



Lean Business Offer

Scéim Tairisceana do Ghnó Barainneach

Cáipéis Tagartha – Reference Document

Revision 17-10-2020

1. Introduction

Background

The Lean Business Offer is a grant support which seeks to introduce and progress a focus on continuous improvement and organisational innovation within client companies through the development of the culture and capability of staff.

The aim is to encourage companies to adopt and embed Lean and Agile-Lean principles in their organisation thereby leading to increased business agility, productivity and competitiveness. The Lean Business Offer includes the following supports: Lean Start, Lean Plus, Lean Transform.

Projects should also consider the environmental sustainability of the business and include training where appropriate to increase the agility and resilience of the company to environmental climate change impacts.

Document Revision History

October 2020	- Add clarifications on ineligible projects for LeanStart and LeanPlus
July 2020	- Add additional clarifications re digitalisation, innovation and climate resilience
December 2019	- Increase in LeanStart grant to €5,000 (80%) and open to Large companies.
September 2019 policy updates (Ruairi Ó hAilín)	<ul style="list-style-type: none">- The Trainer to Trainee cost ratio restriction is removed from the Letter of Offer. However the ratio will be reported to the approving committee and major deviations from training norms to be explained and justified.- Training Advisory Services has been added as an eligible cost- The maximum number of days training can be altered by the approving committee.- Reformat of document, with additional detail on eligible activities
December 2018 policy updates	- Introduce a single category for training (combining Management and General training) at the higher daily rate for trainees
July 2016 policy updates	<p>A Company/Group can now apply for a total of:</p> <ul style="list-style-type: none">· 3 Lean Starts (De Minimis approval)· 3 Lean Plus· 2 Lean transforms <p>The respective lean projects must be successfully completed before a new Lean offer is approved. The approvals to be based on the business need and the current criteria as defined in the terms of reference.</p> <p>The objective is to incentivise Enterprise Ireland Client Companies to undertake Lean projects to drive; Lean initiatives in the areas of Productivity, Competitiveness and Automation.</p>
July 2014 State Aid Rule changes;	<ul style="list-style-type: none">- Under EU State aid rules (GBER July 2014) the 50:50, trainer trainee rule is no longer a legal requirement. The revised lean transform offer provides for a 3:1 ratio for trainee: trainer costs.- The revised trainer costs rates provide a standard consultancy rate of €900 per day per consultant (There is no cap on the number of consultancy days) and the rate change is effective from January 1st 2016.- Training aid cannot be provided for any activity where the trainee is producing/processing product / carrying out normal duties at the same time. Training costs must be separate and distinct from production costs. <p>On the job training is not eligible for support (including Trainer costs associated with such training).</p>

2. LeanStart

Overview

LeanStart is a Training project of up to 7 days carried out by an external Advisor/trainer directly with an eligible company.

The goals of a LeanStart project may include;

- The introduction of Lean, Agile-Lean or related process improvement principles to a company,
- The completion of a specific improvement project to show the value of the approach, and/or,
- The development of a Lean / Organisational Innovation & Digitalisation roadmap or action plan with a company (this could include an assessment or benchmark of the current situation).

The assignment will follow a methodology set out by the Enterprise Ireland Operational Excellence Team. The project will typically extend over a period of 8-12 weeks.

The grant is intended for companies unfamiliar with or lacking sufficient capability in business process improvement methodologies.

Eligible Costs

Eligible Cost Elements	Eligible Costs	Eligible Grant
External Lean Training Advisory Costs	Maximum of €6,300 Based on 7 days Advisory Services where the eligible costs are capped at €900 per day. Actual costs to the company are based on market rates and may be higher.	Maximum of €5,000 Based on a grant rate of 80% of eligible costs.

Note that LeanStart is not a general consultancy grant and cannot be used for items such as;

- IT implementation projects (i.e. installation and customisation of new systems);
- HR consultancy;
- Health and Safety initiatives;
- Market research or Marketing

Eligible Companies

The LeanStart grant is open to companies who:

- are existing and potential clients of Enterprise Ireland or Údarás na Gaeltachta (Small, Medium or Large).
- have the capability and commitment to successfully complete the LeanStart assignment.

Ineligible Companies

- HPSU clients in receipt of EI Investment funding are not eligible for a period of 3 years after the investment.
- Clients of the Local Enterprise Offices are not eligible.

