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A CELEBRATION OF 20 YEARS OF EUROPEAN FUNDS IN WESTERN SCOTLAND

Project Title **Profit from Product Development**
Project Sponsor **East End Partnership Ltd**

PROJECT ORIGIN AND DEVELOPMENT

The project was originally developed in 1998 and arose out of work undertaken by East End Partnership Ltd, a Local Development Company in Glasgow, with small and medium sized businesses (SMEs) in their area and from academic research. This indicated that many SMEs, particularly the smaller company, lacked an understanding of the product lifecycle and its impact on their business. Further, this same population also lacked the capabilities and resources to develop new products and/or improve their processes.

Consequently, it appeared that many smaller SMEs appeared to be locked in a cycle where the value of their product range was being eroded in the face of changing customer needs and increased competition, impacting on their market share, profitability and long-term sustainability. An initial application was made in 1998 under Priority 5, Measure 5.1 of the Western Scotland Objective 2 Programme. The success of this project prompted a further application.

PROJECT AIMS AND OBJECTIVES

The project aimed to deliver:

- an increase in the number of marketable ideas produced by participants
- a reduction in lead times from ideas generation to market launch
- improvements in efficiency achieved through process improvements
- diversification of participants product/service base and increases in competitiveness
- a higher quality of new products developed.

PROJECT ACTIVITIES

The project worked with new and existing SMEs and individuals in the East End Social Inclusion Partnership Area to:

- assist them to understand the product/business lifecycle in relation to their own business
- assist with the identification of potential products appropriate for development and/or possible process improvements
- identify opportunities for customers to work together on joint projects and share expertise, thereby encouraging skills transfer and continuous improvement.

Support to customers was provided at all stages of the product development process by adopting a 'filter and stage' process approach. This had been developed over the lifetime of the project and encompassed project definition, information gathering, concept generation, design detailing, prototyping and testing, manufacture and launch.

The project also delivered a small innovation fund to assist SMEs with a contribution towards relevant costs such as prototypes, test marketing, initial IPR issues etc where no other assistances are available.

PROJECT STRUCTURE

The project supported two staff members – one Product Development Adviser and one Support Officer and was delivered from Ladywell, a business centre located in Duke Street, Glasgow.

PROJECT FINANCE

Funding Partners	East End Partnership
Eligible Costs	£124,233
ERDF/ESF Support	£ 124,233
Priority/Measure	Western Scotland Objective 2 Programme 2000-06 - Measure 3.1

PROJECT PERFORMANCE

At the time of writing, June 2007, this project was ongoing.

Indicator	Target	Achievement	% Target Achieved
No of assisted businesses from areas most in need	60	29	48.33%
No of existing businesses receiving financial assistance	21	12	57.14%
Total no of existing businesses assisted	76	53	69.74%
Total no of new businesses assisted/created	45	14	31.11%
No of new products introduced by businesses	58	47	81.03%
No of new/improved processes introduced by businesses	10	1	10.00%
Total no of gross new jobs created	79	100	126.58%
Total no of patents issued/IPR registrations by businesses	29	29	100.00%