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World-class productivity and management development

High productivity and competitive levels are essential if indigenous Irish companies are to sustain export performance against robust global competition. To this end Enterprise Ireland made continued strong progress in 2006 towards our three-year strategic target of supporting productivity and competitiveness projects in at least 300 firms.

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The added value of our support for productivity and management development is that it helps embed a culture of innovation and sustainable improvement in recipient companies, thereby establishing a base from which they can further develop products, services, competitiveness and, ultimately, export sales.

■ **Productivity Improvement Fund** The Productivity Improvement Fund provides advisory support and financial assistance to help companies improve productivity and increase international competitiveness. Support is provided for machinery and automation equipment, technology acquisition and training. We supported 150 productivity improvement projects during the year. These projects, covering all sectors, involve a total investment of €102 million supported by €28.6 million from Enterprise Ireland. Sixty three per cent of these clients were in the Industrial and Lifesciences sector, 30 per cent in Food and Retail Consumer Markets and 7 per cent in Software, Services and Emerging Sectors. ■ **Supply chain**

management The Supply Chain Management initiative addresses cost reductions, efficiencies in production, distribution and product delivery, and is also aimed at driving improvements in competitiveness. Under this initiative Enterprise Ireland supported over 60 client companies' supply chain-enhancing projects across all sectors of industry including Food, Engineering, Construction and Chemicals.

■ **Benchmarking** Other productivity projects delivered during the year included an initiative challenging clients to establish how their business compared internationally. This work involved benchmarking over 40 client companies, and challenging and supporting 14 companies on medium term improvement projects. ■ **eBusiness**

Our eBusiness Unit continued to promote the use of ICT among client companies through the eBusiness Management Initiative. The programme supports projects across all sectors that improve productivity or increase international sales. This included 66 clients attending a workshop on using the internet to

compete in international markets. ■ **International conferences** Two major conferences organised to address innovation, competitiveness and world-class practice were held during the year. The country's first international innovation conference brought together a panel of leading experts to examine best thinking and practice in innovation strategy at national and company level (see page 35). ■ Over 350 participants attended the two-day international Achieving Performance Excellence conference on building competitiveness and world-class practice. Organised jointly by Enterprise Ireland and the EU-Japan Centre for Industrial Cooperation, it brought together senior European, Japanese, United States and Irish managers representing 20 per cent of the world's top 50 manufacturers, including Daimler-Chrysler, Toyota, Sony, Pepsi, Dell, Volvo, Pirelli and IBM.

Productivity improvements transform Horseware Products' performance

With assistance from Enterprise Ireland's Productivity Improvement Fund, a Dundalk equestrian company is transforming its performance, competitiveness and export capability.

Horseware Products Ltd has a reputation for consistently bringing innovation to the worldwide niche market for horse rugs. ■ The multi award-winning company achieved a global leadership position in the mid-90s with the design and manufacture of its 'Rambo' rug, which set new standards in the market. ■ Horseware Products has enjoyed major success ever since, solidly holding a place as a world-beating designer and manufacturer of other innovative horse rugs, and introducing a successful range of equestrian clothing and accessories. ■ The Dundalk company exports the bulk of its output to European, US, UK and Australian markets. Turnover in 2006 reached €20 million, a considerable upturn on the previous number of years during which, faced by rising costs in Ireland and increasing competition from Asian imports, Horseware Products was being forced to reduce capacity and shed jobs. ■ Expectations now are that the company can grow to a €30 million turnover by 2010. ■ According to Horseware Products MD Tom McGuinness the turnaround is due to improvements made under Enterprise Ireland's Productivity Improvement Fund. ■ "Consistently over 20 years Enterprise Ireland has seen the need and gone out there to meet it," says McGuinness, "and they have delivered once again with this programme." ■ The horse rug innovator is in the middle of a two-year capital investment, technology acquisition and training plan under the Productivity Improvement Fund that is significantly reducing production lead times and bringing an array of efficiencies to all areas of the business. ■ New software has speeded up the design process, while a 50,000 sq ft warehouse is stocked out to capacity due to a faster and more efficient manufacturing process. Other improvements have included a wireless scanning and barcoding reading system that enables operators to pick stock more quickly and ship it faster. There are now fewer errors, bottlenecks, and much less paperwork in comparison to the previous model. The company is also employing more people in warehousing and shipping, replacing manufacturing jobs lost several years ago. ■ "The results," says McGuinness, "have been fantastic, and are enabling the business to grow significantly without any further heavy investment. We can now beat the pants off our competitors in efficiency as well as design."

www.horseware.com



did you
know?

National forum captures latest innovation thinking and practice

Nearly 300 entrepreneurs, senior managers, executives, technical people and staff responsible for innovative activities in their companies attended a major Enterprise Ireland-organised national forum on innovation in September 2006.