Irish Legal Basis

- Industrial Development Act 1998, Section 7 (Functions of Agency)

EU State Aid Basis

- De Minimis Aid guidelines

Eligible Activities

- Advice and training on the principles and implementation of Lean and/or similar methodologies
- Advice on preparing a client company for a Lean journey.

Application, Assessment and Approval process

Applications may be submitted at any time to Enterprise Ireland (i.e. there is no set call close date). However, applications **should always** be discussed with the assigned Development Advisor prior to submission. Enterprise Ireland clients should use [this link](#) to find their Development Advisor in order to discuss their proposed project. With the agreement of the assigned Development Advisor, applications can be made using the Enterprise Ireland online application system.

Application Steps

1	The relevant Development Advisor (DA) discusses the case with the client company and if appropriate advises the client to complete an online application.
2	The client company is responsible for selection of a Lean Service Provider / consultant to carry out assignment by choosing from the Lean service provider directory
3	The client completes the application form online and submits. Note that a Financial Data Sheet (FDS) is not required for a Lean Start application
4	A Grant Applications executive generates the draft Proposal for processing through the Online Application Processing System (OAP)
5	The application and proposal is sent to the Lean Help Desk for review and approval based on the terms of the scheme.
6	The final approval is through the Line management system by the DA and Department Manager
7	On receipt of Approval, Grant Applications issue the Letter of Offer.
8	On receipt and acceptance of letter of Offer, client engages consultant/Lean service provider to begin LeanStart assignment

Assessment of Applications

The Commercial evaluation and assessment by the DA is based on;

- Value for money for the State taking into account the performance against targets set in previous investments,
- The overall amount of State funding received by the company in the last seven years,
- How the plan is an integral part of the strategic development plan of the company,
- The financial track record of the company,
- The development needs of the company,
- Previous track record in implementing any previously State funded projects,

The Lean Desk evaluation and assessment is based on;

- The proposal being in keeping with the goals and terms of the scheme.
- The eligible costs being in line with the terms of the scheme.

3. LeanPlus

Overview

A LeanPlus project is a medium-scale training project facilitated/supported by an external Lean Service provider. The aim of the project shall be to improve productivity within the company by establishing and embedding continuous improvement systems and behaviours. This could provide the framework for a company digitalisation journey.

In order to support the change process within the company, the grant can also be used to cover part of the salary cost for up to 3 Lean project champions over the project duration. The goal of the project champions is to develop Lean business practices within the company by learning themselves and subsequently training others in process improvement and innovation tools and techniques.

Projects may vary in size and scope but will typically be 6 months in duration.

Eligible Costs

Eligible Cost Elements	Eligible Costs	Eligible Grant
External Lean Training and Advisory costs provided by a Service Provider on the EI directory	Up to €100,000 in eligible expenditure	50% of eligible costs up to a maximum of €50,000
Eligible external training costs are capped at €900 per day. Actual costs to the company are based on market rates and may be higher.	Actual spend by the company on the project may be higher.	
Training Course fees where applicable for specialised external courses that support the project goals.		
Salary cost of up to 3 company 'Lean project champions', up to 50% of the total project cost, subject to a combined maximum of 250 days at a maximum supported rate of €200 per day.		

Ineligible costs include;

- General Consultancy including Market research, IT implementation (i.e. installation and customisation of new systems), Financial review and planning, HR consulting or Health and Safety training
- Capital equipment, materials or travel and subsistence costs

Eligible Companies

The LeanPlus grant is open to companies who:

- are existing and potential clients of Enterprise Ireland or Údarás na Gaeltachta (Small, Medium or Large).
- have the capability and commitment to successfully complete the LeanPlus assignment.
- do not already have a Lean project under way. A follow-on Lean Plus project MAY be approved subject to the project bringing the company on a further significant step up in terms of capability rather than effectively continuing on with similar or closely related work¹.

Ineligible Companies

- HPSU clients in receipt of EI Investment funding are not eligible for a period of 3 years after the investment.

¹ There is an absolute limit of 3 LeanPlus project approvals per company. However this limit should only apply in exceptional cases as companies should be moving up to a LeanTransform or similar project as a follow-on rather than looking for support for more of the same.

- Clients of the Local Enterprise Offices are not eligible.

Irish Legal Basis

- Industrial Development Act 1998, Section 7 (Functions of Agency)
- Industrial Development Act 1986, Section 28 (Training grants)

EU State Aid Basis

- General Block Exemption regulation 2014-2020 (Training aid) for SMEs or Large companies

Eligible Activities

Eligible activities relate primarily to training of company personnel either by the external training service provider(s) or by the in-company Lean Champions to others within the company. The external service providers may also provide advisory services linked to the training projects (e.g. advice and guidance on training programme implementation and appraisal as well as benchmarking or diagnostics as appropriate).

