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Channel Mechanics CEO Kenneth Fox on establishing in Silicon Valley

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# THE MARKET

## DOING GREAT IN BRITAIN

WHAT IT TAKES TO SUCCEED



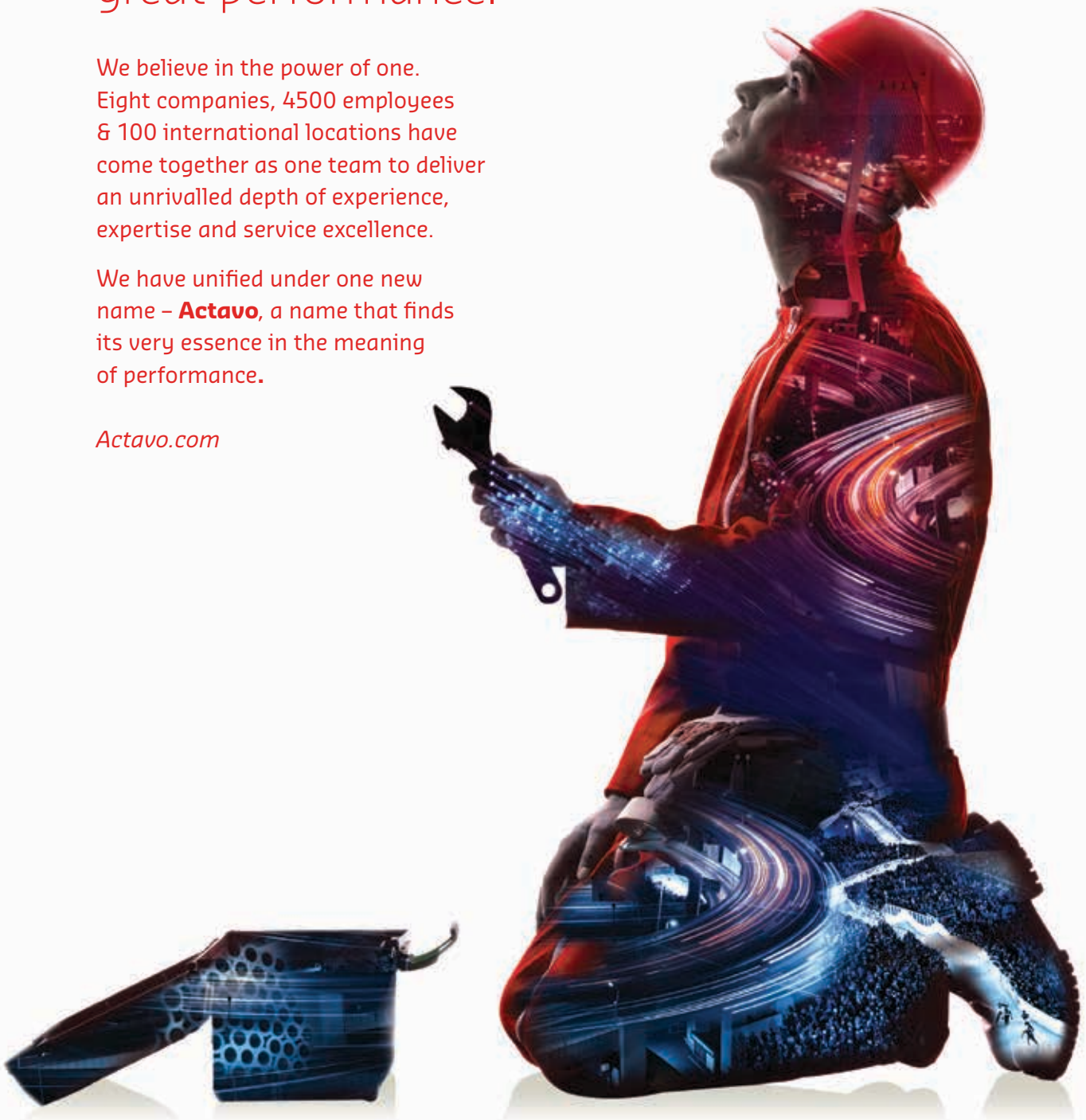


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## THE MARKET

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## FitzGerald Nursery sows the seed for sweet potato farming in Europe

**A**cross Europe, farmers are growing sweet potatoes thanks to research and propagation work carried out by the FitzGerald Nursery in Thomastown, Co Kilkenny.

Plantsman Pat FitzGerald has scored considerable success exporting varieties of sedge and primroses across the world, but he turned his attention to sweet potatoes after being asked if it was possible to grow them in this country.

Having sourced plant stock from Louisiana State University, which has granted him exclusive rights to the parent material in Europe and North Africa and to sub-licensing sweet potato production, he used an Innovation Voucher from Enterprise Ireland to fund trials, and found strains of seed potato that could be grown in Northern Europe with excellent results.

He now is commercially producing five varieties, which were initially sold to hobby growers, but which are now being sold to farmers in Austria, France, Germany, Greece, Portugal, Spain and Switzerland. This represents import substitution on an EU-wide scale as previously most sweet potatoes sold in Europe were grown in the United States, Israel and Egypt.

"We have sweet potato commercial production in locations where it has not been heard of before," said FitzGerald. "Yield production in France, Germany and Switzerland are comparable to, and in some cases better than, yields in traditional sweet potato countries.

"We are now looking at developing production of sweet potatoes as a source of natural food colouring additives. We are also working on other novel crops such as ulluco, yacon and oca. Watch out for them during spring 2016."



PAT FITZGERALD



ISA NACEWA'S RASTA BIKE: RUGBY LEGEND ISA (SECOND FROM LEFT) PICTURED WITH THE FUNKED UP FIXIES TEAM.

## Funk my ride, Irish style

**C**laiming to offer 'the most customisable bikes on the planet', Funked Up Fixies are producing about 1,000 custom bikes a year and exporting more than 90 per cent of their output.

The company was set up by childhood friends Olaf O'Moore and Andrew Casey, who at the age of 23 and 24 set up Ecocabs, the tandem bicycle shuttle service in Dublin's city centre that is free to passengers thanks to the revenue earned from advertising.

"We are very much part of the cycling community and the cycling subculture in Dublin and we saw the growing appeal of customisable bikes and of single speed bikes, both fixies and freewheel, in urban environments," said O'Moore.

Customised bikes are ordered online on [www.funkedupfixies.com](http://www.funkedupfixies.com), a website designed by Olaf's cousin Zania Dahl, which offers a fully-personalised bike delivered to the customer's door anywhere in Europe within seven working days.

Customers pick their frame size, then choose from six different types of handlebar, four different types of rear wheel and three different types of front wheel. They then specify their chosen colour for 12 different sets of components.

"At the latest count there are 24 billion different combinations available," says O'Moore. "Dublin is our biggest market, after that it's France – Paris and Bordeaux; Germany – Berlin, Frankfurt and Munich; Copenhagen and Stockholm.

"We do a lot of search engine marketing so that potential customers can find us, and we use social media like Twitter a lot. But word of mouth is also an important factor.

"The aim now is to develop Funked Up as a lifestyle brand, to start offering t-shirts, hats and caps. We would like to see it as equivalent to, say, Adidas, Patagonia or Quiksilver."

Prices for a Funked Up bike start at €550, including VAT, which means that they come in below the €500 threshold for BIK on corporate gifts.







## Olé at MedInIreland as Aerogen signs Spanish partner

**T**aking part in MedInIreland, Enterprise Ireland's biennial medtech expo in October, has opened up new opportunities in the Spanish market for Aerogen, the Galway-based pioneer of aerosol drug delivery systems.

Aerogen's market development manager Simon Donoghue had been searching for a new Spanish distribution partner for months without success. "I had attended loads of critical care conferences in Spain without meeting anyone suitable and I had exhausted all my LinkedIn contacts without success.

"Enterprise Ireland paid for Francisco Paco Ribes, the owner of Dextro Médica, to fly over to Ireland for the day to meet with us. He was very well prepared and knew about our company. We sat down together to talk for a couple of hours and agreed to work together. It is a very good fit because he understands the critical care market very well and is already a distributor for Philips and Fisher & Paykel ventilator equipment, which are complementary products for our technology.

"He also has a large team of staff, which means that he would be sub-contracting distribution and will ensure that his team are well-trained in understanding our technology." In fact, EI have since made their offices in Spain available for the training.

Recent recruitment at Aerogen means that the company now employs more than a hundred, and this year it will have a turnover of €35m.

## swiftQueue scores in the waiting game

**S**wiftQueue is an Irish company that has developed an online platform for booking appointments at hospitals, clinics and GP surgeries. This year, swiftQueue will have been used to handle nearly a million patient appointments at more than 50 hospitals/clinics in the UK and Ireland

CEO Brendan Casey saw the need for the solution when he was involved in several youth football teams and wouldn't know where to take an injured player because there was no way of knowing at which hospital that player would be treated soonest.

Because the cloud-based SaaS platform is accessible from any smartphone or internet-enabled tablet, everyone, both patients and health professionals, have access to real-time up-to-date information about appointment availability and waiting times. Furthermore, hospitals can use the platform to manage patient-flows and to gain insights into patient demands. Already, using swiftQueue, the Phlebectomy Department at Beaumont Hospital has cut waiting times for blood tests appointments from three months to two weeks.

"We were founded in 2011 and from the start we have been getting positive feedback," said Casey. "As we get more reference sites, our growth is accelerating. At the moment we are concentrating on Ireland and the UK, but we see big opportunities in Australia, Canada and the Middle East. In the UK and Ireland alone, we have a pipeline of €2m in projects."

swiftQueue is also industry partner on the Irish Government's new €5m ARCH (Applied Research for Connected Health) programme.

## Galway company enables first underwater repair of high-voltage cables

**A** Galway mechanical engineering firm, Marine Technology, has built a first-of-its-kind underwater housing that allows divers to repair high-voltage cables on the sea floor.

The system was devised when faults developed in the Moyle Interconnector, an underwater high-voltage cable that runs between Northern Ireland and Scotland. Engineers at ESB International feared that lifting the cable to the surface to be repaired might actually damage it further. Plus hiring a specialist ship to lift the cable was an extremely expensive option. They came up with the concept of a repair housing or 'habitat' and asked Marine Technology (MTL) to design and

produce a workable prototype.

ESB International MD Ollie Brogan describes the habitat as looking like one of the intensive care units used for premature babies. Certainly, its use is only in its infancy. MTL director Eoghan Lavelle says: "We hope this project will open up more work for us in the area of cable repair technology globally, expanding our brand and increasing our employment numbers."

Currently, this family firm, which has been trading for more than 35 years, employs 10 people. As well as marine engineering, it has expertise in the fields of aerospace, medical devices and combustion technology.

## Slane company's innovation wins in the UK light rail sector

A new hand support pole system, MightyBar, with applications in coach building for the bus and rail sector has been highly commended at the UK Light Rail Exhibition.

Produced by Global Green Composites in Meath in conjunction with Dublin-based Burgmann Packings, the MightyBar is up to 70 per cent lighter than conventional metal pole systems. The product is fabricated from resins and composites to produce rails and poles in a wide range of finishes, gloss or textured, and in any RAL colour. The finished product is made using closed vacuum moulding, so the bars can be shaped in any way that the customer desires.

After exhibiting at the UK Light Rail Exhibition, the company was asked to enter the MightyBar into the Light Rail Awards, and it was highly commended in the Technical Innovation of the Year category. Not only does the lighter weight reduce fuel consumption in buses and trains, as one of the judges, James Hammett of UK Tram, pointed out: "It is more

practical and more attractive than steel or aluminium. It's non-slip, warm to the touch and never needs painting, so it's a deserving winner. It can be used on doors, station platforms and stairways as well – in fact pretty much anywhere in the passenger environment."

Using MightyBar on a bus can typically reduce the overall weight of a vehicle by a magnitude that can equate to a 30 per cent reduction in fuel consumption, so the industry is very interested in this," says CEO Gerry Killen. "If we got just two UK bus manufacturers to replace metal bars with our composite bar, we are talking about millions of euro worth of business."

This would build on Global Green Composites's existing business, as manufacturer of wind turbine blades and specialist components such as airport snowploughs.

"At present our employee numbers are in the mid-50s and we have a turnover of €3m," said Killen. "Our development plan is to have 110 employees and a turnover of €8m in 2018."



MD SEAMUS MCGARDLE

## World Bank turns to SRI Executive for HR services

The World Bank has named Irish company SRI Executive as one of four firms that will help it with the bank's senior search recruitment and HR activity across the globe.

Although the company is not as well known in Ireland, SRI Executive is a respected brand name globally in its specialist areas of activity, which include multilateral banking, climate change and environment, international development, life sciences and agricultural development. SRI personnel, in their 18 locations globally, regularly engage with government presidents, ministers and senior civil servants from the Nordics to South America and from the United States to the Far East.

As well as providing senior search services, SRI will provide the World Bank with HR services such as leadership training, job benchmarking and executive coaching.

While SRI is Ireland's biggest executive search consultancy, it is a minnow in comparison with the other three firms appointed on to the World Bank's panel: Korn Ferry International and Boyden are the world's two largest executive search firms and Russell Reynolds is also in the top 10. Korn Ferry alone employs 3,400 people; in comparison, SRI has 50 employees worldwide, 20 of whom are based in Ireland.

MD Seamus McGardle

attributes the company's success to a mixture of luck, hard work, passion, professionalism and persistence. "We started as a search practice specialising in the life sciences in Ireland when we were asked if we could help find personnel for the International Rice Research Institute in the Philippines. From that we were asked if we could help the Asian Development Bank and from that we moved on to the World Bank and the UN."

2015 has been a milestone year for SRI Executive, says McGardle, with the company announcing sole partnerships with UNICEF, the UNDP, UN Women, the UNFPA, the International Union of Conservation and Nature and the Global Green Growth Institute.

"What has helped us is that we are incredibly enthusiastic and passionate about our work and we have a very good knowledge and understanding of multilateral organisations because of the way we engage with them. Being Irish, we are seen as halfway between the cultures of the US and the East.

"But the main lesson is that persistence pays: we have been in New York for seven years. Now we are at a stage where we can easily meet face-to-face with the likes of an Under Secretary General in the UN or with senior government personnel. It takes time to get established in any new market."





## Making flat-pack assembly as easy as OVVO

**A** Dundalk company is building a market for itself by taking the headache out of flat-pack furniture assembly. OVVO, established by cousins Seán and Brendan Philips, has developed a three-piece connection system that can be used to join pieces of timber, and a wide range of other materials, together either permanently or temporarily without the use of tools, glues or screws.

For any connection, two pieces from the system sit embedded in the material to be connected, so there are no protruding parts that might otherwise damage the likes of flat-packed furniture in transit. When material needs to be connected, a third OVVO component holds the two embedded components securely together.

At the moment the company has distribution partners in the UK, the Benelux countries, Italy and Spain, and is looking for more European partners before launching on to the US market at a trade show in Atlanta in August next year. After exhibiting at the Interzum Furniture Fair in Cologne in May 2015, the company had enquiries from potential partners in 40 different countries. Currently, the company employs six people and is set to have a turnover of €400,000 this year.

"We are growing exponentially," said CEO Brendan Philips. "At the moment we are producing connection systems for 18mm board, but we will soon be launching a version that can connect 12mm board.

"Also, we are targeting medium-sized furniture makers, who would have the CNC machinery necessary to embed the components into timber or another material. In February, at a show in Spain we will be launching a hand-held tool that will give smaller companies and the DIY/hobbyist market, who would not have CNC machinery, access to the system."



