

The INTRA story

In the beginning of 2019 *INTRA canvas* (an SME producing and printing durable truck canvases) was losing orders as the regional company for international transport (the main buyer of their printed canvases) went out of business. They started looking at possibilities to start an international joint venture. They turned to the national SME support office for aid.

When things don't add up... (negative scenario)

As they were producing canvases for trucks, the SME support office funded them the visit to 2019 IAA commercial vehicle fair in Hannover. They have established contacts with Pialvo, VAN and Moggio. All three companies already had suppliers for canvases, but were interested in lowering the costs. As the follow up activity to the fair visit the national SME support scheme thus decided to offer 1 year subvention to *INTRA canvas*, where they would cover 50% of labour costs for any new employment oriented into export. *INTRA canvas* was therefore able to offer a dumping price for the canvases and secured a 1 year contract with Moggio, where Moggio sent the specifications for the canvases needed to be produced.

INTRA canvas reorganised in such a way that 80% of their work-force was re-employed in their "export" division, producing low price canvases for Moggio, while the other 20% kept the same employment.

After the 1 year contract expired, Moggio did not produce profit and only covered their losses through the national SME support scheme. As further subvention was not approved, *INTRA canvas* could not offer a competitive enough price of the product and has lost its main buyer, without establishing any further connections or providing any added value.

As no profit was produced, there were no funds for further investments into research or innovation and the company became ineligible for further financial support through national SME support scheme. Hence *INTRA canvas* closed its export division, with 80% of the people becoming unemployed, eventually forcing the SME closed down.

The success is at hand... (positive scenario)

The national SME support office recognised the potential of *INTRA canvas* in producing durable and flexible materials of various shapes. However, no added value could be identified in continuation of the production without any long term commitment of a buyer. Therefore the support office approved the innovation incentive as the first step of developing a product with added value, based on the durable truck canvas. As the need for innovation was established, support office organized crowd sourcing event, where *INTRA canvas* and three other SMEs were hosting workshops for rapid prototype development of new products based on their core business.

Out of seven suggestions provided through crowdsourcing, *INTRA canvas* found the following two feasible and interesting: a) portable head washer (for hygienic purposes of immobilized people) and b) inflatable portable pet homes (providing inflatable "travel cages" for house pets).

Idea A was identified as relying quite heavily on public funding, as initially public health care or elderly care would be the main consumers of the product, while idea B showed a marketing potential for mass usage among people traveling with pets. Companies providing frequent travel service (like SkyHansa) were identified as crucial partner for distribution of the final product.

SME support office granted *INTRA canvas* the funds for developing and patenting a working prototype. It further granted *INTRA canvas* funds for pitching the product with targeted partners, such as "SkyHansa" and "U.S. Sky & More", where *INTRA canvas* presented the prototype.

When the deal was reached, support office provided a loan to *INTRA canvas*, to design the final product and produce the first series of the inflatable portable pet homes, which became popular in the US, especially during the winter holidays when people want to take their pets along on family visits, but felt the bulky plastic "travel cages" for pets were impractical.

After the initial success, *INTRA canvas* opened its own marketing division in the US, which became their primary market, developing various sub varieties of the portable pet home (especially for cats, especially for dogs, especially for rabbits...), and has kept the patent rights to the product.