

ONLINE TRADING VOUCHERS

With the trend ever increasing towards online spending it is estimated that only 23% of small Irish businesses are engaged in any meaningful way in eCommerce sales. For businesses employing less than ten people this percentage could be even lower. It is now believed that of online purchases made in Ireland that 70% of these are done in overseas markets.

There is now an urgency to ensure that businesses recognise that this is happening and that they are encouraged and supported to correctly respond to this digital reality.

In order to support this goal, the National Digital Strategy aims to get a further 2,000 businesses trading online by the end of 2015. To this end, the Department of Communications, Energy & Natural Resources (DCENR) has launched an Online Trading Voucher Programme and has teamed up with the Local Enterprise Offices to deliver this to Irish business. Following a successful first pilot phase in Dublin City, a wider pilot will now take place and businesses from the following Counties will be invited to apply:

CORK/DUBLIN/KERRY/LOUTH/SLIGO/WATERFORD

Information seminars will be available in each of the pilot areas over the next few weeks and it will be a condition of applying for the vouchers that applicants attend one of these seminars. At each seminar attendees will be informed of the purpose of the scheme and how best to use and get value from the application of the voucher.

Businesses are now invited to book a place on the seminars which can be done here <https://www.localenterprise.ie/SouthCork/News/Press-Releases/2014/May/Online-Trading-Vouchers.html>. The application process for the Vouchers will be a competitive process.

Eligibility Criteria

- Vouchers will be available to a maximum value of €2,500 or 50% of eligible expenditure (Net of VAT), whichever is the lesser;
- Voucher approval must be gained prior to incurring any expense;
- Own labour is not an eligible expense;
- Third party costs only will be considered;
- All third party/supplier invoices must contain proper business details (e.g. Tax and Business Registration details).

The vouchers are targeted at businesses with the following profile:

- Limited Online Trading presence;
- Less than 10 employees;
- Turnover less than €2m;
- Applicant business must be registered and trading for at least 12 months;
- Business must be located in one of the pilot areas under this phase of the scheme.

Ineligible Projects

- Companies with charitable status, commercial semi-state companies, “not for profit” organisations, trade associations and company representation bodies such as Chambers of Commerce are not eligible to participate in the innovation voucher initiative;
- Professional services specialising in IT type services who are already capable of trading online using existing in-house systems;
- Conferences and Seminars;
- Projects which are contrary to public policy;
- Duplication of support for projects which would be eligible for assistance from other State Agencies of EU funded Operational Programmes;
- Projects with employees in excess of 10 people;
- Projects deemed to be capable of proceeding in any event without scheme assistance i.e. deadweight;
- Projects essentially comprising importation and distribution.

What the vouchers can be used for

- IT consultation;
- Development or upgrade of an e-commerce website;
- Implementing Online payments or booking systems;
- Purchase of Internet related software;
- Purchase of online advertising (this purchase cannot make up any more than 30% of approved Voucher costs and can only be drawn down in one payment phase);
- Developing an app (or multiplatform webpages);
- Implementing a digital marketing strategy i.e. Social media marketing;
- Consultation with ICT experts for early stage adopters of online strategy;
- Training/skills development specifically to establish and manage an on-line trading activity.

What the vouchers cannot be used for

- Development of brochure websites;
- Purchase of non-internet related software;
- Anything other than online trading related activity.

EVALUATION PROCESS

- An evaluation committee will assess the applications and make recommendations for approval;
- A competitive process will be put in place to assist with selection process. Selection of successful applicant will be based on the following criteria:
 - o Eligibility for scheme
 - o Value added potential
 - o Export potential
 - o Job creation potential
 - o Financial Sustainability
- Record decisions and report to the Local Enterprise Office approvals committee;
- In order to apply for a voucher applicants will be required to attend a training session on how to use and get the best value for money from the voucher.

VOUCHER ADMINISTRATION

- Letter of offer with Voucher to be sent out to successful applicant;
- Letter of offer signed, accepted and returned;
- Client has three months to complete the work as per their application;
- Client must attend pre-voucher application information seminar.

Voucher application and drawdown process:

Application

- Submit copy of completed and signed application form by hard copy;
- Soft copy of completed application to be supplied by email;
- Evaluation of applications and recommendations for approval;
- Application is approved by Local Enterprise Office Committee.

Drawdown

- Applicant and supplier sign declaration on the voucher and submit to Local Enterprise Office (LEO);
- Applicant and Supplier submit copy of an up to date tax clearance certificate ;
- Invoice from supplier containing CRO details and Tax registration number submitted to LEO for payment (Only suppliers with these basic criteria in place are eligible);
- Proof of payment to supplier submitted by applicant to LEO.

Post-Voucher reporting

By accepting a Trading On-line Voucher, businesses agree to provide information on the impact on their business of trading on-line;

- Reporting will include: Jobs (new or reallocated) , Exports and/or domestic market expansion, Increase Revenue, Reduced Costs, Expected follow on investment

Suppliers will be required to report on the impact of their products and services.

- Reporting will include how their product or service enabled: trading on-line, improved business performance, reduced cost, opened markets.

Acknowledgements

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