## Donegal start-up behind the first doll in space

**D**onegal-based high-potential start-up Arklu's Stargazer Lottie Doll has become the first doll in space, joining British ESA astronaut Tim Peake on the International Space Station (ISS) as part of the Principia mission. During her time on board the ISS, Stargazer Lottie will fulfil her mission to get kids interested in space.

The Lottie doll line was launched in 2012 by Arklu cofounders Lucie Follett and Ian Harkin in response to parents' concerns that their daughter were growing up too fast and were too worried about body image. Lottie has won several industry awards based on her body being sculpted on the average measurements of a nine year old child. Lottie is now on sale in 30 countries.

The inspiration for the Stargazer Lottie doll came from

six-year old Abigail in Comox, British Colombia, Canada, whose mum, Zoe, emailed Arklu with the idea of an astronomy-themed doll to help other kids learn about space.

Her idea caught the imagination of the Donegal-based company, which created the Stargazer Lottie doll in collaboration with the European Space Agency and with help from Dr Karen Masters, a female astronomer at Portsmouth University.

When previewed at the New York Toy Fair 2015, the doll won the 'Young Scientists' award, from space.com who said "This doll was one of our favourite things at Toy Fair, hands down. The creator's mission to get young girls interested in astronomy is laudable, and the doll itself is perfect for a young child first exploring the cosmos."



## Government publishes innovation and enterprise strategies

**T**he Government has launched Enterprise 2025 as a 10-year jobs and enterprise strategy aimed at delivering sustainable, enterprise-based jobs growth.

The ambition is to realise a step change in the performance of enterprise across the economy – with more Irish-owned companies of scale; a greater number of start-ups with better survival rates; more entities investing more in research, development and innovation; and more enterprises exporting across a range of markets.

Key targets include Ireland achieving and retaining a top 3 competitiveness ranking; a 60 per cent increase in Enterprise Ireland clients spending more than €1m on R&D; a 2-2.5 per cent productivity growth per annum in Irish companies and a 50 per cent increase in exports by Irish companies by 2020.

The plan also seeks greater, impactful collaborations that would see Enterprise Ireland supporting and brokering over 40 per cent more collaborations between companies and research.

As part of the proposals, existing businesses are to be offered better opportunities to improve their capability in terms of management skills, lean processes, innovation and new markets.

The plan also challenges enterprise to build the connections necessary for genuine sustainable market-focused clusters of scale and international visibility.

Talent in the form of developing, retaining and attracting skilled people is seen as a key part in achieving targets, to be met by ensuring alignment between the skills needs of the workplace and the education system; increasing investment in workplace learning; and developing apprenticeships.

Other objectives include delivering on the Regional Action Plans for Jobs; implementing the first OECD compliant knowledge development box in the world; investing in critical infrastructure and stimulating greater equity and quasi-equity investment as well as alternative sources of funding.

Enterprise 2025 was followed in December with the publication of Innovation 2020, Ireland's 5-year strategy for research and development, science and technology.

A key ambition of this sister strategy is to increase total investment in R&D in Ireland, led by the private sector, to 2.5 per cent of GNP. This would represent an almost doubling current levels of investment up from €2.9bn in 2014.

The plan targets an increase in the number of research personnel in enterprise by 60 per cent to 40,000 and a 40 per cent increase in the share of PhD researchers transferring from SFI research teams to industry. Participation in international research organisations is to also be expanded, with Ireland applying for full membership of ELIXIR, and exploring membership options for CERN and ESO.

Looking to the future, a new Programme of Funding for Frontier Research is to be introduced, and a formal horizon-scanning exercise is to be undertaken to identify areas of strategic commercial opportunity, which will feed into the next research prioritisation exercise in 2018.

## MIDAS Ireland calls for improved tax treatment

**A**t its annual conference in December, MIDAS Ireland called for solutions to the challenges faced by the start-up community, as well as scaling companies, particularly in the area of tax.

MIDAS, the microelectronics industry design association, whose members contribute some €12 billion annually to Irish exports, says that start-up companies in the sector are facing challenges ranging from securing capital investment, to sales generation, to recruiting the technical talent needed to bring their ideas to market. While acknowledging that state agencies such as Enterprise Ireland provide valuable support to the start-up community, the groups says that companies still face barriers when it comes to raising funding, creating networks, accessing supports and growing commercially.

In addition, there is a growing international threat with other countries improving their innovation ecosystems quickly and prompting entrepreneurs to hub outside Ireland.

John Blake, Chairman of MIDAS Ireland and Director at ON Semiconductor, said: "One key area MIDAS feels strongly about is ensuring we have a competitive tax environment for our start-up companies.

"While the R&D tax credits provided to this sector are competitive, the process is long. In Great Britain R&D tax credits are refunded in six weeks or less; in Ireland, it's three years. Another area of focus which could be improved is capital gains tax. While this year's budget has seen it reduced from 30 to 20 per cent, this is restricted to the first €1m, a once-in-a-lifetime benefit. These are two areas that we believe warrant further measures to enhance our competitiveness."

## Record job creation by Enterprise Ireland client companies

**W**ith its end-of-year results, Enterprise Ireland reported that the companies it supports created 21,118 new jobs in 2015, translating to a net increase of 10,169 jobs when losses are taken into account. This brings total employment across the client base to 192,223 – a record high for the agency. Significantly, almost two-thirds of the new jobs created during in 2015 were outside Dublin,

Commenting on the results, CEO Julie Sinnamon said that one of Enterprise Ireland's strategic priorities was to help scale more indigenous businesses into multinationals. In 2015, 240 clients made investments of over €500,000, reflecting increasing confidence in scaling opportunities.

However, she noted that there were many challenges in terms of competitiveness, including shortages in the availability of skills, underscoring the need to attract more people into the indigenous sector. Potential risks, she added, included a movement in exchange rates, the slowing of the Chinese economy, uncertainty around 'Brexit' and potentially higher costs of capital. This meant that helping clients anticipate and respond quickly to changing market dynamics and embrace agile, competitive business models would remain priorities for Enterprise Ireland.





TOM HAYES, ENTERPRISE IRELAND; CONOR HEALY, CORK CHAMBER OF COMMERCE; GINA QUIN, DUBLIN CHAMBER OF COMMERCE; ENTERPRISE MINISTER, RICHARD BRUTON TD; AND OISÍN GEOGHEGAN, LOCAL ENTERPRISE OFFICES.

## Enterprise Europe Network extends services to Local Enterprise Offices

**E**nterprise Europe Network (EEN) has announced a new partnership with 31 Local Enterprise Offices in Ireland that will mean free access for Irish companies to what is the world's largest support network for SMEs. EEN has Europe's largest database with up to 10,000 new business and technology opportunities in the EU and many other major global markets; close to 600 business support organisations in up to 60 countries and over 4,000 experts on call.

The network is designed to facilitate fast-track international growth by providing practical advice, targeted market intelligence and personalised support to companies across the EU. In brief, it can help companies develop business in new markets; source or license new technologies; find the right partners for research and development; understand how to protect intellectual assets; learn about EU regulation; have their say in Europe and access EU funding and finance.

The Enterprise Europe Network in Ireland is a joint partnership between Enterprise Ireland, Local Enterprise Offices, Dublin Chamber of Commerce and Cork Chamber of Commerce. See [www.een-ireland.ie](http://www.een-ireland.ie).

## Womb-to-tomb policies needed to tackle rapidly aging East Asia

**E**ast Asia is aging faster than any other region in history, and some middle-income and wealthier economies could lose as much as 15 per cent of their working-age population by 2040, according to a new World Bank report.

The report, *Live Long and Prosper: Aging in East Asia and Pacific*, finds that 36 per cent of the world's population ages 65 and over, or 211 million people, live in East Asia, the largest share among all regions.

By 2040, the greying of the population could shrink the number of working-age adults by more than 15 per cent in Korea and more than 10 per cent in China, Thailand and Japan. In China alone, that would translate into a net loss of 90 million workers.

"East Asia Pacific has undergone the most dramatic demographic transition we have ever seen, and all developing countries in the region risk getting old before getting rich," said Axel van Trotsenburg, Regional Vice President of the World Bank's East Asia and Pacific Region.

Most East Asian health systems aren't prepared for age-related spending, as cancer, heart disease, diabetes and other chronic illnesses could account for 85 per cent of all disease burdens by 2030. In addition, today's older population is less likely than previous generations to have adequate family support.

The report examines how aging may affect the drivers of economic growth in the region, as well as patterns of public spending.

## Developing economies to expand by 4.8 per cent predicts World Bank

**D**eveloping economies are forecast to expand by 4.8 per cent in 2016, according to the World Bank's January 2016 Global Economic Prospects. This is less than expected earlier, but up from a post-crisis low of 4.3 per cent in the year just ended.

Growth is projected to slow further in China, while Russia and Brazil are expected to remain in recession in 2016. However, the South Asia region, led by India, is projected to be a bright spot, the report predicts, with the recently negotiated Trans-Pacific Partnership providing a welcome boost to trade.

"There is greater divergence in performance among emerging economies. Compared to six months ago, risks have increased, particularly those associated with the possibility of a disorderly slowdown in a major emerging economy," said World Bank Group Vice President and Chief Economist Kaushik Basu. Risks to the outlook also include financial stress around the US Federal Reserve tightening cycle and heightened geopolitical tensions.

The WTO is also predicting that as advanced economies gain speed, overall economic activity should still pick up modestly to a 2.9 per cent pace, from 2.4 per cent growth in 2015.

## Atlantic Flight Training Academy wins business with Turkish Airlines

**T**he Atlantic Flight Training Academy (AFTA) has announced a contract with Turkish Airlines to train its cadet pilots from AFTA's base in Cork Airport.

AFTA will recruit 10 new instructor pilots and additional ground support staff as a direct result of the deal. AFTA has been initially contracted to train 20 cadet pilots annually, and the first group of Turkish trainee pilots have recently commenced training at AFTA's base at Cork Airport.



## Glanbia to acquire US company thinkThin

**G**lanbia plc is acquiring the US premium lifestyle nutrition company thinkThin for a cash consideration of US\$217m.

thinkThin has a leading range of protein enriched bars targeted at lifestyle consumers looking for wholesome, convenient and tasty snacks. The company primarily distributes its products in food, natural and mass retail channels in the US. Net sales for the twelve months to the end of September 2015 were US \$84 million.

The acquisition is designed to increase Glanbia performance nutrition's presence in the bar category and provide exposure to the rapidly expanding nutrition bar segment, which is currently valued at \$2.8 billion in US retail as well as to enter the "better for you" snack products category.

CHRISTOPHER DEAN, CEO OF SWRVE



**Swrve completes \$30M financing round and acquisition of Adaptiv.io**

**D**ublin-based company Swrve, a leader in mobile marketing engagement, has closed a US\$30m funding round and acquired adaptiv.io, a data automation platform for mobile.

Swrve, whose platform enables brands to deliver contextually rich and relevant in-app mobile interactions, will use this funding to continue the company's global expansion and product innovation.

The investment will also lead to the creation of 45 new posts at the company's Dublin base. The announcement comes on the heels of a period of significant growth for the company, including reaching one billion installs of the product.

## Fleetmatics expands into Italy

**F**leetmatics, a Dublin-headquartered provider of mobile workforce solutions for service-based businesses, is acquiring Visirun, a SaaS-based provider of fleet management solutions headquartered in Ferrara, Italy.

"Italy was a natural next step in our European expansion plans and builds off of our recent entries into the Netherlands and France," said Jim Travers, Chairman and CEO of Fleetmatics. "The acquisition of Visirun enables us to scale our European subscriber base while also bringing us important Italian market expertise." Visirun will add approximately 28,000 vehicles under subscription to Fleetmatics' existing installed base and add an additional 3,000 customers.



PICTURED AT THE CORK LAUNCH OF MAKERDOJO

## The maker movement meets CoderDojo with MakerDojo

**T**yndall National Institute in Cork has launched MakerDojo, inspired by the growing maker movement, a worldwide community of hobbyists, students and enthusiasts who take a creative, DIY approach to technology, science and engineering.

The project, funded by Science Foundation Ireland, will be based around twice-monthly workshops where secondary school students and the general public get to explore science and technology in hands-on "hacker" style workshops.

"This is about tinkering and making things," says Simon Elliott, principal investigator on the Tyndall MakerDojo team. "Participants will use technologies such as Arduino microcontrollers and littleBits electronics kits for projects as varied as building homemade burglar alarms, transmitting songs through fibre-optic cables, and experimenting with a miniature water-powered car."

The project partners, Biomaker Forma and DesignerDojo, will be running MakerDojo workshops on biology and 3D modelling and printing. The project organisers also hope to inspire other MakerDojo clubs and events beyond Cork.

## Cubic Telecom to deliver connected vehicles to Audi drivers across Europe

**I**rish company Cubic Telecom has announced a partnership with Audi to deliver high-speed connectivity for the Audi connect infotainment services to drivers across Europe.

Through the initiative, Audi customers will not only be able to access Audi infotainment services, but can also purchase competitive regional or Europe-wide data plans using an in-car store or the myAudi web portal, to provide easy internet access for their portable devices.

Cubic Telecom enabled Audi vehicles are set to enter the market in selected models in 2017 carlines across Europe. The deal follows the Dublin-based company securing an €18m co-investment from Audi Electronics Venture GmbH and Qualcomm Incorporated (QCOM) in 2015.





**Commenting on HSBC's latest Trade Confidence Survey, CEO of HSBC Ireland, Alan Duffy, says that Irish businesses remain optimistic about trade prospects but have more confidence in the local than the global outlook.**

## **IRELAND'S INTERNATIONAL TRADERS REMAIN OPTIMISTIC FOR 2016**

It is a measure of how far we have come as an economy that HSBC's recent Trade Confidence Survey of 24 global markets saw Ireland at the top end of the rankings for positivity around its local economic outlook for the next six months.

Companies are right to be optimistic; we have all seen that the combination of wage restraint during the crisis years and the exchange rate effects of the ECB's programme of Quantitative Easing have both provided a lift to Irish competitiveness.

Whilst the outlook will inevitably moderate as the value of the euro eventually normalises, an economic recovery in advanced economies across the world will likely help sustain a robust performance

for Ireland's export sector. In particular, Irish exporters are well positioned to benefit from solid performances by the UK and US.

In the longer term, Irish exports will benefit from growing levels of disposable income in emerging markets, and China will likely become one of our top export destinations in decades to come. However, in the near term, the advanced economies of Western Europe and the United States continue to be our biggest sources of export demand. As such, Ireland is relatively well placed to withstand any headwinds coming from a slowdown in emerging markets.

Despite these positives, overall exporter optimism has actually eased somewhat in Ireland in the last six months,

with our Trade Confidence Survey Score for Q3 2015 at 110, down from 116 (Although still well above the neutral score of 100). This is reflective of reduced optimism in the performance of the global economy.

Illustrative of this, the proportion of Irish companies surveyed that expected the global economy to worsen slightly over the next six months has jumped 24 percentage points from 7 per cent to 31 per cent. The share of respondents who expect Asia to be the best opportunity for business growth over the next six months also fell by eight percentage points to 11 per cent, perhaps reflecting heightening concerns over a hard landing for China's economy. In contrast, the share expecting Europe to have the best opportunities grew by seven percentage points to 60 per cent, no doubt on the back of the continuing Eurozone recovery.

### **CURRENCY AND COMMODITY PRICE VOLATILITY ARE THE TOP FINANCIAL RISKS ANTICIPATED BY IRISH COMPANIES.**

This slip in confidence levels reflects the recent deterioration in the global trade environment. World trade growth has slowed sharply this year, with import volumes in leading emerging markets, such as China, Russia and Brazil, weakening significantly.