Training will generally take the form of classroom-based instruction, workshops, demonstrations or simulations. This can also include practical hands-on activities, project-based training challenges and coaching if specified as part of a structured training programme. Training may also be delivered online or remotely using e-Learning, Conferencing, or Virtual / Augmented reality technologies for instance.

For LeanPlus projects, supported training may include;

- training on Lean, Six Sigma, Agile, Kanban, DevOps or other similar process methodologies as well as training on the application of such methodologies to the business to increase effectiveness and efficiency²,
- training on Environmental management systems, or other relevant training around climate change resilience for the company,
- Specialised external courses that support the project goals such as Lean green/black belts or similar courses in Lean, Operations or Innovation related topics. This does not extend to more generic longer courses such as MBA programmes.

Application, Assessment and Approval process

Applications may be submitted at any time to Enterprise Ireland (i.e. there is no set call close date). However, applications **should always** be discussed with the assigned Development Advisor prior to submission. Enterprise Ireland clients should use [this link](#) to find their Development Advisor in order to discuss their proposed project. With the agreement of the assigned Development Advisor, applications can be made using the Enterprise Ireland online application system.

Application Steps

1	The relevant Development Advisor (DA) discusses the case with the client company and if appropriate advises the client to complete an online application.
2	The client company is responsible for selection of a Lean Service Provider / consultant to carry out assignment by choosing from the Lean service provider directory
3	The client completes the application form online and submits. Note that a Financial Data Sheet (FDS) is not required for a LeanPlus application

² By using techniques such as Value Stream mapping, Standardisation and Visualisation.

4	A Grant Applications executive generates the draft Proposal for processing through the Online Application Processing System (OAP)
5	The application and proposal is sent to the Lean Help Desk for review and approval based on the terms of the scheme.
6	The final approval is through the Line management system by the DA and Department Manager
7	On receipt of Approval, Grant Applications issue the Letter of Offer.
8	On receipt and acceptance of letter of Offer, client engages consultant/Lean service provider to begin the project assignment

Assessment of Applications

The Commercial evaluation and assessment by the DA is based on;

- Value for money for the State taking into account the performance against targets set in previous investments,
- The overall amount of State funding received by the company in the last seven years,
- How the plan is an integral part of the strategic development plan of the company,
- The financial track record of the company,
- The development needs of the company,
- Previous track record in implementing any previously State funded projects,

The Lean Desk evaluation and assessment is based on;

- The proposal being in keeping with the goals and terms of the scheme.
- The eligible costs being in line with the terms of the scheme.

4. LeanTransform

Overview

LeanTransform is a large scale, extensive and holistic training programme which focusses on developing the capability and capacity of employees.

The objective is to support an Organisational Innovation programme focussed on;

- Listening to and improving the on-going flow of value to customers,
- Implementation of team based problem solving and continuous improvement & innovation activities,
- The identification and removal of wasteful activities in the business and supply chain,
- Leadership and management development to enable the alignment of operations to company strategy.

The result should be a company-wide transformation in culture and productivity performance. In order to build sustainable businesses that can grow into the future, a LeanTransform project is about investing in people and should lead to higher quality jobs as well as a productivity improvements.

Projects may vary in size and scope but will typically be 12-24 months in duration.

Eligible Costs

Eligible Cost Elements	Eligible Costs
trainers' personnel costs, for the hours during which the trainers participate in the training; trainees' personnel costs for the hours during which the trainees participate in the training.	Eligible external trainer costs are capped at €900 per day including expenses. Actual costs to the company are based on market rates and may be higher. Internal staff time (trainer or trainee) is based on actual pay rates subject to a cap of €350 per day. Course costs for approved external courses that support the project goals ³ .
trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, to the extent that they are used exclusively for the training project.	Travel and subsistence expenses are allowed as per standard EI policy where deemed reasonable and required for the training project ⁴ . Materials costs are allowable where there are materials required for the training project that are not readily available. This can include; <ul style="list-style-type: none">- costs of specific workbooks or other non-routine training materials- license costs for the use of software or e-learning/VR/AR content Materials costs are not allowed for; <ul style="list-style-type: none">- general stationery (flip-charts, paper, photo-copying etc),- costs for Learning Management platforms,- the development of training content. Where approved by Enterprise Ireland, eligible costs can include rental costs of training facilities where it can be demonstrated that adequate facilities are not otherwise available to the company.
costs of expert advisory services linked to the training project for advice and guidance on training programme implementation and appraisal as well as benchmarking / diagnostics where appropriate ⁵ .	Costs of advisory services are capped at €900 per day including expenses. Actual costs to the company are based on market rates and may be higher. It is EI policy to limit the support for advisory services to a maximum of 10% of the total eligible training project spend up to a project maximum of €200,000.

