

For Immediate Release

**Companies that Invest in R&D During Tough Economic Times  
Come out Ahead When the Tide Turns, Study Shows**

***Innovation Synergy Centre in Markham identifies a range of R&D funding opportunities available to help companies weather the economic storm***

**Markham, Ontario – May 4, 2009** – Companies tend to hold back spending on research and development (R&D) projects during a tough economy, yet findings show that businesses that continue to make R&D a priority in spite of the times actually come out ahead when the tide turns, says the Innovation Synergy Centre in Markham (ISCM), a leading business advisory centre.

At an ISCM event – called “Lean and Mean R&D: Managing R&D in 2009” – held recently in Markham, keynote speaker Meg Sheehan, Principal, Global Solutions of Hamilton-based Stage-Gate International (SGI), provided research showing that companies that invested 10 per cent more during the last economic downturn in 2001-2002, grew at double the industry average for five years after the recession. The study, published in February by Business Week, was based on feedback generated from 177 companies.

In a separate study, SGI – a world leader in providing product innovation solutions – reviewed about 2,000 new product projects of more than 500 firms and found a common thread among companies that were successful in launching new products. “Some of the top critical success factors for new product projects are producing a unique and superior product, having a strong market orientation throughout the process, doing more upfront market research, working as a team, managing product development as a process, and having sufficient resources for product development,” explains Sheehan.

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Considering that new product launches fail at an alarming rate, Sheehan explained that companies should review their development projects, and sacrifice those with smaller, or delayed, pay-offs in order to focus on their best projects and opportunities “The main reasons for product failures are inadequate market analysis, product problems, lack of effective marketing upfront and higher costs than anticipated,” says Sheehan. “To succeed, companies need to do their homework, and understand and validate the market for their products before development gets under way.”

To help with market research and product development efforts, “there are a range of R&D funding opportunities that businesses may qualify for, but many companies aren’t aware of them or don’t know how to access them,” says Paul Rivett, advisor with ISCM, which organized the event to help small- and medium-sized enterprises (SMEs) understand how to benefit from R&D in spite of the times, and introduce them to sources who can help fund their projects.

Potential funding sources and advisory services include such organizations as the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP), Ontario Centres of Excellence (OCE) and ACCELERATE Ontario, Rivett explains.

More information about how your company can benefit from investing in R&D during tough economic times can be accessed by registering on the ISCM website at [www.iscm.ca](http://www.iscm.ca).

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