However, the recent downturn appears more cyclical

than structural in nature. As many of these economies benefit from strong economic fundamentals, they are likely to be an important driver of global economic growth and trade over the medium term.

Perhaps aligned to such caution over the global economy, currency and commodity price volatility have emerged as the top financial risks anticipated by Irish companies. With this in mind, many are looking at strategies to overcome these risks such as negotiating better terms with trade partners and internal cost cutting.

Across Europe, stronger competition is the single most dominant challenge for businesses trading internationally. In line with rising cost pressures and anecdotal reports that companies are reaching the limit on the amount of cost increases they are able to swallow before passing them onto consumers, the emergence of competitors who compete solely on price is outlined as the biggest challenge, with the majority of Irish firms also highlighting it as their main worry.

With such competition becoming a concern, differentiation becomes increasingly important. That is why many Irish corporates are focusing on improving customer satisfaction and employee skillsets as their main objectives for the next six months.

*The Trade Confidence Survey is a global survey commissioned by HSBC which gauges sentiment and expectations for the next six months among businesses in 24 markets globally.*

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**Channel Mechanics CEO and Founder Kenneth Fox talks through the company's evolution from start-up to raising funding in London and establishing a presence in Silicon Valley.**

# CHANNEL VISION

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**C**hannel Mechanics is an example of a well-conceived solution to an identified problem. The problem was the difficulty experienced by IT hardware and software vendors in managing their product and promotional offerings in an industry with a complex web of routes to market.

As CEO and founder Kenneth Fox explains, one manufacturer might sell millions of data routers worldwide through a network of hundreds of distributors and as many as 100,000 partners. But offering a discount on an existing model in certain geographic markets or to specific sectors, in order to clear the way for the introduction of a new model, for example, is typically a difficult, time-consuming procedure.

The platform Channel Mechanics has developed is geared towards addressing well-recognised pinch points within the channel, such as conflict between vendors and distributors over back-end credits and discounts.

The genesis came about four years ago when Fox, then working with a large multinational vendor, was talking with Jeremy Butt, an Executive VP at distribution group Wescon. They envisaged a new platform that could provide manufacturers with "the tools, data and insights needed to turn great sales ideas into easily executable market promotions and sales programmes, enabling easy and open communication between all tiers in the channel."

Now comprised of 15 distinct modules, the highly granular solution allows for maximum customisation based on offer types and where the customer lies in the channel. It allows companies that sell through the channel to deploy individual product or bundled promotional offers to a wide range of customers. Crucially, this does not just dramatically shorten the whole process, it also allows companies to track in real-time the success of those promotions and to use that awareness to tweak them at will.

## ACCEPTANCE OF RISK

Fox is under no illusions about the risk he took in getting Channel Mechanics to where it is today. "At that time, I was a director of a multinational, and it had taken me 15 year's hard work to get there. On the plus side, I knew my way around the business and had a large pool of contacts. But setting up any venture is high risk – only one or two out of every 10 succeed. So from the start you are fighting the numbers."

Fox had the knowledge and experience, however, to do a few things likely to tip the balance in his favour. He approached Karl Flannery, the co-founder and managing director of Galway firm Storm Technology, who bought into the idea and brought both finance and technical skills to the venture. Today, Channel Mechanics' advisory board comprises Flannery, Butt and other highly experienced individuals with global experience, such as Dan Solito, a senior vice president and Chief Operating Officer for CaféX Communications. "I have a strong board," Fox says. "Everyone has at least 20 years' experience in this sector."

But Fox also spent about a year developing the idea and validating the proposition before quitting his day job. When that day came, Channel Mechanics was ready to hit the ground running, positioning itself with a good reference customer early on. Fox had also recruited a team of people already recognised as subject matter experts in the channel space and able to undertake consultancy assignments.

From the start, consultancy has generated revenue, stretching the capital needed to fund R&D. "Two of our early contracts were worth over \$1 million each. Consultancy keeps us busy, keeps our name out there and helps to sell the product. It also helps pay the bills for our developers and testers."

Despite this, Fox says, "for the first three years, we were living pretty much hand to mouth, with no real certainty. At the





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AND LEAD  
GENERATION.”**

start of last year, we realised it was even tougher than we’d expected.”

But when the business landed its fifth largest product customer last year, Fox was satisfied that it had reached a critical mass of recurring revenue. “That lets me focus more on the product and less on paying the bills,” he says. At this stage the company has five large vendor customers and seven smaller vendors in Europe, including such widely recognised names as Zebra Technologies and Cisco.

### **ACCESSING SILICON VALLEY**

Another milestone, Fox says, was winning a place on EI’s two-week Access Silicon Valley programme. “Only 10 companies were picked, and we were lucky to be one of them. It was a bit like being on The X Factor. But it helped us learn about how to pitch our proposition, and it also opened our eyes to the opportunities there.”

Many of his target customers are headquartered in the Valley and San Francisco Bay areas, and many of the global channel decision-makers are there too. “To get a deal in Dublin, it can actually be quicker for us to go to San Francisco,” Fox says. Decisions are also made more quickly in the US, typically within four weeks rather than the three or four months they take in Europe. “Even if the answer is a ‘no’, that’s a huge saving in time and effort. At least you can focus on the next prospect.”

To establish a presence in the Valley, however, more money would be needed. “We wanted to accelerate our development and to establish our position in the channel space. We needed funding dedicated to building our sales and marketing capabilities.”

Last January, the board accepted his proposal that existing shareholders accept dilution through an investment funding round to raise \$2 million. After three months spent meeting potential

investors in the US, Channel Mechanics found an angel investor in London. With a background in distribution, he understood exactly what they were doing and was willing to put up \$2 million. And with a number of the existing shareholders also reinvesting, the round was over-subscribed at \$2.3m.

Differentiating itself from the noise of a busy marketplace, making sure its message is heard by the people who matter, is a real challenge, Fox says. “With the support of EI, we’ve been able to hone in on our value proposition, to identify our ‘sweet spot’ customers. They are high-tech, European and North American companies. They must have channel programmes and an allocated budget.”

Along the way, Channel Mechanics has learned another vitally important lesson: even with these targets, it is vital to talk to the right people. “Early on, we went too low in the organisation, for example talking to the operations teams who might use and benefit from our product. That led to a lot of conversations but not a lot of deals,” Fox says. “Then we realised we should really be talking to directors and senior level strategic thinkers, the people who could see the value in what we were offering but had no territory to defend.”

The company is now recruiting its own sales people in California and has recently engaged a specialist PR company based in Silicon Valley, Vantage PR, to help it stand out from the crowd. Channel Mechanics also plans to recruit a marketing specialist, who will probably be located in Galway.

In this, Fox is quite clear on how he plans to reach his annual revenue target of \$30 million a year by 2020. “What’s needed is not just sales or PR or marketing, it’s a coherent strategy that combines all three to create awareness and lead generation. Having ‘feet on the street’ in the form of sales people is no use at all without the other two.”

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Irish business people share three lessons on doing better in Britain. Interviews by Mary Sweetman.

# DOING GREAT IN BRITAIN

**B**ritain has always been seen as something of a soft landing for Irish companies taking their first step overseas. Of course, the euro is not expected to remain at its present low indefinitely, and companies would be unwise to attempt to compete on price alone. However, the current strength of sterling is providing first-time entrants with a head start in Britain, says Christine Esson, Enterprise Ireland's UK manager for new market entrants.

Add to that the fact that, as our nearest neighbour, Britain is quick and cheap to reach: flight times between Dublin and Manchester are just 40 minutes. Then there is a common language and a broadly similar culture.

But it is that apparent sameness that can actually trip companies up, says Gavin McWhirter, UK manager for key sectors and enterprise solutions, with Enterprise Ireland, "because they don't take the same approach, as in other markets, of analysing their strategy in meticulous detail and testing every aspect of it to see what works and then what works better."



## LESSON 1: IT'S THE SAME, BUT DIFFERENT

Denis Coleman, CEO of WorkCompass, certainly found this to be the case. The company's online staff performance management and performance review solution was recently rated by US IT industry analysts in CIO magazine as "one of the 20 most promising HR tech solutions of 2015", putting it in the ranks of industry behemoths like Workday.

"The UK is our largest market, but we had to invest 2.5 people for 8 to 10 months, 100 per cent of the time, to really get traction," Coleman told *The Market*. Before targeting the UK, WorkCompass had over 40 Irish customers. "We understood well what sales looked like, how to start conversations and convert. But when we started out in Britain, it was almost like starting from scratch all over again."

WorkCompass is sold predominantly online, and the first shock was the response to the company's lead generator email. It had delivered good response rates in Ireland but seemed to be falling on deaf ears in Britain. Coleman estimates that the team must have crafted about 20 email openers before they finally hit the right chord. "It was trial and error. We'd try a new approach, measure, bring it through the process and then adapt. We got the email opener right, and then we were getting fall-off with the discovery call, so we had countless call scripts. And it was the same at each subsequent step in the sales process, from how to open the conversation in a face-to-face meeting to the product demo, the contract – every step was about as different as if we were selling to Mars."

But after winning three €50k deals, in each case where

WorkCompass was up against UK competitors, Coleman felt the persistence had been worth it. And he had learned a few lessons about UK buyers along the way.

"Compared with the US, where you could be direct with a blunt opener like: 'Your HR managers don't know how to have conversations about performance', the UK requires a more nuanced approach such as 'Research has shown that conventional performance management doesn't work.'"

Another useful opener he found was to politely ask for help. For example, 'Could you do

me a favour? Could you tell me who in your organisation looks after performance?' was key to getting introductions.

"In Ireland, we'd open a conversation with something light," Coleman continues. "In Britain, that would be seen as unprofessional."

"Start the conversation extremely politely," he advises. "Let them lead. Over time, they will warm to you. They enjoy humour. But that comes with time."

"They are very precious about their time, and before agreeing to a conversation, they will need to feel there is a clear benefit," he continues. "Your delivery needs to be crisp and very polished, and your value proposition needs to get to the point straight away. For the product demo, it's 'Show me the benefits, and validate that for me. Show me the ROI.' The decision-making process is pretty stringent."

Looking back on almost a year of touching gloves, over the phone and then in face-to-face meetings with decent prospects, Coleman doesn't see any possible short cuts. The approach of hiring a UK sales manager from the get-go would have been fraught with problems, he believes. For example, 'Can they sell? Can you manage them remotely? Can you afford them?'

In any company, only the CEO and a couple of other people will have sufficient overview to open a new market, he argues. Then, once initial traction has been established, what the company needs is not a UK sales person per se, but a salesperson who knows how to sell to UK customers. "And you can find them in spades working with multinationals in Dublin," Coleman says.

**"EVERY STEP  
WAS ABOUT AS  
DIFFERENT AS IF  
WE WERE SELLING  
TO MARS."**



## LESSON 2: DON'T UNDER- ESTIMATE THE IMPORTANCE OF REFERENCE SALES

Winning a big brand in Ireland doesn't guarantee you can win the same brand in Britain, points out Gavin McWhirter. This is a point echoed by Irish woman Regina Finn, a director at Lucerna Partners in London. Formerly, Finn was the first chief executive of Ofwat, the water regulator for England and Wales. She also headed up the Commission for Energy Regulation in Ireland and the

Office of Utility Regulation in the Channel Islands, and before that she was deputy director general of what is now ComReg in Ireland. So she understands regulated markets.

"When you go into Britain, you can't assume that what might be a great reference project in Ireland will translate," she says. "The story will be less well known, and you will have to research how it will be

perceived." Buyers may view Ireland as a small market; your competitors will have the advantage of quantity, she explains. Your Irish client might not be recognised, so you'll have to consider this when telling your story. Even worse, they might be poorly regarded.

Finn can immediately point to two examples: the launch of Irish Water hasn't been perceived as a success story in Britain. Likewise, in Britain, telecoms provider 3 is seen as poor in customer service delivery. "A company like this might be your biggest client in Ireland," she says, "and what you have done for them might have been excellent. But unless you tell your story very carefully, those negative perceptions have the potential to contaminate your brand." In this instance, she says, you will have to focus on your own role, track record and delivery within the bigger story.

Where companies find they don't have an appropriate reference to bring to the UK, Finn adds that buyers in fast-moving sectors like technology might well be sold on innovation. But in more conservative regulated sectors, they are likely to either stick with what they know or ask you to bear the risks if it all goes wrong.

"Although it requires a bit of leg work, a better approach is to really get under the bonnet to understand what the regulator is incentivising," she says. For example, in the water or energy sector, it could be reduced environmental impact. If the Irish company can focus on a niche where their capabilities and market advantages uniquely deliver on such pain points, then the buyer may well do a deal.

## YOU DON'T HAVE TO GO IT ALONE

- Enterprise Ireland's London office can help client companies with information on selling or establishing in the UK; introductions to potential buyers, partners and service providers; and a programme of events, including workshops, trade missions, buyer visits to Ireland and networking events for customers. The office also has hot-desk facilities that can be booked, free-of-charge, for half-day sessions.
- Suitable companies that have completed the first two steps of Enterprise Ireland's Export Ready programme are taken under the wings of the London office for their first flight into the British market.
- As well as teaming companies with mentors, consultants and business accelerators, the London office has forged a host of other relationships to help exporters. For example, in a programme run with the University of Westminster, MBA students work with Irish companies, as part of their consultancy module, to research the market and advise on market entry.
- The past number of years have also seen the emergence of some prominent Irish business networks, drawing on the goodwill and contacts of the estimated 50,000 plus Irish-born company directors in Britain. "In the past, they tended to keep their heads down. But the economic crisis brought out a passion to help Ireland, and an attitude: 'I'm proud to be Irish,'" says Gavin McWhirter.
- The London Irish Business Society, for example, was started by former graduates in Enterprise Ireland, who now work in the City. Focusing on the fintech sector, the network runs a 'City Insights' programme, providing support for managers in their early- to mid-thirties.
- Other high-profile associations include the London Irish Construction Network, the London Irish Lawyers Association, the Women's Irish Network, the Irish International Business Network and the British Irish Chamber of Commerce.
- UK Trade & Invest, the government agency that promotes Britain as a business destination, is another source of support. It provides free advice on establishing in the market and is closely connected to many agencies around Britain that offer reduced cost, short-term office leases.

## "BUYERS MAY VIEW IRELAND AS A SMALL MARKET; YOUR COMPETITORS WILL HAVE THE ADVANTAGE OF QUANTITY."





## THIS IS NOT A TWO SPEED ECONOMY

Irish people sometimes assume that Britain has a two-speed economy: London and everywhere else. But Christine Esson points out that the reality is closer to three, four or even five speeds. London is, of course, one of the world's leading cities and a financial powerhouse – a large, cosmopolitan melting pot that mixes business and economic power with entertainment, art and sport. The city itself has more than 8 million inhabitants, rising to over 12 million when the London Metropolitan Area is taken into account. It has an obvious attraction for many Irish companies, she says, but competition, salaries and rent are high. So if your target customers are outside the Greater London area, then you can afford to think outside the city.

For example, the North West region spans an area of approximately 14,000 km<sup>2</sup>, and, with just under 7 million inhabitants, it is more populous than four EU countries (Denmark, Finland, Ireland and Luxembourg). It is Britain's largest functional economic area after Greater London and the South East and home to 350,000 companies.

It's also a much more affordable place to do business, both in terms of wages and office space. Examples of major companies with a significant base there include Betfred, Unilever PLC, Shop Direct Holdings Limited, Home Delivery Network Limited, AMEC, United Utilities, MBNA, Iceland Foods, GB Oils, The Co-operative Group and many others.