Officially opened by Minister for Enterprise, Trade and Employment, Micheál Martin T.D., the Innovation Forum and Showcase at Dublin Castle brought together leading international experts to provide a comprehensive overview of the best thinking and practice in innovation management. ■ The two-day event examined a broad range of innovation issues at international, national and organisational levels, and down to the functional level of the individuals tasked with conceiving innovative ideas and delivering creative strategies. ■ A series of keynote speeches, sectoral sessions, case studies and a seminar programme examined innovation strategy as well as innovation in action, and focused on helping Irish businesses to understand and attain the commercial benefits of innovation. ■ In his opening address, Minister Martin said: "In an increasingly knowledge-driven global economy, sustained economic growth is inextricably linked to the ability to innovate successfully. This requires Irish firms to be solutions-driven and highly responsive to market developments. ■ It is important to remember that innovation is not the sole preserve of large high-tech firms and research laboratories, but it is simply the application of knowledge in order to do things better, more quickly, more economically and more efficiently." ■ The Forum's seminar programme provided practical tools and techniques to improve innovative capabilities across a range of subjects including intellectual property management, supply chain management, eBusiness and productivity ■ Exhibitors at the showcase provided advice and assistance in areas such as scientific and technological research, design and development, innovation management and automation. ■ At the Innovation Forum Enterprise Ireland also launched a new web site to support innovation in practice: www.techsearch.ie is an online version of the existing TechSearch service, which helps Irish companies to locate and acquire technologies not readily available from commercial sources. ■ The service operates across all industrial sectors and provides assistance and expertise to clients to successfully license technologies from international sources. ■ Teams from Enterprise Ireland were also on hand to advise on all the programmes and services available to support innovation in Ireland.

Dr. John Bowman (left), Conference Chairman and Prof. Keith Goffin, Professor of Innovation and New Product Development, Cranfield School of Management



At the Innovation Forum (l-r):

Thomas Arnold, Head of Research and SME Unit, Directorate-General for Research, European Commission; Mike Feeny, Executive Director, Enterprise Ireland; Catherine Whelan, Innovation Manager, AXA Insurance; Ted Roumel, Senior Advisor, Pharmaceutical Research and Manufacturers of America (PhRMA); Philip Thornton, Manager Specialist Technologies Support, Enterprise Ireland; Alan Dixon, Head of Business Unit, Enterprise Ireland.

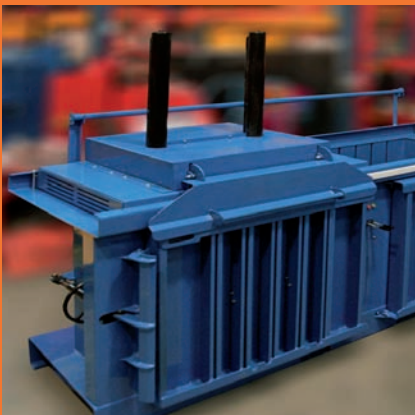


Mac-Fab increases productivity in response to growing markets

Enterprise Ireland-supported training and improvements in productivity at a Co Monaghan waste baler manufacturer has helped give the green light for growth in international markets.

Mac-Fab Systems is one of the fastest growing baler manufacturers in Europe, with over 80 per cent of its €7 million turnover in 2006 resulting from sales in the UK and ten other European countries. ■ The Co Monaghan company currently manufactures and markets 14 different models of baling presses for waste paper, cardboard, plastics, and other materials. The machines offer a complete waste management solution to customers in sectors such as Hospitality, Retail, Industry and Local Government. ■ Aiming for 15 per cent growth in each of the next two years, Mac-Fab recently signed a deal to supply 400 balers to Marks & Spencer, and is already ahead of target in its UK market where growth reached 40 per cent within just six months. ■ "We know what the customer wants," says Mac-Fab MD Gene McMahon. "and consequently have simplified our balers' features and designed the range to maximise durability and reliability. This is why we continue to grow." ■ Mac-Fab sells through a network of overseas distributors in all its markets. A central European sales manager, with a command of five different languages covers Austria, Belgium, France, Germany, Italy, the Netherlands and Spain. ■ With the UK, France, Spain and EU accession states offering strong potential Mac-Fab is ramping up productivity and competitiveness levels and working to expand its distribution network. ■ Enterprise Ireland recently supported the company under the Productivity Improvement Fund for investment in both capital acquisition and company-wide training. New equipment will improve the manufacturing process and increase productivity levels, while the entire staff of 40 is undergoing training to streamline stock control, administration, safety and all business processes. ■ Mac-Fab is also working in close collaboration with Enterprise Ireland's overseas office network. "The overseas teams have done a lot of work with us," says Gene McMahon. "They have given us an excellent overview of key markets and helped us to locate distributors that are right for the product." ■ The Carrickmacross company is one of a growing band of Irish companies successfully exporting waste management products and services.

www.macfab.com



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Building management capability

World-class management teams with strong international sales capabilities win business and attract investors. The new model of a knowledge-driven Irish economy needs the leadership of a new breed of Irish managers with a breadth of world-class skills and expertise across the whole spectrum of business disciplines. To achieve export growth it is therefore just as important to invest in building management capability as it is to tackle any other critical area of business development. ■ Enterprise Ireland placed strong emphasis on enhancing the management capabilities of Irish businesses in 2006. We approved €11.5 million of the Productivity Improvement Fund for training, against a client investment of over €22 million. ■ In total almost 200 client companies from across all sectors participated in management development programmes. This is a 50 per cent increase on the previous year's participation levels.

