



Developing

- Developing IP on your behalf in support of your core team. Helping you ignite new projects.



Reviewing

- Reviewing registered IP and company secrets as well as processes not previously considered.



Implementation

- Implementing Innovation process management and cross licensing to validate and secure future innovation funding.

How we innovate



Our first step is to establish your Innovation Actions.

IA's are defined, distinct events that can be tracked and measured.

Once these are defined, we will create a timeline for your IA's that will allow you to systemise innovation and leverage your outputs for greater commercial benefit.



Ultimately, this means you'll be able to access previously untapped opportunities by focusing on the areas that will grow, maintain, and transform your business.



Who we work with

- Businesses who **lead their industry** and want to continue to stay ahead of the pack.
- Businesses who **wish to disrupt** and improve upon the incumbent approach.
- Businesses who wish to **de-risk innovation** and apply a systematic, repeatable approach to disruptive goals.
- VC/PE backed businesses with **scale-ready visions**.

Qualifying Criteria:

Companies which have a specific innovation focus that can be developed.

1. Criteria For Innovation Funding Service:

Companies with £10m+ turnover.

Companies with a minimum PAYE of £1m+

2. Criteria For Patent Box Service:

Companies that are profitable to over £1m or have a known break even point.

Let's work together

When working with The Change, we become an extended part of your team, bringing the latest in process, practice and an outside voice to help you achieve and maintain an industry-leading position.



Costs

- 20% of Innovation Funding Identified (R&D Tax Credits, Grants, Cross Licensing & Patent Box Savings).
- Associated Project Costs on a per project basis (quoted in advance).
- Day rate costs for other services (agreed in advance).

Our team



John Shannon FCMA, CGMA, MBA

R&D Innovation Accountancy

One of the most experienced Innovation Funding experts internationally, a member of HMRC's R&D Group and an early adopter of the Knowledge Box in RoI. Has a deep understanding of Frascati and International R&D requirements.



Andrew Cuthbert Bsc MBA

Tech & Innovation

Developed over £1BN in technology and science products. Andrew has extensive working knowledge of IP & Tech in both early-stage and corporate businesses.



Lee Ali

Senior R&D Tax Consultant

Experienced R&D Tax Accountancy. Loves to get onsite with clients to understand their processes and create the narrative and key documents required to maximise Innovation Funding opportunities.



Gavan Wall LLB

New Business & International Markets

Serial Entrepreneur with multiple successes in trading businesses. Focused on new market development, client experience and scaling across Europe.



The Change Innovation Services
Concourse Building
Queens Road
Belfast. BT3 9DT
T: 028 9557 5002
E: info@thechange.is
www.thechange.is

TC Innovation Services GmbH
Wichertstraße 16
10439 Berlin
Germany
T: 0044 2895 575002
E: info@thechange.vc
www.thechangeinnovation.com