Scotland has autonomous buying powers in areas like health and education, with public procurement amounting to over £10bn per year, and the North West is increasingly moving in this direction too, Esson adds. Then there is Birmingham, Britain's second biggest city, with a population of one million.

The Midlands is England's main location for manufacturing; Liverpool, Birmingham and Glasgow all have life sciences activity; London is strong in digital media, but so too are Manchester, Bristol and Brighton.

There are 24 designated Enterprise Zones throughout England, offering incentives to support new and expanding businesses, including business rate relief, superfast broadband, simplified planning and industry-specific clustering. Scotland's Enterprise Areas focus on life sciences; low carbon and renewables; and general manufacturing. Wales has seven Enterprise Zones.

## COMBILIFT: IN BRITAIN FOR THE LONG-HAUL

Combilift has been doing business in the UK market for the guts of two decades. Like many Irish companies, the Monaghan-based business looked to Britain almost immediately when it started out in 1998, because of the limited market size in Ireland.

The company is best known for its range of innovative forklifts and material handling solutions, designed for tricky or demanding warehouse and transport operations in the building and manufacturing sectors. Combilift sells in over 70 countries. But 30 per cent of its turnover comes from the UK, according to international sales manager, Anthony Rooney.

Although the company sells through a dealer network, where Combilift is an add-on to the core product range, Rooney attributes its success in Britain to close relationships with clients. "Customers typically come to us with their materials handling challenges, and we will work with them to optimise their warehouse layout and build a customised forklift solution. Although the solutions are bespoke, they are made from standardised components, so it makes it easy for dealers to provide maintenance."

The company supports its British dealers through a network of regional reps who provide technical support, and it promotes the Combilift line through targeted trade events and magazines, as well as customer visits to the manufacturing facility in Monaghan "about 48 weeks a year".

In 2015, Combilift embarked on a €40m expansion to its manufacturing facilities and announced plans to hire 200 new employees as part of a strategy to double its current €150m turnover over the next five years. "Anticipated growth in the UK market was a major factor in this decision," Rooney says.





## LESSON 3: IT CAN TAKE TIME

**“THE REALITY IS THERE ARE HUGE OPPORTUNITIES AND HUGE COMPETITION.”**



Even in the fast-moving tech sector, it can take time to start winning deals, says Rory O'Connor, founder and CEO of Scurri. With headquarters in Wexford, Scurri offers a single platform for online merchants to prepare, despatch and track all of their shipments for customers, regardless of the carriers they use.

“There was no question but Scurri had to be in the UK,” says O'Connor. In overall terms, it's the third biggest e-commerce market in the world, behind China and the US. Moreover, at 13 per cent, the UK has the highest level of online sales compared to total retail sales, and, with players like Amazon, it's seen as an innovator.

Growth had been slow until Scurri signed up industry innovator Zara, and over the last year, it has seen 10× growth. Customers include Oxendales, VisionDirect, Achica, Asos and Argos, as well as most of the major delivery integrators – Royal Mail, DHL, DPD and Fastway – and platform integrators like eBay.

But it wasn't always like this. O'Connor initially tried to

break into the market by flying in and out. “I'd book a meeting in advance, book the flights, then something would crop up, and I'd be left walking around London with nothing to do.”

Feeling he was getting nowhere fast, he rented an apartment in London and got set up with a desk in a tech hub within a matter of hours. Initially the plan was to stay for three months, but he ended up being there on an intensive basis for six to nine months. Only now, after “three days a week, every week” for the past couple of years, O'Connor feels he is in a position where he can pull back.

To break into networks, he says that initially he went to “every dog fight: breakfast meetings, e-commerce trade shows; I joined networks, went for beers. I was over there on my own, so there was nothing else to do.” Gradually, O'Connor became known. Because he was on the ground, he could agree to meet over a quick coffee or at short notice, whenever a prospect had a free slot.

“The reality is there are huge opportunities and huge competition in

the UK,” O'Connor says.

“In the online sector, they make decisions quickly. It's competitive and fast-moving.”

That competitive, fast-paced environment proved fortunate, as new contacts who had gone for an alternative platform subsequently came back to O'Connor to try Scurri.

“They are looking for innovation, and newness is seen as an advantage,” he says. “If you can prove your value proposition, if you can deliver the service, if your price is right and they can trust you, you will get deals. But, it's the same as in any market: you need to be known.”

About 90 per cent of Scurri's customers are now UK-based, and the company has its own UK sales director. However, like Denis Coleman of WorkCompass, O'Connor doesn't feel that hiring in Britain from the outset would have worked. “How would you know what to look for? You would be totally naïve when interviewing. You need to be there and know the market yourself to get a sense of how well people are known in the trade,” he says. “If anything, I wish I had moved there sooner.”

## BREXIT: WILL THEY STAY OR WILL THEY GO?

'Will Britain exit the European Union?' followed closely by, 'and how would that impact trade?' are becoming the billion euro questions. Back in early 2015, when Prime Minister David Cameron returned to office on the promise of a referendum by the end of 2017, the prospects of Britain departing the European Union seemed remote. But throw a migration crisis and the Paris terrorist attacks into the mix, and the outlook has become more uncertain, to the extent that at the time of going to press, some polls were even finding a majority of voters wanting to leave.

However, there are still a number of unknowns. The first is what kind of deal Cameron will be able to negotiate with Brussels, and whether this will be sufficient to swing the pendulum decisively back in the 'stay' direction.

If not, and Britain opts to leave, the second unknown becomes the shape of its future trading relationship with the remaining EU member states, including Ireland. Optimists have suggested that Britain may be able to negotiate a special deal that retains free trade but avoids the perceived disadvantages of EU membership. But why the EU would agree to such a favourable package is unclear.

Four possible alternative models have been mooted: first, Britain joins the European Economic Area along with Norway, Iceland and Liechtenstein. Second, it opts for a similar model to Switzerland, which has over 20 major and 100 minor bilateral agreements with the EU. Third, it forms a customs union like Turkey; or fourth, it simply relies on normal World Trade Organisation rules for access to the EU.

"Whatever trade deal Britain negotiates as an outsider, it's not going to be any better than what it's got now – the free movement of goods, services, capital and people throughout the EU," says John McGrane, director of the British Irish Chamber of Commerce.

The risks to Irish exporters then become multi-fold. Overall, 16 per cent of Ireland's export go to the UK, but among Enterprise Ireland client companies, this figure is far higher, at 36 per cent in 2014.

Less than free EU market access for the UK would reduce FDI into Britain, predicts the ESRI,

with a knock-on effect on GDP and, in turn, British buying power. Moreover, any weakening in the value of sterling would erode the current advantages of a weak euro, making Irish goods more expensive for British buyers.

McGrane adds that if Brussels decides to impose tariffs, levies or increased customs obligations on sectors such as financial services or automobiles, then Britain would be forced to retaliate with counter-measures. This, again, could make Irish goods more expensive in the UK.

The free movement of capital and people between Ireland and the UK is another thing we take for granted, and any row back could cause serious headaches. Then there is the potential impact of added complexities in buying raw materials or services, such as insurance, from UK suppliers.

McGrane argues that Brexit is a risk that cannot be discounted, but he points out that public opinion could shift if voters believe that Cameron has got a good deal from Europe. At the time of going to press, European Council president Donald Tusk said that agreeing a deal at the Council's next summit in February would be "possible, but not easy". Once a deal is inked in Brussels, Cameron needs six weeks to pass legislation for the referendum and 10 weeks for the campaign, so June 2016 would be the earliest that a vote could be held.

In the meantime, should Irish companies be developing a back-up plan in the event of a Brexit and subsequent trade barriers making it harder to compete? McGrane says one option would be to establish a manufacturing plant or service delivery operation within the UK, while UK companies serving the Irish market could do likewise here.

Like the British Irish Chamber, Combilift's Anthony Rooney (see panel) is hoping it won't come to a Brexit. "It's not where we as a business would like Britain to be ... It could add all sorts of tariffs and customs complications." But Britain in or out of the EU, he doesn't see Combilift's client base going anywhere. "Our UK customers are still going to want our product. Although it's not quite as easy, we are already selling successfully in many markets outside the EU, and, if it comes to it, we can do the same in Britain."

*For further information about target markets, upcoming events and news from Enterprise Ireland in the UK, visit <http://enterprise-ireland.co.uk>.*





**BHARAT SHARMA AND  
STEPHEN KENEALY**  
CO-FOUNDERS, MONSOON  
CONSULTING, DUBLIN

# GO JETTERS: MOVING INTO EXPORT MARKETS

The progression from mainly operating in the Irish market to exporting is one of the most transformative and challenging transitions many companies make. Here, three participants from Enterprise Ireland's Get Export Ready programme explain how they have embarked on the journey towards overseas sales accounting for a significant portion of revenue. Interviews by Charlie Taylor.



**BHARAT SHARMA AND  
STEPHEN KENEALY  
CO-FOUNDERS, MONSOON  
CONSULTING, DUBLIN**

**WHAT DOES THE  
COMPANY DO?**

We are one of the leading digital agencies in Ireland offering content and e-commerce solutions that are built on the open source Drupal and Magento content management platforms.

**HOW LONG HAVE YOU  
BEEN EXPORTING?**

We've been exporting for nearly two years having taken an office in the UK in February 2014.

**WHAT WAS THE PIVOTAL  
POINT THAT MADE YOU  
LOOK AT EXPORTING?**

We were looking at enterprise-level projects, and the Irish market was limited in size, so we decided early on we should attempt to break into the UK market.

**WHAT CHANGES DID  
THE BUSINESS HAVE  
TO MAKE TO BECOME  
'EXPORT-READY'?**

We needed to become certified solutions partners in the two technology stacks we work on so that when we were going into pitches against UK firms, we'd be operating on a level playing field.

We achieved certification with Magento and are now one of just 17 partners at our level across the UK and Ireland, and the only one here with it. We also became an Acquia enterprise level partner [Acquia makes a popular version of Drupal] and are currently in the process of getting all our developers certified.

**ARE YOU TARGETING  
ANY OTHER MARKETS  
CURRENTLY?**

At the moment it's just a case of trying the UK and seeing where it goes from there. Obviously, the European market would be a target for us on a more long-term basis but we need to get traction in the UK market first to demonstrate a capability there and then to go out further.

In terms of the two technologies we focus on, most of the market for these is driven and controlled from the UK and so we need to expand our footprint there and can then hopefully scale from there elsewhere in Europe.

**WHAT ROUTES TO  
MARKET DO YOU USE?**

We have channel partnerships that we've established with both Acquia and Magento, and they have been good lead generation providers. We've also become close allies with service providers who are not our direct competition, but who complement our solutions so there's a good reference network with them.

We also realised early on that opportunities wouldn't just fall from trees simply because we'd opened up an office in the UK so we engaged with Enterprise Ireland on a sales mentoring programme and that's been a really great help to us. We are also looking to partner with a company over in England for more lead generation opportunities and we've spent a lot of time ourselves flying in and out of London, which has helped us get traction there.

**WHAT CHANGES DID  
YOUR BUSINESS HAVE  
TO MAKE TO BECOME  
EXPORT READY?**

We have invested in some areas such as expanding our team from five people three years ago to 16 now, and we'll be about 20 to 22 by year-end. To support this, we have also signed a big lease for an office near Clonskeagh where people can more easily collaborate and together.

With the help of Enterprise Ireland, we've also looked at how we can fundamentally improve the way we do business and have embraced lean principles in our processes, which has led to a performance and productivity boost of up to 50 per cent.

**WHAT ADVICE WOULD  
YOU GIVE OTHER WOULD-  
BE EXPORTERS?**

Don't take your eye off cash flow or off your existing clients in Ireland.

**ANY MISTAKES  
YOU'VE MADE YOU'D  
CARE TO SHARE?**

I think we charged into the UK expecting things to take off immediately on the basis that we'd been successful in Ireland. If you can get some key references from operational stuff you're doing here before breaking into the UK and can establish a go-to-market strategy ahead of time, it will serve you well. We didn't do enough of this early on and it made it difficult to get in the door.

**HOW WOULD YOU LIKE TO  
SEE THE OPPORTUNITY  
YOU HAVE EVOLVE?**

We aim to be one of the largest and most successful e-commerce and content agencies in Europe.

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We also realised early on that opportunities wouldn't just fall from trees simply because we'd opened up an office in the UK so we engaged with Enterprise Ireland on a sales mentoring programme and that's been a really great help to us.

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**EDEL MCCARRON,  
MARKETING DIRECTOR  
WITH MULLAN LIGHTING,  
CO MONAGHAN**

**WHAT DOES THE  
COMPANY DO?**

Mullan Lighting is a decorative lighting manufacturer. We design and make our own products. Our main customers are architects, designers and multi-outlet retailers.

**HOW LONG HAVE YOU  
BEEN EXPORTING?**

Since 2010 at a meaningful level. We had our first trade show abroad in Paris. That kickstarted the enthusiasm for our products overseas, and we've returned to that event and a sister one every year since. Currently about 70 per cent of our business is exports, with the majority going to the UK followed by France and Sweden. We have relatively high levels of exports going to the likes of Germany and Spain as well.

**WHAT WAS THE PIVOTAL  
POINT THAT MADE YOU  
CHANGE DIRECTION AND  
LOOK AT EXPORTING?**

We originally started in 2008 as a manufacturer catering for the Irish pub market, but that sector declined so we shifted over to doing more vintage and industrial-style lighting. While that didn't really take off so well here, there was a lot of interest elsewhere. We saw that the trade show in France was the largest one of its kind in Europe and decided to take a leap of faith by attending. It worked out well for us.

**WHAT MARKETS ARE YOU  
ACTIVELY TARGETING  
AND ANY OTHERS  
YOU'RE LOOKING AT?**

We're actively in the UK and France. Scandinavia is also taking off for us, and, in 2016, we'll have someone based out there. We've seen a significant increase in interest from the US, we have only recently gained UL approval; which is necessary for selling there, so hopefully we will be targeting that market shortly.

**WHAT ROUTES TO  
MARKET DO YOU USE?**

We are using a number of different methods, the main one being trade shows. We are also currently developing a multilingual website, having seen a significant increase in visitor levels. In some cases, we have agents working for us on the ground, such as a distributor in the UK and a couple of guys in Spain.

**WHAT CHANGES DID  
THE COMPANY HAVE  
TO MAKE TO BECOME  
'EXPORT-READY'?**

We engaged in a complete overhaul of the business. We recognised that we were lacking somewhat in expertise in terms of sales and marketing so we had to find qualified people. On the manufacturing side, we had to start all over again and shift from having only a small workshop, to introducing new processes to enable us to manufacture at a higher capacity.

**WHAT'S THE BEST  
PIECE OF ADVICE  
YOU'VE BEEN GIVEN?**

The best advice we received, and something that helped and reassured us, was to look

closely at how our biggest competitors operated. Doing that gave us a great insight into how they ran their business and showed us how we were doing some things better than they were. We were able to establish that our manufacturing processes were quicker and that we could turn around lines faster, but at a more reasonable price than our rivals.

**ANY MISTAKES YOU'VE  
MADE YOU'D CARE TO  
SHARE WITH OTHERS?**

We do quite a bit of bespoke work for customers, and we found that if such pieces were ordered via an intermediary – such as a shop owner – information sometimes got lost along the way. We now deal directly with clients on bespoke work and this means they can be guaranteed a high level of response and be sure they and we get all the necessary information.

**WHAT HAVE BEEN  
THE MOST VALUABLE  
SUPPORTS YOU'VE  
RECEIVED IN GETTING  
EXPORT-READY?**

Taking part in Enterprise Ireland's export-ready programme really helped us in terms of developing our value proposition. We then also participated in EI's advocates programme, and that gave us the opportunity to get all the management team and directors together to think about how we wanted to proceed. That was invaluable, and, even now, it is great as a reference point for seeing how we're progressing.