■ Along with continued delivery of existing programmes tailored to the needs of specific sectors, two major management development programmes, Leadership 4 Growth and the International Selling Programme, commenced during the year. ■

Leadership 4 Growth The Leadership 4 Growth programme, developed by Enterprise Ireland in association with the Irish Software Association and the Stanford Graduate School of Business in the United States, brings together key players from the business world and academia to fast-track the growth of Irish software companies. An initial tranche of 31 ambitious CEOs from Irish high-growth companies started the first Leadership 4 Growth programme in 2006. The programme provides a major opportunity for participants to enhance their leadership and strategic capabilities through Stanford's world-renowned business faculty (see page 38).

■ **International Selling Programme** The International Selling Programme enhances skills at management levels in Irish companies. An initial group of 32 participants, with 60 more planned for 2007,

came from a wide range of sectors with export sales strategies targeting markets right across the globe. Delivered in association with the Dublin Institute of Technology the programme is totally export sales focused, designed to help Irish companies win international sales and sustain export growth into the future. ■ **Sectoral change programmes** Positive results also came from sectoral change management programmes that employ best practice input from Irish and international expertise. These include the Seafood Processing programme, delivered in partnership with Bord Iascaigh Mhara and the Grimsby Institute of Further and Higher Education, and the Pork and Bacon Processing programme delivered in association with the Irish Management Institute and the Danish Meat Research Institute. Almost 40 participants on both programmes focused on developing management capability and driving innovation in SMEs. ■ **Access to external expertise: the Mentor Network** In 2006, Enterprise Ireland helped 332 companies access the external advice and support provided by our nationwide Mentor Network. The mentors are senior executives with a proven track record of business success who volunteer their services. In 2006, we welcomed to the network a number of new mentors who bring extensive experience of high technology and emerging sectors. ■ In addition, 26 international mentors were assigned to work with clients in overseas markets.

Leadership 4 Growth creates landmark opportunity for CEOs

Enterprise Ireland's Leadership 4 Growth programme, which offers Irish high-growth company CEOs a breakthrough opportunity to enhance their ambition, mindset and world-class leadership capabilities was launched in October 2006.

An initial tranche of 31 ambitious CEOs from leading Irish software, services and technology companies started the first Leadership 4 Growth programme in October.

- Developed by Enterprise Ireland in association with the Irish Software Association, the world-renowned Stanford Graduate School of Business is delivering the prestigious programme in the US and Ireland.
- Leadership 4 Growth is quite distinct from other leadership programmes in both delivery and content. It focuses on developing the leadership ambition, mindset and capability of participants, to help them create companies that achieve scale and dominant positions in their chosen markets.
- Its overall objectives are to achieve tangible growth and business improvements for Enterprise Ireland clients through enhancing CEO-level leadership and strategic capabilities, thereby creating fundamental change in the indigenous software and technology sector in Ireland.
- Stanford faculty members with unparalleled experience in the leadership, software and technology fields lead the modules. Between modules the CEOs participate in one-on-one coaching and attend monthly group sessions aimed at supporting the execution of their newly-defined leadership and business strategy plans.
- Participant Tony McGuire, CEO of Dublin-based System Dynamics, says: "Access to this programme with these guys at Stanford has been a complete revelation. It has changed very dramatically my own ambition and that of our whole management team. ■ "Not only has it given us the inspiration to think immense business ideas, but it has also provided us with the road map to implement them and to go on to be a significant company. ■ "But the real payback so far is that System Dynamics is talking a new language of leadership. We are currently experiencing 50 per cent increase in business from this time last year and our new ideas of leadership mean that we know how to manage and lead this strong growth."
- Professor George Foster, Programme Faculty Director at Stanford Graduate School of Business says: "This certainly is a landmark venture bringing together key players from business and academia to fast-track the growth of Irish software companies. We at Stanford are delighted to be a part of such an important initiative for the Irish economy and its software industry."
- The first programme runs until September 2007.



Leadership 4 Growth Programme
Stanford Graduate School of Business
Module 1: October 22-28, 2006

Row 1: Bernie Cullinan, Gary Coburn, Gerry O'Connor, John Byrne, Anna Kupka, Peter Conlon
Row 2: Philip Sharpe, Des Speed, Brendan McDonagh, Jim Breen, David Wall, Eric Mosley, Anthony Collins
Row 3: Aidan Dillon, Cyril McGuire, John Conroy, Karl Flannery, Leo MacCanna, Tony McGuire, John O'Brien, Alan Robinson
Row 4: Sean Keenan, Paul Fawsitt, Damian Fannin, Fionan Murray, Cormac Whelan, David Moran, Colm Healy, Ray Bolger, Richard Bryce, David Harrison