



## FEEDBACK FROM OUR CUSTOMERS IN 2011:

**89.3%**

want to use  
us again

**90%**

would recommend  
us to others

**62%**

would not have completed  
projects without Innovation  
Norway

**23%**

would have postponed realisation or  
reduced the scope without Innovation Norway

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FOUR  
OBJECTIVES



THOUSANDS  
OF RESULTS



GUNN OVESEN  
CEO:

.....  
We create results  
for enterprises all  
over Norway

Innovation Norway has clear objectives, many tasks and big ambitions. We are the authorities' most important policy instrument and adviser in innovation policy, and we strive to make Norway the world's most innovative country.

To achieve this, we must direct our attention, our resources and our competence toward our customers and the results we want to help them achieve. The success of the individual customer is the measure of our success.

Our role as a driving force for innovation combined with the resources and competent organisation at our disposal makes us important to a lot of enterprises. Every day, we help to increase value creation in Norway and create thousands of results that benefit many people.

The development of business and industry is a process that takes time and the results cannot always be identified at the start. But the activity we create by getting involved is valuable from day one. We manage projects and internal processes in Innovation Norway by performance to ensure that the money at our disposal is spent in the best manner possible.

In 2011, the activity level dropped slightly as a result of reduced appropriations and a downscaling of the organisation. We have tried

to protect our customers as far as possible. We spent approximately the same amount of money, and put more emphasis on prioritising the best projects, so that the number of projects was somewhat lower than the year before.

In this short annual report, we document some of the many results and activities that Innovation Norway helped to create in 2011.

## GOAL 1

Contribute to greater innovation in the business sector throughout the country

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For any enterprise it is necessary, but not sufficient, to have a good business idea. The idea must be refined and financed before it becomes profitable. Innovation Norway is a driving force and a catalyst for innovation.

We support enterprises with resources to develop new goods or services, establish more efficient production or find good ways of distributing and selling the goods and services. We help them to engage in fresh thinking, so that they can create more.

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2011:

WE SPENT ALMOST THREE QUARTERS OF OUR RESOURCES ON INNOVATION PROJECTS.



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## VALUABLE COOPERATION



targovax

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Targovax develops cancer vaccines and immunotherapy and is part of Oslo Cancer Cluster. Targovax is a good example of how Innovation Norway cooperates with the private capital market to benefit the customer and facilitate innovation.

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In November 2011, Targovax was awarded a Public Research and Development grant of NOK 9 million for clinical studies in pancreatic cancer. According to the company, this led to an issue of NOK 13 million from Norwegian venture funds.

INNOVATION:

# RESULTS AND ACTIVITIES

## ☆ More innovation

The percentage of innovation projects increased from 67% in 2010 to 72% in 2011. The projects consisted of:

67%  
product/  
service

23%  
process

3%  
organisation

7%  
market

## ☆ 'Higher' level of innovation

44% Of the funds, 44% went to projects with innovation on an international level.

22% A total of 22% went to innovation on a national level.

The corresponding figures for 2010 were 40% and 26%, respectively.

Innovation Norway uses an international four-level standard to describe a project: innovation on an international level, innovation on a national level, innovation on a regional level and innovation on a company level.

## ☆ SERVICE INNOVATION IS ADVANCING

According to a study of Innovation Norway's customers, carried out by Oxford Research, service innovation takes place in all industries. The study shows that 32% of the industry, and quarrying and mining enterprises funded by Innovation Norway have used the funding for innovation in services.

Oxford Research 2011: 'At your service – Innovation Norway's contribution to the development of businesses in service industries' (Original title: 'Til tjeneste – Innovasjon Norges bidrag til utvikling av bedrifter i tjenesteytende næringer').

## ☆ Research and development contracts

Research and development contracts stimulate increased innovation in Norwegian business and industry. They are based on mutually binding collaborations on product or service development between a small or medium-sized supplier and a demanding customer, which can either be a major foreign or Norwegian enterprise (Industrial Research and Development Contract) or a public organisation

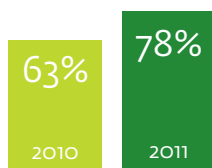
(Public Research and Development Contract). A total of 211 small or medium-sized enterprises were awarded NOK 290 million, about the same as the year before. Of the projects:

176  
were inter-  
nationally  
oriented

57  
were with public  
enterprises (Public  
Research and  
Development  
Contracts)

## ☆ Most innovation in health and oil and gas

The health sector and the oil and gas sector are the two most innovative sectors. In both sectors, 86% of allocations went to projects with innovation on an international level. In the energy and environment sector, the allocations for innovation on an international level increased from 63% in 2010 to 78% in 2011.