We saw that the trade show in France was the largest one of its kind in Europe and decided to take a leap of faith by attending. It worked out well for us.

**EDEL MCCARRON,  
MARKETING DIRECTOR  
WITH MULLAN LIGHTING,  
CO MONAGHAN**





**KAREENA MCLEOD,  
CO-FOUNDER AND  
MANAGING DIRECTOR  
OF ALADDIN SCHOOLS  
IN DUBLIN**

**KAREENA MCLEOD,  
CO-FOUNDER AND  
MANAGING DIRECTOR  
OF ALADDIN SCHOOLS  
IN DUBLIN**

**WHAT DOES THE  
COMPANY DO?**

We have developed a cloud-based software service that is effectively a one-stop shop covering administration tasks in schools. Our solution is a repository that keeps track of essential information such as a student's report cards, test results, contact details, learning plans and so on.

**WHAT WAS THE PIVOTAL  
MOMENT WHEN YOU  
DECIDED TO LOOK  
AT EXPORTING?**

We could see how using cloud technology in the education sector could have a major impact, because we had been working with our own school on a voluntary basis, looking after their IT, and we could see

them struggling to manage the information they had. We looked at the market in both Ireland and internationally, and, disappointed by what was available, we felt that we could provide a solution that could do well both here and further afield. We also felt that with a cloud-based system, there would be plenty of opportunities to mine the data so that schools could gain additional insights.

**WHAT MARKETS ARE YOU  
TARGETING CURRENTLY?**

We're still at the very early stages in terms of getting ourselves export-ready, but we have availed of Enterprise Ireland supports such as the market research centre to learn about other markets and received advice on the possibility of entering a few markets. At the moment, we're looking at the US, but that's such a big country, we're trying to narrow things down.

**WHAT CHANGES DO YOU  
ENVISAGE YOUR BUSINESS  
HAVING TO MAKE TO  
BECOME 'EXPORT-READY'?**

We will have to change our value proposition to appeal to some buyers as we expand, but we know that at our core, we have a very strong product and one that works really well day-to-day in schools. Although we believe we will have to build a new offering for the likes of school boards, we feel that we've nailed the essentials. We've also built on the capability of the company by going on a bit of a hiring spree and taking on quite a number of senior staff to help us with our strategy and to grow existing skills, so that we can become a market leader not just in Ireland but worldwide.

**WHAT HAS BEEN THE  
BEST ADVICE YOU'VE  
BEEN GIVEN?**

The best advice we've received is to believe in yourself and

your product because if you aren't excited by it all, then nobody else will be. We were also advised to keep in mind why we've decided to do this because there will be plenty of people you meet along the way who will tell you that things can't be done. You need to stay positive and remind yourself of why you started so that you can get through the thick and the thin.

**ANY ADVICE YOU'D  
LIKE TO SHARE?**

One thing I realised early is that the customer is king so we've spent a lot of time talking directly with them about their needs, sometimes to the detriment of doing PR exercises or signing up to take part in awards, etc. Focusing on marketing would help us raise our profile more and build brand awareness, but we've focused instead of building up our reputation in our sector, and that's what matters most to me.

## GET EXPORT READY

Enterprise Ireland offers dedicated assistance for companies that are considering exporting for the first time or are at the early stage of exporting but looking to put more strategy and structure around their export plans.

The Get Export Ready supports include mentoring and advocacy; access to market information and a range of Enterprise Ireland funds; a dedicated helpdesk; advice from successful exporting companies and access to the Get Export Ready website, which provides 'how to' guides, links to relevant information and self-assessment tools.

"A lot of firms obviously do consider other markets, but often don't know where to begin when it comes to exporting. They may have great products or services that would do well in other markets, but haven't had the time to explore the possibility of selling overseas," explains Gabriel McCarrick, a senior business advisor with Enterprise Ireland.

"The Get Export Ready initiative is great as it provides an opportunity for owner-managers to be away from their business, but be thinking about it. Often such individuals find themselves working in the business rather than for it because they simply don't get enough time to do strategic planning. We're trying to give them space to consider whether exporting might be feasible or not."

The first step requires attendance at a half-day awareness event, which takes place at regional venues around the country. Here participants listen to an export success case study. Enterprise Ireland highlights available exporter supports, and the local enterprise office talks about how it works with exporters locally.

Companies that decide to progress beyond this stage then participate in a workshop where they are equipped with the tools to help them develop an export plan or strategy. For example, they are provided with access to Enterprise Ireland's market research centre, and they are teamed with an advocate who will spend a half a day working with the company to gain an in-depth view of its resources, products and operations. The advocate will advise them on their strategy and point them in the direction of appropriate Enterprise Ireland's tools such as the online company health-check, designed to assess export readiness, and other tools on the potential exporters' website, which will help them refine their export plan and get export ready.

Participants may also be teamed with a mentor to help them work on specific areas of concern or weakness.

Companies sufficiently prepared in terms of resources, operations and an export plan can then meet with Enterprise Ireland's UK team in Dublin, which will take them on board as they commence their journey into the UK market.

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# IRAN: FROM ZERO TO TRADING HERO?

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**A SURVEY  
OF IRANIAN  
CONSUMERS  
FOUND THAT  
73 PER CENT  
ARE LOOKING  
FORWARD TO THE  
OPPORTUNITY TO  
BUY IMPORTED  
GOODS AND  
SERVICES IN 2016.**

**With the lifting of economic sanctions, Iran could well be THE global market growth story of the coming year. Donal Nugent looks at the opportunity for Irish businesses.**

It isn't often that a large and mature economy opens for business with half the world in one fell swoop. But that's exactly what is on the cards following the landmark nuclear agreement between the Islamic Republic of Iran and the EU plus the P5+1 group of world powers - the US, UK, France, China and Russia plus Germany. The lifting of sanctions, is likely to be transformative on a number of fronts, not least within the country itself.

A survey of Iranian consumers by the UK market research company On Device found that 73 per cent are looking forward to the opportunity to buy imported goods and services in 2016, while 83 per cent expect the lifting of sanctions will have a positive impact on their consumer habits and career prospects.

Much of the early commentary has centred on the expectation that Iran's huge oil reserves will force the price of oil down significantly in 2016. However, the opportunities are likely to extend far beyond the energy sector.

Only the Saudi Arabian economy is currently bigger in the Middle East and North Africa (MENA) region, and Iran, with a population of some 80 million, almost two-thirds of whom are under 30, is poised to challenge for the number one spot in the coming years. Such ambitions are no better expressed than its stated goal of creating an astonishing eight million jobs over the next two years alone.







PATRICK MULLIGAN

**RIGHT NOW, IF YOU WANT TO BOOK A HOTEL IN TEHRAN, IT'S ALMOST IMPOSSIBLE. TRADE DELEGATIONS ARE COMING HERE EVERY WEEK FROM ALL OVER THE WORLD.**

### CATCH UP

Tehran Honorary Consul for Ireland in Iran Alireza Feizollahi argues that these ambitions are achievable, "so long as major international companies invest and banks are ready to finance...The goal for Irish companies should be to ensure that they are here at the right point to capitalise on that," he told *The Market*.

In fact, he maintains that Ireland could probably have done more to preserve business ties in the past. Many EU countries built up strong trading links with the country before, but also during, the sanction period. "Total exports from Italy to Iran, for example, were about €2bn per annum before the sanctions and reduced to €1bn over the last few years. That still adds up to a lot of business opportunities."

Now a path is being beaten to Iran's door – or to that of the Islamic Republic of Iran, as the country has been renamed since the 1979 revolution, which overthrew the monarchy.

"Right now, if you want to book a hotel in Tehran, it's almost impossible. Trade delegations are coming here every week from all over the world," Feizollahi says. But he cautions that companies must carefully study the market to see how they can be successful. "This is a highly regulated country. If you approach things the right way, you will be successful. If you don't, it is easy to end up lost and disappointed."

### FIRST STEPS

Sean Davis, Enterprise Ireland's Manager for the MENA region, has been closely following developments in Iran's \$400bn economy. He points to a very real hunger in the Iranian business community for new technology and innovation to fuel economic development. "This is a country that has been on the sidelines of global growth for some time, and there is a huge appetite to redress that. All around, you get the sense of people driven to capitalise on the new opportunities."

Opportunities are open to companies of all sizes, particularly as Iran is putting heavy emphasis on the development of its own SME sector. Free zones and technology parks have been established around the country as incubators of future trade and growth.

Given the closed nature of the economy in recent times, primary research, in the form of market visits and relationship building, is highly recommended. Davis stresses that preparation and planning are very important on every front, from securing the necessary business visa to identifying the best way to utilise your time there. "Though English is commonly spoken, it doesn't predominate. You won't be able to use your ATM or credit cards, and Tehran is a very large and very busy city, and by no means cheap. Packing a short itinerary with meetings that criss-cross the city isn't going to be a runner."

Enterprise Ireland will be supporting a number of exploratory visits in 2016, with areas such as healthcare, aviation, agri-tech, education, ICT, financial services and fintech all in the mix. Fintech is likely to be among the more immediate opportunities given that the country's financial services sector requires considerable investment and upgrading as it reconnects with its peers across the globe.

For Enterprise Ireland clients, Davis recommends the first step is to contact the agency itself. "We are building a contact base of people Irish companies can reach out to, who will help suggest meetings and allow them to hit the ground running."

### SEARCH FOR QUALITY

An Irish businessman living the Middle East since the mid-1980s, Patrick Mulligan operates a consultancy company, MDMS, specialising in the trading and distribution of IT hardware across the region.

"The effect that sanctions have had on the market over the years is substantial, and the result has been a huge pent-up demand for quality, innovative products that Irish companies now have an opportunity to meet," he told *The Market*.

For those looking for parallels, Mulligan points to Saudi Arabia as a good working model. The soft skills that are linked to the Irish way of doing business should be a major advantage in an environment where "people like to do business on a personal basis and where the attitude is 'I trust you unless you prove otherwise,'" he says. "This approach has proved successful in the wider Middle East for Irish companies, and it can be successful in Iran, perhaps to an even greater degree."



That said, it is important to recognise Iran's unique culture in the region and its resolutely non-Arabic identity. Persia, as Iran was known before 1935, was one of the greatest empires of the ancient world, and the country has long maintained a distinct cultural identity by retaining its own language and adhering to the Shia interpretation of Islam.

### ACTION TIME

Dr Amir Kordvani, a senior associate with international law firm Clyde & Co, advises on sectoral investments across the Middle East and recently undertook a detailed look at the potential Iran offers to companies across the business spectrum.

He sees the fervent desire in Iran to catch up with the rest of the world as a key dynamic that will drive new trade relations. "What Iranian businesses are looking for, and it will be a requirement to any procurement proposal, is to show that you are bringing the very latest know-how and technology to the country. They are not interested in something from 10 years ago."

Irish companies are frequently warned of long sales cycles when they enter a new market, but Kordvani's view is that Iran could represent something of an exception. "It really depends on how strong you are in the area you are operating. However, generally, Iranians are very commercially minded, value strong relationships and are very frank and open, so it doesn't take that long to build trust from that perspective."

What's less clear is just how comfortable western banks will be in dealing with the country either directly or through their customers. "It will take some time for those institutions to get comfortable with the new environment," he says.

A final, but important, piece of advice is to recognise that, whatever field you operate in, the value of quality customer service as a differentiator cannot be overstated. "In the past, customer service has been very poor in Iran," Kordvani says. "If you want to lead and exploit your opportunity, then you should prioritise your customer service and your after-sales support as much as the quality of your product. Companies that can do that will be very well rewarded in this market."



DR AMIR KORDVANI

**IRAN IS PUTTING HEAVY EMPHASIS ON THE DEVELOPMENT OF ITS OWN SME SECTOR. FREE ZONES AND TECHNOLOGY PARKS HAVE BEEN ESTABLISHED AS INCUBATORS OF FUTURE TRADE AND GROWTH.**

### Iran in brief:

#### Possible Irish opportunity areas

##### Aviation:

The average age of the Iranian air fleet is 27 years.

##### Financial services and technology:

Significant technology upgrades will be required to enable full international integration.

##### Agri-tech:

Iran has a large agricultural sector.

##### Water-related technology:

In common with the rest of the Gulf, water resources are poor.

##### Telecoms:

A large investment will be required to monetise in urban areas and to build coverage in rural areas.

##### Research collaboration:

Iran's 44 universities have essentially been self-accrediting for 20 years. Only two are in the top 500, both below 300.

##### Healthcare:

Expect modern facilities. This sector was excluded from sanctions.



# MID-LIFE DILEMMA: TIME TO SELL OUT OR STOCK UP



**An upswing in market momentum in 2015 pushed IPOs into the spotlight for strong-growth companies. But are they right for every business? Gordon Smith asks founders and financiers what they think.**

**P**ositive signs from the Irish Stock Exchange during 2015 helped to push IPOs (initial public offerings) back to prominence as a viable option for businesses. A stock market flotation offers the triple benefits of access to finance for growing the business, the publicity it brings, which can promote the brand, and incentives to attract and retain management and staff.

Prominent and well-received listings during 2015 also helped to boost the case for IPO, including Applegreen, Malin Corporation, Permanent TSB, Cairn Homes and most recently, November's flotation by Enterprise Ireland client company Hostelworld (see interview on page 32). This comes at a time of strong European IPO activity this year. According to PwC's IPO Watch survey to Q3 2015, there were 258 IPOs raising €35.7 billion. This amount was just 11 per cent lower than blockbuster levels for 2014.

So are we about to see a flurry of flotations among Irish companies? The likes of outsourcing provider Voxpro and 3D printing specialist Mcor are strongly tipped in the near future, but for others, the idea of going public remains shrouded in mystique.

In a bid to address this, the Irish Stock Exchange launched its '#IPOready' initiative earlier this year. CEOs and CFOs from 10 companies in sectors including food, leisure and technology were chosen to get a grounding in raising capital, investor relations and business management required for a stock market flotation.

A secondary aim of the IPOready initiative was to nudge Irish businesses away from the traditional exit of a trade sale – a trend that has seen promising companies snapped up early – like the UCD spinout LogEntries, which was acquired by US outfit Rapid7 for \$68 million this year.

## MISSED OPPORTUNITY

"If you're on your first company and you get the chance to sell out for a personally significant sum, but the company did have the potential to scale and potentially IPO, it is a missed opportunity," says Cronan McNamara, CEO of Crème Global and chair of the Irish Software Association (ISA). "Some founders don't go into business to build and sell, but when that offer comes along, they can't refuse because they have no other way to de-risk their financial structure. They might be heavily taxed on their income, so there's not a lot of incentive to keep plugging away. And perhaps it's a more straightforward transaction compared to the reporting burden of going public."

The ISA supports the IPOready programme and its aim to educate more managers in the benefits of an IPO, especially as Ireland's software scene has very few active participants who have been through the experience of life in a public company.

However, an IPO may not be the only valid option for a growth-minded company. On a personal level, McNamara says the greater availability of private investment is an attractive alternative, especially as the IPO process can



**"IF YOU'RE ON YOUR FIRST COMPANY AND YOU GET THE CHANCE TO SELL OUT FOR A PERSONALLY SIGNIFICANT SUM, BUT THE COMPANY DID HAVE THE POTENTIAL TO SCALE AND POTENTIALLY IPO, IT IS A MISSED OPPORTUNITY."**

**CRONAN MCNAMARA**  
CEO OF CRÈME GLOBAL



be challenging, and he believes the markets are often unduly harsh on tech stocks. "You see Michael Dell taking Dell private because he felt they were undervalued on the market. That was a very interesting development in my opinion. As a business, you need a lot of structures in place to IPO, and there are a lot of very successful companies, like Mars, Bosch and Deloitte that are all private."