Maximum Grant Amount

The maximum grant rate is based on a percentage of eligible costs and depends on company size;

³ Costs for Conferences are not eligible Training costs

⁴ Travel for Conferences is not eligible

⁵ This does not extend to general consultancy, research, content development or implementation services.

- Small – 70%
- Medium – 60%
- Large – 50%

Note that the actual grant rate approved is at the discretion of the Enterprise Ireland approving committee.

Eligible External trainers

The client will be responsible for selecting and hiring the training service provider.

Eligible External Training providers in Lean or related disciplines are only those who are registered on the Lean Business Ireland Service Provider Directory (see <http://leanbusinessireland.ie>).

Regarding any other training providers (for management development or specialised technical training for instance), companies are advised to choose from the Lean Business Ireland Education or Specialist Provider directories wherever possible.

Eligible Companies

The LeanTransform grant is open to companies who:

- are existing and potential clients of Enterprise Ireland or Údarás na Gaeltachta (Small, Medium or Large).
- have the capability and commitment to successfully complete the LeanTransform assignment.
- do not already have a Lean project under way. A follow-on LeanTransform project MAY be approved subject to the project bringing the company on a further significant step up in terms of capability rather than effectively continuing on with similar or closely related work⁶.

Ineligible Companies

- HPSU clients in receipt of EI Investment funding are not eligible for a period of 3 years after the investment.
- Clients of the Local Enterprise Offices are not eligible.

Irish Legal Basis

- Industrial Development Act 1986, Section 28 (Training grants)

EU State Aid Basis

- General Block Exemption regulation 2014-2020 (Training aid)
- COMMISSION REGULATION (EU) 2017/1084 of 14 June 2017 (allowing accommodation costs for training aid)

Eligible Activities

The training supported;

- Must develop the capability and capacity of people to have measurable impacts on the business.
- Must bring new capabilities and knowledge into a company. This is done through the use of some external service providers or using elearning/virtual learning.
- Must be part of and support the project being applied for. The project must have clear objectives and defined activities to be carried out to achieve those objectives.

Exclusions;

The training supported;

⁶ There is a policy limit of 2 LeanTransform project approvals per company. In the case of a group structure, where there are multiple businesses that are not closely aligned, support for other companies in the group may be allowed on a case by case basis.

- Must not include training required solely to comply with national mandatory standards (e.g. health & safety, first aid, manual handling). See European Commission State Aid rules⁷.
- Must not be training that would be carried out anyway in the normal business or operations of the company (e.g. company induction, market/industry overview, information/briefing sessions, basic internal company systems training, etc.). This is required to satisfy the need for an incentive effect for State Aid support. So, any State Aid support must be *additional* to what would happen anyway in the company.
- Must not include production work. Training Aid may not be used to subsidise the normal operations of the business as that would have the effect of distorting the market.
- Must not be already supported with State funding (Skillnet training for instance⁸).

Training Delivery;

- Training courses or activities must be structured, with predefined learning objectives as part of a training specification. A training specification should include Title, Duration, Objectives, Delivery methodology, Outline of programme content.
- Training will generally take the form of classroom-based instruction, workshops, demonstrations or simulations. This can also include practical hands-on activities, project-based training challenges and coaching if specified as part of a structured training programme.
- Training may also be delivered online or remotely using e-Learning, Conferencing, or Virtual / Augmented reality technologies for instance.