## ☆ BUSINESS CLUSTERS

Innovation Norway manages the programmes Arena and Norwegian Centres of Expertise (NCE) together with the Industrial Development Corporation of Norway (SIVA) and the Research Council of Norway. Both programmes offer professional and financial support for innovation and long-term development of regional business environments.

**363**  
innovation projects were initiated

**250**  
projects were collaborations with research and development environments

**115**  
were collaborations with international partners

## ☆ Innovation in primary industries

**NOK 117 million**

was invested through the Marine Value Creation Programme – 105 projects started up in 2011.

**NOK 79 million**

was invested through the Bioenergy Programme – 300 projects were funded in 2011. The planned amount of energy for the projects was 42.5 GWh, corresponding to the energy consumption of approximately 1,800 households.

**NOK 30 million**

was invested through the Wood-based Innovation Programme – 58 projects were funded.

**NOK 76,4 million**

was invested through the Local Food Programme – 123 projects were funded.



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## GREEN SHIPPING ON ALL OCEANS

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metizoft.

Metizoft from Fosnavåg outside Ålesund has developed and delivers an ICT solution to document potentially hazardous materials in ships. Shipping companies and shipyards can acquire green certificates and the ships can be operated in accordance with international environmental conventions. The company has signed contracts all over the world, most recently in the USA, India and Spain. In 2011, Gry Cecilie Sydhagen, founder and CEO

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(and winner of Female Entrepreneur of the Year 2009) participated in the Global Entrepreneur Training Programme, which Innovation Norway runs in collaboration with Babson College in Boston.

'Through GET, I gained knowledge and tools to handle the opportunities and challenges our company faces in the internationalisation process,' Sydhagen says.

## GOAL 2

Contribute to increased internationalisation in the business sector throughout the country

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Norwegian enterprises face international competition both at home and abroad. One of Innovation Norway's most important tasks is to help to prepare companies for this competition. Financing is obviously an important service in this context, but our knowledge of local markets around the world and the help we can provide to companies seeking to expand abroad are just as important.

We are present in 29 countries in addition to Norway. Teams from our district offices and offices abroad focus on the enterprise, opening doors, providing access to customers and giving valuable advice on what it takes to succeed in the market.

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2011:

OF ALL FINANCING PROJECTS IN 2011, 36% WERE INTERNATIONALLY ORIENTED. THIS IS AN INCREASE OF SIX PERCENTAGE POINTS FROM 2010.

INTERNATIONALISATION:

## RESULTS AND ACTIVITIES

### ☆ More money for international projects

50% of the allocated funds were spent on internationally oriented projects in 2011. This is an increase of 11 percentage points from 2010.

Internationally oriented projects accounted for 36% of allocations, an increase of six percentage points from 2010.

Internationally oriented projects accounted for:

42%

of loans and guarantees furnished

58%

of grants awarded

### ☆ High level of activity abroad

In 2011, the 32 offices abroad handled approximately 700 customer projects.

2011:

700

customer projects

### ☆ NORWEGIAN ENTERPRISES IN THE EU

Innovation Norway is the national office for the Enterprise Europe Network in Norway. This means that we improve enterprises' ability to take advantage of the opportunities in the internal market by providing advice, offering courses and seminars and having a good information service through the website [www.bedriftieu.no](http://www.bedriftieu.no).

1,300  
enterprises

participated in networking events

16

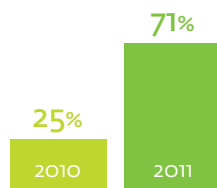
contracts were signed between enterprises in Norway and the EU

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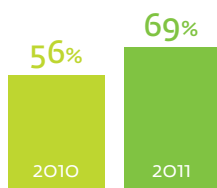
☆ The International Growth Programme  
– having a greater and greater impact

Through this programme, our advisers abroad help small and medium-sized enterprises to prepare for international market launch. In 2011, we funded approximately 300 projects.

At regular intervals, Innovation Norway evaluates the effects of our services. The effect is measured four years after the enterprises received the service. Our surveys show that customers who have received services from the International Growth Programme are more and more satisfied with the services.



**Effect on profitability development** increased from 25% to 71% among customers who received allocations in 2006 and 2007.



**Effect on growth in exports** increased from 56% to 69% for the same customers.



**Effect on competitiveness,** the ability to survive, turnover and innovation also showed an increase.



THE FIS NORDIC WORLD  
SKI CHAMPIONSHIPS

– GOOD PRESS  
FOR NORWAY

**OSL2011**  
Holmenkollen  
FIS NORDIC WORLD SKI CHAMPIONSHIPS

A world ski championship is more than just a sports event – it is an opportunity to provide news and information about Norway to TV viewers and readers in other countries. In cooperation with VisitOSLO, Innovation Norway helped to make

the job as easy as possible for the 2,000 foreign journalists who visited Oslo during the FIS Nordic World Ski Championships. This is just one example of the many activities Innovation Norway carries out to market Norway as destination.