Garrett Mooney, a senior policy adviser with Enterprise Ireland, which also supported the IPOready programme, agrees that it's not going to be the right direction for every company, but that it could be right for some. "We have a variety of funding options so that companies can grow and scale, such as the Seed and Venture Capital schemes, the Development Capital Fund and the Innovation Fund Ireland programme, and an IPO is one strategy [within that mix] that companies could look at. The concept is back more in vogue than it was, and we believe a certain cohort of Enterprise Ireland-supported companies should look at it," he told *The Market*.

### THE DECISION TO FLOAT

In weighing up that decision, John Casey, partner in PwC's deals practice, says companies don't necessarily need to be at a particular size or scale to consider an IPO. "The requirements for the Enterprise Securities Market in terms of the startup track record are pretty generous. It's a question of whether investors would be willing to back the management team and back the story.

Let's say you're a pre-revenue startup: an IPO will be a hard sell to raise money, so you tend to see that people will get funding from other sources until they build critical mass. We have tended to see more established businesses going down the IPO route, and they would have grown through other means and explored different angles."

Business owners have to see the value in bringing external equity into play, adds Michael Neary, a corporate finance partner with Grant Thornton. Even to embrace the concept, they've got to accept that sharing the pie and owning a smaller share in a bigger business is more worthwhile than owning a larger share in a smaller business.

### COMMON CHARACTERISTICS

Irrespective of sector, there are certain common characteristics of companies that are best placed for going public: a robust and deliverable business plan to underpin the investment case, sound corporate governance and good underlying management information systems. "However, usually the most important thing investors are buying into is the people, the management team," says Casey. Less mature businesses may not be ready for investor roadshows, which can be an unforgiving arena. "Poorly prepared companies tend to fall at the pre-IPO hurdle, in my experience."

The decision to go public may be affected by factors beyond the business itself. Casey points to events of the late summer when increased

**DEIRDRE SOMERS** CEO, IRISH STOCK EXCHANGE (CENTRE) PICTURED WITH **#IPOREADY** PARTICIPANTS **MIKE HOPKINS** CEO, IMPEDANS, AND **DAVID WALSH** CEO, **NETWATCH** LAUNCHING THE NEW ENTERPRISE SECURITIES MARKET GUIDE.



volatility, uncertainty in China and falling equity indices hit the equity markets. A good adviser can help the business make a decision about whether or not to press ahead with a public listing if external conditions are less than favourable. “You can be just at the wrong stage, and there have been public examples of IPOs that have been pulled. Digicel were quite public about not getting the valuations they had hoped for, so they decided to hold it over. There’s no loss of face in pulling out of an IPO at the right stage, if you as a founder say ‘I think my business is worth more than that,’” he says.

Some businesses keep their options open by undergoing a vendor due diligence process that prepares them either for flotation or for a trade sale. Casey says an IPO process requires more detailed preparation in terms of due diligence. An IPO exit shouldn’t be equated with a trade sale for founders, he adds. “With an IPO, investors are backing the management team, which will likely include the founders. This may or may not be the case in a trade sale, depending on the buyer. An IPO is a method of introducing liquidity to the shareholder base and taking some money off the table. But don’t forget, the majority of funds raised in an IPO tends to be for the benefit of the company, to fund expansion, debt-reduction or both.”

#### ISE AND ELSEWHERE

If a company decides to float, the next decision to make is where to do it. For Irish-headquartered companies, Dublin is an obvious place to

start, and the ISE has been performing well: up 30 per cent in 2015. ISE investors tend to be domestically focused, however, and this can make a dual listing attractive. It’s described as having two shopfronts because it considerably widens the net for catching potential investors. Hostelworld floated in Dublin and London, while another Enterprise Ireland-supported company, Mainstay Medical, had a successful joint listing on the Paris Euronext and Dublin’s ESM in April 2014, raising €18 million.

Irrespective of a company’s decision whether or where to float, the rigour of preparing the business will stand it in good stead no matter what funding route it ultimately chooses, says Mooney. “In looking at the IPO journey, you are also preparing yourself for other investment options that may arise. Governance isn’t unique to IPO. We wanted to make sure that even if entrepreneurs come out from the IPOready programme and decide they don’t want to IPO, they will still have learned from it.”

Orla O’Gorman, head of equity at the Irish Stock Exchange, says one of the goals of the IPOready programme is to drive ambition in Irish companies. “There have been some high-profile trade sales where the owners got an offer and went for it, but I’d love to see more people accessing capital markets to raise that funding. An IPO gives a business permanent strategic capital. It’s not like a loan that will need to be repaid, and it enables you to grow your business,” she says.



# TO FLOAT OR NOT TO FLOAT: THE CEO PERSPECTIVE

**"IT'S BETTER TO THINK ABOUT HOW TO CREATE A LONG-TERM, PROFITABLE, SUSTAINABLE, SCALABLE GLOBAL BUSINESS. IT DOESN'T ACTUALLY HELP TO SAY 'WE'RE BUILDING TO BECOME PUBLIC, OR TO BE ACQUIRED.'"**

**PETER CROSBY**  
CEO OF MAINSTAY MEDICAL



**"T**he main reason for an IPO is to get access to an investor base that is not normally accessible to a private company. Some funds can't invest because of the rules they are governed by. Going public opens up a new investor base," says Peter Crosby, CEO of Mainstay Medical, which has developed an implantable device for treating chronic lower back pain.

"Particularly for a company that starts as a venture capital-backed operation, their financial structure with preferred stock can end up being complicated. As a public company, now all shareholders hold ordinary shares. There's a much better alignment of public shareholders, in my view, in a public company," says Crosby.

Team Horizon is a life-science services provider focusing on pharma and biopharma manufacturing processes. Headquartered in Westport, the company recently launched an office in

Philadelphia and is currently raising funds from private sources. CEO Aiden Corcoran estimates an IPO is "five to eight years away". The intervening time will be needed to sustain the company's 8x growth of the past four years and commoditise some of its services to expand into new markets, he says.

Corcoran is actively involved in various entrepreneur networks and from talking to others as well as his own experience, he has developed a balanced view of the implications of an IPO – both for the company and him personally. "The upside of going public is that you grow the company to a new place and bring it to different shores and give it the chance to grow. The downside is there's more paperwork, and you're more accountable to more people, but that's business at the end of the day."

He's not unduly fazed by taking external investment and doesn't subscribe to the theory that it leads to losing control

of a business. "I'm not one of those entrepreneurs who has to be in the 100 per cent club," he says. He understands an entrepreneur's apprehension, but says it is part of going on to the next stage. "It's like being the parent of a child. At some point, they become old enough to stand on their own feet and make their own demands. As a good 'parent' and entrepreneur, you need to allow your business to perhaps follow its own dream."

Corcoran certainly isn't counting the days until a stock market launch. "An IPO is, ultimately, a fundraising mechanism. It is mass recognition of perhaps a successful brand but I think you can get that from other ways as well. We're about to set up in the USA, and we've got recognition from East-Coast US companies and that in itself is great recognition. I have no dreams of yachts in Marbella or a penthouse in New York. My driver is to achieve stability for the company, to have a

recognised brand and a happy place to work for the staff."

Crosby, a veteran of four public companies from four different countries, listed on four different stock exchanges, believes IPO shouldn't be thought of as an end, but as a means. "I think every situation is slightly different. The one general piece of advice I would give is, in my experience it's better to think about 'how do we create a long-term, profitable, sustainable, scalable global business', and part of that is the product strategy and part of that is the financing strategy. It doesn't actually help to say 'we're building to become public, or to be acquired'. We say we're building to create value for shareholders. The target is not the process itself. The target is to create a long-term successful company and IPO is one way of doing that."

# WHAT TO EXPECT WHEN YOU'RE EXPECTING TO LIST

**"THERE IS AN ADDITIONAL WORKLOAD, SO YOU NEED TO RESOURCE UP. IT'S PROBABLY 20 PER CENT OF YOUR TIME GIVEN OVER TO PLC WORK."**

**ORLA O'GORMAN**  
HEAD OF EQUITY AT  
THE IRISH STOCK EXCHANGE



**C**ompanies should have sufficient resources to handle the extra expectations of life as a public company, says Orla O'Gorman, head of equity at the Irish Stock Exchange. "Once you're listed there's a new dimension to your job. You have to meet your investors and update the market in a timely manner. There is an additional workload, so you need to resource up to do this. It's probably 20 per cent of your time given over to plc work."

She recommends setting up a virtual 'data room' to store all documents relating to the business. This includes knowing what the company's final contracts are, and whether they are signed; having a list of shareholders; documented ownership of intellectual property and evidence that it's protected. This can speed up the legal and financial due diligence stage, which can be critical if the clock is running.

Many business owners worry about the reporting obligations involved in an IPO, but this doesn't need to be a hurdle. Sectors like medical devices already fall under a regulatory framework that's more rigorous than the financial framework for public companies, says Mainstay CEO Peter Crosby. "The corporate governance in place for a public company is the same concept as putting in a quality system for a medical device company. If you start with the mindset that quality is crucial – which we do – then the burden for a corporate governance framework is not that high."

Nevertheless, time has to be dedicated to the process. Mainstay Medical CFO Hugh Kavanagh says: "You need to accept that you're probably going into a period of seven-day weeks with long hours on all of those days. And inevitably, while you do allocate resources to the project, the people on the project are going to also have to work on keeping the company going."

Going public also calls for a board structure which contains enough independent directors to maintain the requirements of being a public company, and it needs to be in place a year or more before floating. "If you're a family company and all board members are family, that won't work," says Crosby.

He adds that there are three attributes to look for in a board member. "The first is, it's helpful if some of the board members have domain experience – in the general industry in which you're operating. In our case, medical devices is full of ethical issues and it's science-based. The second attribute relates to the stage of your company. If you're a small company with 30 employees and you're pre-revenue, getting somebody who's been a board member of Pfizer probably isn't going to help you much. The challenges and tasks are much more dependent on stage than they are on domain. And finally, the fundamental attribute you're looking for is the ability to be an

independent thinker: someone looking in from outside can see things that you can't see yourself."

Underlying all that is the culture inside the company, particularly of the CEO and senior management, he adds. "The job of the board is to make a successful company, and you have to have the right relationship between the board and the company to make that happen."

# STEPS TO THE STOCK EXCHANGE

**BUSINESS OWNERS HAVE TO ACCEPT THAT SHARING THE PIE AND OWNING A SMALLER SHARE IN A BIGGER BUSINESS IS MORE WORTHWHILE THAN OWNING A LARGER SHARE IN A SMALLER BUSINESS.**

**MICHAEL NEARY**  
CORPORATE FINANCE PARTNER,  
GRANT THORNTON



**F**or the uninitiated, questions abound: How long does it take to get ready to IPO? What does it cost? Who gets involved? Preparation is the key to a successful pre-IPO process, as well as ensuring that a business has systems and structures in place to satisfy the ongoing compliance requirements such as regular reporting to the market. "It is an important process and one that requires a lot of energy and investment by a company. The timeline can depend on a company's readiness and can be anywhere from six months to two years. If you do an IPO, there's a lot of value to it. There is a cost to be borne by the company in any transaction of this nature, and your growth plans need to justify spending the money," says Michael Neary, a corporate finance partner with Grant Thornton.

Business owners have to see the value in bringing external equity into play. Even to embrace the concept, they've got to accept that by sharing the pie and owning a smaller share in a bigger business is more worthwhile than owning a larger share in a smaller business.

The IPO will require financial and legal due diligence of the company and group, the preparation of what's called an admission document, and the investment document for prospective investors which will outline all the details in relation to the company.

## **Neary outlines the steps to IPO as follows:**

- Select Nomad (nominated advisor). This is usually a firm of investment bankers with experience of the process involved in bringing companies to market
- Choose legal advisors and then your reporting and financial accountants. You will also need the share register and a listing advisor
- Pick a PR company to handle the media queries around the offering
- A broker, independent of the company and the fundraisers, will be chosen by the investment houses to analyse the business that's floating, to brief investors and the market about what's happening
- A formal application is made to the appropriate stock exchange
- Shares open for trading.





# **HOSTELWORLD BEDS DOWN TO LIFE AS A PUBLIC COMPANY**

**Fresh from the travel website's successful dual listing on the Dublin and London stock exchanges in November, Hostelworld CEO Feargal Murray talks through the realities of bringing the company to IPO. Interview by Gordon Smith.**

In the product development world, releasing an early-stage version of what you plan to sell is an increasingly popular way to gauge market interest and get customer feedback. Hostelworld took a similar approach to gauge interest ahead of its Initial Public Offering (IPO). And the oversubscribed launch on 2 November, 2015, suggests the move paid off.

Although standard IPO practice is to start with the extensive financial auditing and legal due diligence process, Hostelworld turned that on its head by first developing an investor presentation that set out the business case. The travel website's senior managers then embarked on a short four-day roadshow, meeting up to seven investors per day.

When in front of those investors, the Hostelworld team pressed them to be more specific about their likelihood of getting involved, beyond vague expressions of interest. Though not legally binding, those commitments convinced the company to press ahead with the flotation, sure in the knowledge that many investors wanted in. "We wanted clear feedback, not 'is this something you might be interested in?' Effectively, we said 'we're looking for more than this: valuation and cheque size. That gave us a very good sense of the appetite in the market and at what valuation ranges,'" says Hostelworld chief executive Feargal Murray.

The company went on to raise €180 million from its flotation on the London and Dublin stock markets, valuing the company at around €245 million. As *The Market* went

to press, Hostelworld's share price has been trading steadily since. But that success wasn't as much of a foregone conclusion as it first appeared after those promising investor meetings in July.

Later that summer, aftershocks in global markets meant that by the time Hostelworld rang the bell in early November, the climate had shifted considerably. "Three months previously, when we pushed the button, markets were flying. By the time we got to the endgame, they weren't so hot, so it was probably a more challenging environment. A lot of IPOs have been pulled or priced down, so for us to have not only got the IPO out the door but done it quite successfully with quite a strong shareholder register, and high-quality investors, is something we're very pleased with," Murray reflects.

#### CLEAR FOCUS

The key to buffering the company against harsh market winds was to concentrate on the business, which offers online booking for more than 12,600 hostels in 170 countries. "You've got to focus on making sure you've got a strong story to tell, a clear strategy worked out and you're able to communicate that well. And it's very important you have the structures in place internally. Some of that is having the organisational discipline that will make a due diligence process or a prospectus preparation quicker, and some is having the team in place to shoulder the extra responsibility to get you through it."

The organisational discipline Murray refers to

comes from the company's history: Hostelworld is part of Web Reservations International, and it has a track record of previous buying and selling transactions, including the acquisitions of Hostels.com and HostelBookers.com and founder Ray Nolan's sale of the business to Hellman and Friedman in 2009 for €202.5 million. These deals allowed the company to build up an online data room containing all of the documents and contracts relating to the business. Murray says this was critical in shortening the timeframe to prepare for IPO – and consequently the cost, as many of the professional advisors that need to get involved in the process charge for their time. Most companies can plan for a pre-IPO stage up to six months at least. Hostelworld completed it in three.

Murray says taking the company public cost a "seven-figure" amount but he relates this back to the importance of assessing interest in advance. "Typically your bankers will be on a no fee arrangement, but the law firms and accountancy practices charge by the hour. You probably want to have a reasonable sense that flotation is a runner before you start racking up those fees."

