

CONF (16 - *several letters*)

(our reaction)
Ph.F. Korthals Altes
Tina

CABINET KROES	
To: NK BS OG CT BB LEA MS RB JGP SEC	
001688	04.10.2005
cc: NK BS OG CT BB LEA MS RB JGP SEC	

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19510 Mrs. Neelie Kroes
European Commissioner for Competition
Brussels

Concerns : Consultation document on measures to improve state aid for innovation

HT 319

Blaricum, 2nd October 2005

Dear Mrs. Kroes,

With much interest I have seen the publication of the abovementioned paper whereby stakeholders are invited to give their reaction. As I am in the process of looking for start up capital for my new company I would like to inform you about my business plan for the Dutch market.

Innovation is the result of the 'state of mind' in a company and not the result of technological innovation. Management should take measures to stimulate their employees to find new products and/or services by working closely together and by gaining the confidence of their clients to get to know their future needs. Once the function of a new product or service has been defined the company will apply the required technology either externally or internally to realize this new product and/or service.

Due to the long period of rationalisation measures within trade and industry whereby large parts of middle management have been 'exited' many companies lack experienced (middle) managers to initiate innovation processes whilst the top managements only know how to rationalize, acquire, integrate and rationalize again.

Partly as a result of these developments the number of registered unemployed in the age category 55/65 has increased dramatically in Holland from 34.000 in the summer 2004 to 47.000 in the summer 2005 (CBS Statline). Furthermore there appear to be little or no initiatives to target this group for re-employment. I am convinced that there are hundreds of experienced and qualified (ex) managers in this group who would be very motivated to act as 'innovation manager' in a company for a fixed period of 3 to 5 years.

Especially in the expertise areas of 'engineering' & 'energy' there is a demand for experienced (engineers)managers with a proven track record to start up innovation processes. Moreover this group aged 55 and over does not represent a threat to the existing management nor for the career perspectives of the younger generation in a company. Furthermore they are used to look beyond the short term and able to inspire people for new ideas.

Thus I want to start my company Innovation Managers BV where my clients will be the entrepreneurial 55 plus engineer and my market all companies with a lack of innovative drive.

My marketing strategy will be that my concept will strengthen the innovative capabilities of the company and that the potential returns on the investment in an 'innovation manager' should prove to be substantial with the right support from top management. Because the 'innovation manager' will not only start one or more innovation processes but at the same time learn the organisation how to do this.

Having been from 1999 until 2004 managing director of a start up company in Holland, Altran Technologies Netherlands, a high tech consultancy stimulating innovation I do have the required experience, as a non engineer, what a start up entails and what innovation is (between the ears).

The financial scenario's of my business plan indicate at best a breakeven point after 15 months and at worst after 30 months, requiring euro 500.000 of start up capital. In my search for capital so far in Holland I find only one small PPM with an amount of euro 15.000 and the Techno Partner Platform with few or no participants. An alternative may be the 'business angels' route.

On the other hand I feel that every unemployed person engaged through Innovation Managers BV by a company as 'innovation manager' decreases the amount of unemployment benefits and increases potential tax revenues.

Generally speaking, as you may have guessed, I am not in favour of state intervention but in this case it could be a perfect solution for both parties, as long as I can start today.

With kind regards,

Philip F. Korthals Altes