## GOAL 3

Strengthen the international marketing of Norway and Norwegian business and industry

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One objective for Innovation Norway is to make Norway and Norwegian business and industry more known and popular abroad, and to promote Norway as a tourist nation.

Among other things, this means working systematically to strengthen the country's reputation, including ensuring that our visual profile is clear and attractive. Good, strategic design and brand building are also necessary if the individual enterprise is to succeed.

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2011:

PRESS ACTIVITIES RESULTED IN MEDIA COVERAGE WORTH NOK 582 MILLION IN ADVERTISEMENTS.

MARKETING:

# RESULTS AND ACTIVITIES

## ☆ Press

Each year, Innovation Norway organises trips in Norway for travel and lifestyle journalists from abroad.

924  
journalists

on press trips,  
compared to 1,055  
in 2010

8,016  
articles

Result: 8,016 articles  
on Norway as a travel  
destination.

NOK 582  
million

Corresponding advertisement  
value: NOK 582 million,  
an increase of  
NOK 169 million.

74  
TV programmes

The value of 74 TV  
programmes and 58 radio  
programmes comes  
in addition.

## ☆ International trade fairs

- 13 international trade fairs, compared to 16 in 2010
- Seven business delegations, compared to 15 in 2010
- A total of 343 enterprises participated in delegations and 257 enterprises participated in trade fairs

## ☆ Visitnorway.com

In 2011, it became possible to book experiences and accommodation directly on the Visitnorway website.

Key figures for 2011:

90%

of Norwegian destinations and tourist information offices have an agreement with Visit Norway

11.9

million visits  
(+ 26 %)

8.9

million unique  
users (+27 %)

## ☆ REPUTATION AND DESIGN

We initiated 118 new design service assignments in 2011. Twenty enterprises took the next step and started design projects.

We offer Norwegian enterprises an extensive toolbox for reputation-building in international markets.

- Handbooks in reputation-building
- The Norway Profile
- Courses in brand management and reputation-building
- The option to 'diagnose' your enterprise at [www.unikbedrift.no](http://www.unikbedrift.no)

## ☆ Norwegian Travel Workshop

This is a sales conference targeting international tour operators.

800  
meetings  
between



305  
tour operators  
from



25  
countries  
and



326  
Norwegian  
suppliers



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# AT THE TOP OF EUROPE

**NORDKYN**

DER  
NATUREN  
ÄR  
RÄR



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The restructuring programme LIV plays an active role in developing the travel and tourism industry in Lebesby in Finnmark. Among other things, VisitNordkyn has been established as a joint marketing

channel for the various travel and tourism representatives, and several attractive products have been developed for tourists. Innovation Norway administers LIV and has funded several of the projects.

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## GOAL 4

Contribute to  
business develop-  
ment based on  
regional strengths

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Innovation Norway shall serve enterprises and business communities all over Norway. However, we have a special responsibility for the districts in Norway: We shall improve districts' and regions' opportunities on the basis of their strengths.

Among other things, this means stimulating cooperation between various players, for example in geographically limited business clusters. We are also a national body of expertise, and an adviser and a driving force for restructuring in municipalities where for instance, a cornerstone company has disappeared.

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2011:

29 RESTRUCTURING PROJECTS WERE  
STARTED IN MUNICIPALITIES.

REGIONAL DEVELOPMENT:

# RESULTS AND ACTIVITIES

## ☆ Where in Norway do the funds go?

30%

Of our allocations, 30% went to city regions – where the central areas have more than 50,000 inhabitants.

40%

went to regions with small and medium-sized towns, where the central areas have between 5,000 and 50,000 inhabitants

30%

went to regions with less than 5,000 inhabitants.

## ☆ WOMEN AND YOUNG PEOPLE ARE SPECIAL TARGET GROUPS

37%

2010

41%

2011

In 2011, 41% of allocations were awarded to projects targeting women, an increase from 37% in 2010.

## ☆ Restructuring municipalities

In 2011, Innovation Norway was responsible for follow-up and quality assurance of 24 municipalities on behalf of the county authorities.

We initiated and co-financed a total of:

29

restructuring projects

15%

2010

19%

2011

In 2011, nineteen per cent of the funds were awarded to the young people target group, an increase of four percentage points from 2010.

## ☆ Norwegian competence

The competence services FRAM and Navigator aim to strengthen business development, management, strategy, innovation and internationalisation in participating enterprises.

We funded  
**23** new FRAM and  
Navigator projects.

In the ongoing projects,  
approximately **800** employees  
from **440** enterprises  
participated – about the  
same as in 2010.

## ☆ Customer meetings and external lectures

In addition to customer meetings in connection with applications and project follow-up, we held:

- More than 6,500 meetings with enterprises and individuals to discuss new opportunities.
- More than 900 lectures in external forums in Norway.