#### COMMUNICATION CHALLENGE

Another lesson well learned during the process was the need to communicate the strategy clearly with the investor base. "You can sometimes be tempted in any funding process to overplay the ambitions and set unrealistic expectations because you're trying to attract investment and drive valuation. That's

"Private equity investors don't necessarily think about the business and the growth of the business: they think about their investment and the growth of their investment. Whereas a public market listing gives you a little more autonomy as a management team to set out a clear longer-term strategy."

## POLISHING THE PITCH

With a punishing schedule of meetings in prospect, an investor roadshow isn't for the fainthearted. Hostelworld planned its primary listing on the London Stock Exchange, and that meant back-to-back meetings with investors not just in the English capital, but in Oxford and Edinburgh too. "It is a long day. Typically we were starting at 7am and going until 6 or 7pm. Sometimes people talk about the roadshow in glamorous terms, but for us, it was Ryanair and black taxis from one meeting to another. Each meeting is an hour long, and you might have 15 or 30 minutes to get to your next meeting."

The company worked with professional trainers to help hone the key messages in the presentation and reduce the running time, which originally clocked in at an hour and 10 minutes. "You've got to be very crisp in your delivery of the presentation.

If you take away five minutes each at the start and the end for hellos and goodbyes, you're really down to 50 minutes – and you're probably talking about 35 minutes to make your pitch in order to leave time for questions at the end," says Murray.

Real-world experience also resulted in subtle changes to the pitch over time, he adds. "We found that once we were out there on the road, we got a lot better at it as we went along. After three or four meetings, you begin to anticipate the questions. Even with all the training and advice, one of the bankers who had sat in on the roadshow suggested that we should maybe change the order of the slides. I always look at it and say, with anything in life, you're never 100 per cent. There's always more you can improve."

"Typically your bankers will be on a no foal, no fee arrangement, but the law firms and accountancy practices charge by the hour. You probably want to have a reasonable sense that flotation is a runner before you start racking up those fees."

something you've got to be careful to avoid," says Murray. Suggestions from investors about exploring other opportunities can also be alluring, but he advises politely parking those ideas and staying on message. "I think it's a case of being very clear about doing what you do very well. You don't want to be feeding into every investor's idea. They don't know your business as well as you do."

Many founders and entrepreneurs worry about a lack of control, or supposedly onerous obligations around financial reporting that come with taking a company public. While private equity investment can seem more tempting than an IPO, this route also involves high levels of reporting and governance, Murray points out. "The bar is not low when you're in private equity ownership either. In other shareholder structures, you have regular reporting as well, and sometimes more

frequently than quarterly."

"The way I look at it is, it's about good communication. It's about managing and setting clear expectations. So it's about making sure you're focused on the business without getting overly distracted by shareholders or anything else. Investors haven't just put their money behind a good story. It's because they believe in the business, and if we focus on driving the business, then the other pieces fall into place."

Murray argues that an IPO can actually lead to a company having more control over its own destiny, even though it brings in a much wider shareholder base. "Private equity is typically an investment within a fixed timeframe. Quite often, private equity investors don't necessarily think about the business and the growth of the business: they think about their investment and the growth of their investment. At times, you can have differences

in terms of what you as a CEO or management team think is the right approach for the medium- to long-term growth of the business. Whereas with a public market listing, I think it gives you a little more autonomy as a management team to set out a clear longer-term strategy."

Murray describes the IPO as a "natural progression" for Hostelworld, which has been in business since 1999. "I've been through the journey from start-up with 10 working out of a bedroom, and we went through various rounds of friends, family and angel investors, and we've since had two rounds of private investors. In some ways, this is a natural next step," he says.



# THE BILLION STRONG E-COMMERCE MARKET

**Mark Godfrey** reports from Beijing on China's e-commerce market and opportunities for Ireland.



A search of China's leading e-commerce sites throws up an interesting though limited mix of familiar Irish brands. Bottles of Tullamore Dew and Jameson whiskey are sold by LangJiaYuan Liquor Store on JD.com, a site with almost 100 million visitors per day. Kerrygold butter and cheese are sold by several resellers on Tmall.com, the market leader, while one litre packs of UHT milk from Avonmore and Premier Dairies sell on a JD.com store operated by Shanghai-based Niunai Shang Cheng.

Anyone who's ever been caught in Beijing traffic behind the army of couriers who ply the streets on their familiar three-wheel motorbikes will appreciate how much online commerce has changed China. Chinese internet sales were worth over RMB2 trillion in 2014 and are growing at almost 40 per cent per year according to Euromonitor.

Chinese e-commerce sales are expected to double in value by 2017 to a total RMB4.45 trillion, at which point they'll account for 12.5 per cent of overall retail sales. Crucially, online sales are set to become an increasingly important means of marketing products as China begins to allow cross-border transactions by online retailers like Tmall.com and JD.com, the two sites that together control nearly 80 per cent of Chinese e-commerce sales.

All of this suggests a huge marketing opportunity for Irish exporters seeking to reach Chinese consumers. A Mandarin word search for 'Irish products' on JD.com throws up products from Meath-based The Handmade Soap Co – niche products targeted at the booming male grooming segment of China's thriving cosmetics sector. Its 160g bars sell for RMB59 – a healthy premium on prices for local brands – and are marketed in Chinese as a high-quality, natural product. The company's products ended up on the site by chance, explains founder and director Donagh Quigley: "We were contacted by a Chinese executive, who put in a large order, but we weren't really aware of the significance of Chinese online commerce."

Chinese e-commerce sales are expected to double in value by 2017 to total RMB4.45 trillion, at which point they'll account for 12.5 per cent of overall retail sales.

Likewise, the store operated by Dayuchang, a major Chinese seafood distributor, sells gift boxes of 15 crabs from Ireland for RMB880, delivery included. Labelled 'Cooked frozen golden crab from Ireland' the crabs are marketed at upscale Chinese diners, explains Dayuchang executive Li Yanli. "We expect a lot of demand in the run up to Chinese New Year...giving someone a box of imported crabs would be a prestigious gift."

## E-COMMERCE PLATFORMS

So it appears to be random selection of Irish products sold by Chinese distributors rather than a structured Irish presence on the world's most dynamic e-commerce market. That's the verdict of Edith Huang, director of fast moving consumer goods at Alibaba, the firm that owns Tmall.com, the site that controls nearly 60 per cent of China's business to consumer (B2C) online sales.

Given the opportunity in Chinese online sales, what's holding Irish exporters back? "Most of the Irish companies that are selling online are doing so through a partner," explains John Hamill, a market executive at Enterprise Ireland's office in Beijing. Cost is the biggest worry preventing Irish firms selling online, says Hamill, while "difficulty" is another issue: "The e-commerce platforms have tried to make it easier to access; however, it would still take a large commitment from the company to really make it work."

The cost of opening a virtual store on Tmall.com ranges from RMB100,000 to RMB150,000 for registration of a store and another RMB60,000 in technical fees. Then Tmall collects 0.5 to 5 per cent in commission. "You should offer Chinese language support to customers and also be able to handle returns in China," explains Huang. Firms must also open an Alipay account to receive payment, but that's a straightforward procedure akin to opening a PayPal account.

The cost of setting up a store means many SME-sized exporters choose a Tmall Partner – in effect selling their goods through a company already operating online. Enterprise Ireland is now exploring the possibility of Irish companies selling collectively online, says Hamill. Enterprise Ireland offices in China have been running webinars on selling on online to China, with representatives from Chinese e-commerce platforms. "We have also had a strong focus on cross border e-commerce, which would reduce the cost and hassle for many Irish companies," explains Hamill.

## CROSS-BORDER E-COMMERCE

Cross-border e-commerce represents a crucial point of evolution for China's online retailers, opening up a whole new world of possibilities to exporters. The Chinese government has designated pilot free trade zones (the largest of which is in Shanghai) for online retailers that import to bonded warehouses within the zones.

Launched in 2014, Tmall Global (www.tmall.hk) is a cross-border, online platform that allows international brands and retailers without physical operations in China to sell products directly to Chinese consumers. Likewise, Chinese consumers can now buy products directly from Amazon's





international websites thanks to deals between Amazon and the Shanghai Free Trade Zone. Hitherto confined to products on Amazon's Chinese site, Chinese consumers can now get products from around the world within a week.

"Tmall Global is a fast way to establish brand presence in China," says Huang. She explains how Chinese consumers use Tmall Global to buy foreign products sourced from overseas, make payments via Alipay and receive orders through Tmall's bonded warehouse in Shanghai with delivery made by one of the Chinese express courier companies like Shunfeng or EMS.

### SECTOR-SPECIFIC WEBSITES

Another potentially crucial development in online commerce is the emergence of sector-specific websites. In a major move this year, Chinese regulators gave licenses to distribute medicines and medical devices online to three sites: Yihaodian.com, Babaifang.com and 95095.com. The sites can now compete with state-run pharmacies and hospitals, which have traditionally monopolised the area. While vendors are naturally drawn to the massive footfall of the market leaders – Tmall and JD.com account for 57 per cent and 21 per cent of the B2C market – there is a growing wave of specialist sites like Moguijie and Meiluoshuo, both of which concentrate on beauty and fashion products.

While online commerce opens up a route to Chinese consumers, others see the need for a big shift in how Irish products are marketed in order to push online sales. Driving sales also requires a big marketing effort, explains Fan Xu-Bing, director of Beijing Seabridge, which advises importers on digital marketing strategies. "To be successful you need to have a nice online [virtual] store front but you also need to successfully integrate your online store with Chinese social media because Chinese consumers use these to research products and post comments when they buy."

Marketing support for Irish exports to China has thus far been exclusively based on getting export numbers up, explains Stephen O'Sullivan, a marketing executive at Shanghai-based Ocean Fresh, which advises food importers on Chinese marketing strategies. "It's a B2B trading strategy, not brand building B2C," says O'Sullivan. "This impacts on awareness among Chinese consumers who buy online. While there's an awareness of the quality of Irish products... in China you would be hard pushed to find anyone that can give you an Irish company name never mind a brand."

In 2014, Bord Bia coordinated a week-long marketing campaign on Tmall, but O'Sullivan points to work by New Zealand, with energetic promotion of a country image on Chinese e-commerce and social media sites.

As it continues to evolve, China's e-commerce market is the most dynamic in the world and has tremendous long-term potential. Right now the priority is to make Irish exporters aware of the opportunity, says Hamill. "At this point, it is more about building awareness in Ireland: currently we are not doing any social media campaigns to support online sales as there simply aren't enough companies selling online." Given the opportunity, that will hopefully change soon.



Hanley Energy's focus on uninterruptible power supply (UPS) is taking the company into some of the fastest growing locations for data centres. John Stanley asks its founders about the journey into Europe and the US market.

# FOLLOWING THE FIBRE



HANLEY ENERGY CO-FOUNDERS DENNIS NORDON, MD, AND CLIVE GILMORE, CEO, PICTURED WITH MINISTER FOR BUSINESS AND EMPLOYMENT, GED NASH, TD, AT HANLEY ENERGY'S OPENING OF IRELAND'S FIRST DATA CENTRE RESEARCH AND DEVELOPMENT HUB IN 2015.

**D**ennis Nordon, MD of North Dublin-based Hanley Energy, is under no illusions. “Our company’s success is based on our ability to re-invent ourselves through R&D,” he says.

The company’s roots go back to 2008 when Nordon set up the enterprise with joint owner and CEO Clive Gilmore. Nordon and Gilmore both had deep experience in medium and low voltage switchgear and control gear. They worked together as part of the team building the Channel Tunnel in the early 1990s and later on projects in Spain and Italy.

When they established Hanley Energy, Ireland was firmly in the grip of the recession. “We could see that apart from the food industry, data centres were the only area in growth mode at that time – and the food sector was starved of cash,” Nordon recalls. “But we absolutely believed wholeheartedly in what we were doing and could see what was happening in the growing area of energy management.”

In this segment, Hanley Energy specialises in equipment and services that enable power consumption to be measured precisely in real time. This allows one large food-sector client, for example, to know exactly how much power it consumes in the processing of a single pig, while another knows how much is required to make a case of crisps.

But Hanley Energy’s big play is in the data centre business, and its geographic expansion reflects this.

As well as keeping the power always on, the company’s Event & Power Management System, developed in-house, has

millisecond resolution. The resulting detailed chronology of the events triggering any disruption provides a granularity that saves huge amounts of time for engineers under pressure to identify and fix faults quickly.

#### **FOLLOWING THE FIBRE**

“It’s no secret, we’re following the fibre,” says Nordon. This includes being active in two of Europe’s fastest growing locations for data centres, Dublin and Frankfurt, as well as in Sweden and the United States.

With support from Enterprise Ireland’s Business Accelerator Programme, Hanley Energy’s first steps overseas were in the US market. “In March 2012, Clive and I went to America to look at opportunities,” Nordon says. “We found ourselves in Silicon Valley, and it was breathtaking in its technological scale. We immediately decided that this was where we had to be.”

Initially, they looked at opening in an incubation unit in the Bay Area city of Palo Alto, before deciding on a unit in California’s self-proclaimed Surf City, Huntington Beach.

Paradoxically, the first major US contract came from New Jersey on the East Coast. “We quickly saw that this was a good ecosystem for us to be in,” Nordon says. He and Gilmore had also discovered just how taxing it was to travel regularly between Ireland and California, on both the body and the wallet. As a result, they are in the process of moving their US business to Dulles in Virginia, close to Dulles airport. “Virginia is very much open for business,” Nordon says. “And although it’s widely seen as an expensive location, it’s actually

cheaper than New Jersey and very welcoming to inward investment.”

As well as targeting the data centre market, the company will use Virginia as a base to manufacture an energy-use monitoring product developed at its R&D centre in North Dublin. This new product has been designed to integrate with existing equipment regardless of the manufacturer, and Nordon says that it provides a “granularity” generally not found in competing systems.

#### **MARKET EXPANSION**

He describes the US business, currently worth around \$2 million a year and growing, as “not huge yet, but already meaningful to us”.

He sees the market potential there as “staggeringly huge” and currently in a rapid growth phase for the type of expertise that Hanley Energy can offer. “We’re looking at a window of three to five years at least before it begins to plateau.”

The next venture into a new market was Germany in 2013. “One of our customers had an aspiration to open a data centre there,” says Gilmore, “and we were asked to work on that.” The Irish company soon decided to seek other opportunities. “Establishing a local presence on the ground was something we were strongly advised to do in that marketplace. We have, again, been supported by Enterprise Ireland, and we’re now actively pursuing business opportunities there.”

Gilmore describes Germany as being “in some ways a nightmare, in some ways a dream”. The nightmare is the enormous amount of detailed

paperwork and regulation that has to be undertaken to get up and running. “But once you’ve dotted all the i’s and crossed all the t’s, it really is a very easy place to do business,” he says. Currently worth about €1 million annually, the business is growing there too.

The decision to move into the Nordic market came soon after the German move, and the two markets are now being run “pretty much in parallel,” Gilmore explains. “It was a big exploration for us. There has been a lot of talk in the industry that this is likely to be the next location of choice for the largest data centres.” Operators are attracted by temperate climates, which make it easier and cheaper to maintain a cool operating environment, as well as the abundance of low-cost hydro-electricity. And with changes in Sweden’s tax structures, there is a strong sense that this will be an additional draw.

In the meantime, Hanley Energy has found itself a valuable niche there providing containerised and modularised UPS equipment for smaller centres. “We’ve already had some success, and we’re on the cusp of a large deal there that would give us three to five years’ worth of business on a global scale,” Nordon says. “It is a great country in which to do business,” Gilmore adds, “but it’s very costly, too.”