Training programme examples;

For LeanTransform projects, supported training may include;

- training on Lean, Lean-Kanban, Six Sigma, Agile-Lean, DevOps or other similar process methodologies as well as training on the application of such methodologies to the business to increase effectiveness and efficiency⁹. Note that for a project to qualify under LeanTransform or Operational Excellence, there MUST be a significant element of process training including themes like Quality, Continuous Improvement, Innovation and Cultural behaviours. This is based on the premise that project focussed solely on Management or Technology skills acquisition without promoting an understanding of how they can be applied is not likely to have a transformative effect on the company.
- training on Management and Leadership to support the project goals,
- training on specialised technical skills to support the project goals,
- training on equipment or software (such as ERP, MES, Robotics) that are being introduced as part of the project, other than that excluded above as the normal business of the company,
- training on Environmental management systems or other relevant training around sustainability or climate change resilience for the company
- Specialised external courses that support the project goals such as Lean green/black belts (up to Msc) or similar courses in Lean, Operations, Leadership or Innovation related topics. This does not extend to more generic longer educational courses such as full MBA programmes.

⁷ http://ec.europa.eu/competition/state_aid/legislation/block.html

⁸ The state aid basis for Skillnet training is also Training aid. Therefore if training is already subsidised through Skillnet, and subsequently supported through LeanTransform, then the maximum aid intensity would be breached. Therefore, Skillnet courses can *only* be supported as part of a LeanTransform programme at an un-subsidised rate.

⁹ By using techniques such as Value Stream mapping, Standardisation and Visualisation.

Limits and Parameters;

It is expected that the amount of training supported would be limited to 20 days per trainee for a supported project. There may be valid reasons to support more than that, subject to approval in advance by the Enterprise Ireland Investment Committee. These could include for instance;

- a longer training programme could be justified for some individuals (i.e. Lean Green/Black belt)
- a core team of people within the company may require a wider training engagement for the project to be successful. In that case, the policy is to allow up to 5 people to be supported for up to 40 days training. If there is more required, then that may be allowed subject to approval in advance by the Enterprise Ireland Investment Committee.

Note that Training records must be kept for all internal trainer or trainee time that is claimed for.

Application, Assessment and Approval process

Applications may be submitted at any time to Enterprise Ireland (i.e. there is no set call close date). However, applications **should always** be discussed with the assigned Development Advisor prior to submission. Enterprise Ireland clients should use [this link](#) to find their Development Advisor in order to discuss their proposed project.

Application Steps

1	The relevant Development Advisor (DA) discusses the case with the client company and with a member of the Operational Excellence team. If the project looks like it could be supported, the relevant application forms are sent to the client.
2	The client company is responsible for selection of a Lean Service Provider / consultant to carry out assignment by choosing from the Lean service provider directory
3	<p>The client completes the relevant application forms. It is strongly advised that draft application forms are discussed with Enterprise Ireland before submission as errors in the application may result in some or all of the project costs being disallowed. In that case a client will normally be asked to withdraw the application and resubmit after review.</p> <p>Note that a Financial Data Sheet (FDS) is required for a LeanTransform application if the combined requested grant amount exceeds €150,000.</p> <p>Note that once the application is formally submitted, the client may start the project at the client's own risk. If the project is not subsequently approved, Enterprise Ireland will not provide grant support for any costs incurred. However, if the project is subsequently approved, then the costs incurred from the date of application may be eligible subject to assessment and inspection.</p>
4	A Grant Applications executive generates the draft Proposal for completion by the DA.
5	The application is sent to the relevant Lean-Operational Excellence (OE) advisor for review and assessment based on the terms of the scheme. The OE advisor prepares an assessment report after a review of the application and discussions (including visit(s)) with the client.
6	The DA gathers the relevant inputs and submits the proposal to the Enterprise Ireland Investment Committee for approval.
7	On receipt of Approval, Grant Applications issue the Letter of Offer. If the project is not approved, the client will be informed.
8	The letter of Offer must be signed and returned to Enterprise Ireland before there is any legal obligation of grant support.

Assessment of Applications

The Commercial evaluation and assessment by the DA is based on;

- Value for money for the State taking into account the performance against targets set in previous investments,
- The overall amount of State funding received by the company in the last seven years,
- How the plan is an integral part of the strategic development plan of the company,
- The financial track record of the company,
- The development needs of the company,
- justification of the company's need for financial assistance to undertake the project
- Previous track record in implementing any previously State funded projects,

The Operational Excellence team evaluation and assessment will comment on the following criteria;

- project targets and expected impacts
- expected impact on the company's productivity
- embedding of required company culture and capability
- evidence of additionality of the project within the company
- management capability to successfully deliver project
- quality and feasibility of the proposed project and suitability for Lean Transform
- reasonableness of project costs

Any exceptions to policy should be articulated, with a reason for the variation. The exception should be sought from the Investment Committee and noted.

Approval Process

A Proposal document is prepared and presented to Enterprise Ireland's Investment Committee for approval.