Having previously shied away from the UK market, Hanley Energy is now considering this as the company’s next possible destination, probably in 2016. Now, with its own products and the competitive advantages that come with scale, the founders believe their business is up to the challenge.



# COLOMBIA CALLS



**It may not be the most obvious choice, but one Latin American country's telecoms sector could be a promising new opportunity for Irish service providers. Donal Nugent reports.**

America Movil and Telefonica dominate the region, creating an opportunity for suppliers already working with these telcos.

Colombia has potentially much to woo exporters. It's the fourth largest economy in Latin America and offers a far more business-friendly environment than some of its neighbours. However, it suffers from a significant perception deficit, linked to a civil conflict that has run for more than 40 years and a sense that risks to personal security are high.

It's a view that Irish exporters, particularly those in the IT sector, may want to either consider or perhaps challenge as analysis by Enterprise Ireland has ranked Colombia, alongside Mexico and Brazil, priorities for Irish companies targeting the region.

Melissa Feddis is a market adviser for high-growth Latin American markets with Enterprise Ireland. She explains how the recent review has brought a fresh perspective to where the opportunities lie in Latin America for Irish companies. "In Colombia, we identified areas such as fintech, telecoms, travel and niche engineering opportunities in areas such as oil and gas and agriculture, all of which are of interest to Irish companies."

To those who have cut their Latin American teeth in Brazil, Feddis explains that Colombia represents quite a different proposition. "In terms of doing business, it ranks much higher than Brazil. It's less bureaucratic, and its business and legislative environment are modernising fast."

On the thorny issue of risk and personal

safety, she points to significant advances in the country's peace process, which is expected to conclude in 2016, making Colombia a far safer and more stable place to do business than even five years ago. The country's success at creating a more secure environment is perhaps best evidenced in increasing levels of FDI. The EU Free Trade Agreement with Colombia and Peru, ratified by the Dáil in early 2015, has further strengthened the sense that doors and opportunities are opening.

#### **Telco opportunity**

In late 2015, Enterprise Ireland commissioned Fernanda Arcardini of consultancy firm Access Latin America to take a deep dive into the particular opportunity it has identified in Colombia's telecoms sector. Last November, Arcardini visited Dublin to share those findings with Irish software companies.

The overall opportunity that Latin America represents is certainly exceptional, with a population approaching 600 million and a middle class that has grown by 50 per cent over past decade alone. With an average mobile penetration rate of 52 per cent, compared to the EU's 78 per cent, there is huge capacity to grow further.

One of the interesting aspects of the market is its relative homogeneity. Two major carriers, America Movil and Telefonica, dominate the region, creating a particular opportunity for suppliers who have already established working

relationships with these telco giants. "Telefonica, for example, is in 13 countries in Latin America and has 200 million connections, so once you get into business with the company in one market you potentially have access to all these markets," Arcardini says. "Of course, you still need to navigate internal procedures, but if you, as an Irish company, have business with a carrier in one country, it's much easier to move to another."

As to why now is an opportune time to focus on Colombia, Arcardini points to the country's more than 56 million telecom connections, achieved with just 48 per cent penetration. Smartphones represent just a quarter of the market to date, while 4G licences have only recently been awarded, and the appetite for value-added services is growing among a young and increasingly affluent user base. The sense of urgency among carriers to capitalise on new opportunities is intensified by a diminishing bottom line: "prices are going down because of deregulation and competition, and carriers recognise they need to differentiate on a basis other than price."

### Traction

For Irish companies who sense an opportunity, the good news is that "you don't need to be there from moment zero in order to secure a deal", Arcardini adds. "Companies can get initial traction in the marketplace through frequent visits. However, once a deal is agreed, clients will expect their vendors to have a local presence, whether that is done through a local partner, a representative or having a foot on the ground."

Securing those local partnerships is not particularly difficult, but it is important to thoroughly prequalify any prospective relationship. "You have to be sure they have the right contacts and the technical capability to deliver."

English is also acceptable at the initial stages of business, as all C-level contacts will be fluent. However, once agreement moves toward implementation, Spanish is essential. The issue of making first contact at C-level is, it should be noted, an extremely important one and merits careful consideration. "Latin American companies are very stratified, much more so than in Europe," Arcardini explains. "If you enter discussions at mid level you are likely to get

Smartphones represent just a quarter of the market to date, while 4G licences have only recently been awarded, and the appetite for value-added services is growing.

caught up in meetings that will never get you to the decision-maker."

No matter how well things appear to be going, or even if they are not, it is also important to be realistic about how long the deal making process is likely to be: "You can't go in today expecting results tomorrow. It's going to be a minimum of 18 months to two years." The heavy depreciation of Latin American currencies against the euro and dollar is a further challenge, and Arcardini recommends companies be highly cost conscious as a result.

### Cultural nuances

In terms of cultural differences, it is important to recognise that friendliness and hospitality, although certainly signs of interest, should not be mistaken for deal making. "To say 'no' is bad manners in Colombia, even if you are not interested in what's on offer, so, for an Irish company, it really helps to have someone with you who understands the culture and its nuances." This further reinforces the importance of focusing discussions on the decision-maker. "You won't get a straight answer in the first meeting, but after the second or third, you should get a sense from a person at this level if things are progressing or not."

Interpersonal contacts remain important throughout the business cycle, and Arcardini says Irish companies already active in the market will vouch for how important it is "not to lose contact with a client once an agreement is in place. Because it's such a stratified environment, the head of the company will want to talk to the head of your company. They will get that level of access from your competitors, so you'd better give it too."

Those who have already explored the Latin American marketplace will know that all that glitters isn't gold: it can be a tough region and it certainly doesn't suit everyone. What Colombia offers, Enterprise Ireland believes, is a variety of clients open to doing business and a secure marketplace at a point of evolution that particularly suits the Irish offer.

"It's a very competitive sector, and you will be up against global competition. However, Irish companies can bring innovation, cost effectiveness and flexibility to the table, and that is often something the big companies can't match," Arcardini says.

### From World Bank 2015 Ease of Doing Business Ranking

#### Key Central and South American Economies

Mexico	38
Chile	48
Peru	50
<b>Colombia</b>	<b>54</b>
Brazil	116
Argentina	121

**Source:** The World Bank's 2015 Ease of Doing Business From ranking of 189 countries, where Singapore scored 1, Ireland 17 and Eritrea 189. See [www.doingbusiness.org/rankings](http://www.doingbusiness.org/rankings)

**Gerard MacCarthy, head of Enterprise Ireland's team in Russia and CIS, writes that despite the stark reality for food exporters who have lost ground in the market, Irish companies in other sectors are still winning deals in Russia. And for companies with the right niche innovative offering, the market offers good opportunities.**

# STAYING IN THE GAME



RESURFACING OF THE HOME GROUNDS  
OF SPARTAK MOSCOW BY SIS PITCHES



**A PORTION OF THIS DECREASE CAN BE ATTRIBUTED TO FOOD SANCTIONS IMPOSED ON THE EU, BUT THE VERY WEAK ROUBLE IS A FURTHER AND – IN OUR OPINION – MORE SIGNIFICANT FACTOR.**

**T**he Russian economy has always veered towards the turbulent. This is especially true of the recent past, following the collapse of the centrally planned Soviet system and the political framework it was designed to support. Since 1991, Russia has experienced several periods of extreme economic decline, followed almost immediately by a period of rapid economic growth.

The 1990s witnessed hyperinflation that peaked at over 2,000 per cent, and exchange rates of over 6,000 roubles to the dollar. However, the 2000-2008 period saw year-on-year GDP growth of nearly 10 per cent, a significant current account surplus and a rouble trading at less than 25 to the dollar – only for the economy to crash again in 2008.

Today, following a period of steady recovery from 2009 to 2014 (with an average 5 per cent GDP annual growth) the pendulum has swung back again. Russia now finds itself facing a new series of negative macro- and micro-economic indicators, which – added to an increasingly complicated political backdrop – have had a direct impact on Irish exports and the activity of Enterprise Ireland-supported companies in the region over the past 18 months.

In 2014, Enterprise Ireland client sales in Russia already warned of the effects of the collapsing rouble, dropping 14 per cent on 2013 returns. The most recent gauge of how clients might do in the current situation can be found in the 2015 CSO figures, which have shown a consistent trend between January and October for goods exports to Russia dropping 50 to 55 per cent year-on-year. This is significant as, traditionally, Enterprise Ireland clients have – after adjustments – accounted for 40 per cent of the CSO numbers.

A portion of this decrease can be attributed to food sanctions imposed on the EU by the Russian government, limiting a range of Irish food producers' activity in the market, and likely to hit the food sector by over 80 per cent in 2015. A further and – in our opinion – more significant factor is a very weak rouble, which has lost over 50 per cent of its value against the euro since the start of 2014, making imported goods and services prohibitively expensive for local buyers and extending the decline to non-food sectors.

This is aggravated by the Russian government's 'import substitution' policy,

which, in response to EU and US sanctions, has sought to stimulate local production, force localisation and – where local product cannot be found – seek suppliers from further afield (South America, Asia, the Middle East), consciously bypassing suppliers from the EU and US.

Despite these difficulties, Enterprise Ireland's Russia/CIS office has, if anything, seen an increase in the demand to assist companies in the ICT, ag-tech, construction consultancy and start-up sectors. Despite the negative focus in the media, and the realities of an increasingly tense international situation in which Russia finds itself more and more the centre of attention, we believe that for the right companies with the capacity and appetite to take on a market of this scale, now is a good time to explore.

Given the relative clear-out of foreign companies due to the negative economic and political back drop, the market is less cluttered, and there is a more positive local response to companies making the gesture of visiting Russia to build partnerships.

#### **IRISH COMPANIES STILL WINNING DEALS**

Following a series of successful Russian projects, including a state-of-the-art resurfacing of the home grounds of one of Moscow's most successful football clubs, Spartak Moscow, Irish company SIS Pitches recently won a highly competitive international tender to install the pitch and under-surface engineering infrastructure in Luzhniki Stadium, Moscow, for the 2018 FIFA World Cup Final in Russia.

George Mullan, the Sligo-born CEO of SIS, says that while the market is not straightforward, there is ongoing opportunity: "We completed a stadium in Krasnodar earlier this summer and are very hopeful of adding more projects next year. We have just opened our first office in Moscow which will focus on generating sales for various World Cup projects."

SIS Pitches experience is not unique. Michael Slein, Founder Director of the lighting solutions business LED Group/ROBUS, has looked at the Russian market on a number of occasions in the past ten years. He visited Moscow in November to attend the Interlight trade fair to identify a strategic partner in this specialised and competitive segment. "Whilst Moscow could be viewed as a challenging market to do business in, if one can get the

right partner, even in the current economic climate I believe it could be very lucrative,” he said. “We at LED Group are currently in discussions with two potential exclusive distributors and believe that if we can get one of these on board, it could represent substantial business for us.”

Despite the huge hit taken by Irish food exporters, the message from Igor Kurochkin of Dairymaster – one of Ireland’s most successful companies in Russia and the CIS – is also encouraging. “We view the Russian market as one with enormous potential. The Russian milk market is constantly growing (more than 2.2 per cent this year), and there is currently a big demand for better milk quality and an increased awareness of the importance of animal welfare. Many existing and potential Russian dairy farmers are looking for easy-to-use, reliable, sustainable milking equipment, recognising that our equipment, with lots of automation features, allows them to have more free time, and – an increasingly important factor – a better quality of life.”

Following his recent inward buyer visit to the Dublin Web Summit with Enterprise Ireland, Evgeny Maksimenko of Asteros (one of Russia’s most dynamic systems integrators) is certain that Irish companies with the right, innovative solutions, should be in strong demand in Russia. But he adds that they need to be patient.

“Opportunities in the IT market exist in abundance,” he said. “However, it has been my experience that Irish companies do not consider the Russian market a priority. Going through an entire sales cycle takes time and requires a certain level of investment on the part of the company. Irish companies seem to want instant business. This is not realistic for the Russian market.”

Robert Ten Cate, Business Development and Sales Advisor for GM Steel, which has just signed its first contract in Russia, echoes this need for patience and a long-term approach in this market. “With the help of local partners, we have been building our network in Russia for a few years now,” he said. “We have only just signed our first Russian contract. Despite the economic downturn, and because of the potential for us in the Russian market, we will attend the key trade shows there next year for sure to consolidate our position. The Russian market looks very promising for our industry, and as in every market, you have to show consistency.”

Based on this and similar feedback from many other clients, we believe there are, and will continue to be, opportunities in this vast, mostly untapped market. We have yet to see an Irish company outside the food sector impacted by the sanctions. And regardless of currency movements, there will always be demand for sufficiently differentiated and innovative niche products.

**“THE RUSSIAN MARKET LOOKS VERY PROMISING FOR OUR INDUSTRY, AND AS IN EVERY MARKET, YOU HAVE TO SHOW CONSISTENCY.”**

## The Russian entrepreneurs are coming!

**A**s well as supporting our clients in market, we are also promoting Ireland’s innovation and start-up ecosystem to mobile Russian high-potential start-up companies and venture entrepreneurs.

The launch of Enterprise Ireland’s Overseas Competitive Start Fund (CSF) in August 2015, paired with the new Start-Up Entrepreneur Visa Programme, has been key to offering a clear path for high-potential, early-stage companies from all over the former Soviet region to consider Ireland as a base for R&D, production, and international sales.

The first round of the Overseas CSF received 87 applications, of which

one-third came from Russian speaking countries. Two Russian companies successfully received funding.

Moreover, in a landmark decision by Enterprise Ireland’s Investment Committee in December 2015 newly-registered CountBox Ltd became the first ever Russian start-up, and the first one from a high-growth market, to receive significant funding from the High Potential Start-Up Fund, estimated at €250,000.

With a very healthy pipeline of companies already identified by the Russia/CIS office, progressing this will continue to be an exciting new departure for the foreseeable future.

**Ian Campbell tests out some of the best products of 2015, a rich mix of gadgets and gizmos for every budget.**



## Surface Pro 3/Windows 10

€879

**O**ne of the most unlikely tech moments of the year came when Apple announced the launch of the iPad Pro with an attachable keyboard and found itself accused of taking ideas from Microsoft and the Surface. Any notion that the Seattle software giant would steal a lead over Apple with a tablet-based device was something that would have been unimaginable a few years ago.

This was the year when Microsoft took its place at the top table of mobile devices, with the launch of the Surface Pro 3 and Windows 10. The combination of a touch-friendly operating system – free to any Windows user – and an ergonomically improved tablet with optional keyboard (a bit steep

at €156), neatly bridges the gap between fun and work.

The 12-inch screen with 2160 x 1440 resolution is sharp and vivid, making easy work of the bi-modal interface. You can go about your business using the touch screen and the excellent Microsoft tiles, or via a more conventional Windows desktop view. A third way is with the stylus, writing or drawing onscreen with any of the growing number of apps that support the Surface Pen. It works really well.

Offering both touch and keyboard options has proved tricky for Microsoft in the past, with Windows 8 doing neither particularly well. With Windows 10 and Surface Pro 3, they get it right. Striking the balance between web-friendly and serious productivity tool, it's the best tablet/laptop combination I've played with to date.

## Chromecast

€39

**G**ive yourself an alternative to tired TV programming and watch some internet entertainment this new year on the biggest screen in the house. Google Chromecast lets you send content from a smartphone, tablet or laptop to

a TV via a dongle that plugs into the set's USB socket (and the mains) and connects over WiFi.

Apps let you effortlessly navigate the likes of Netflix and YouTube. The circular design of the latest version is more aesthetic than its predecessor and available in a number of DayGlo colours. The internet connectivity offered by smart TVs is rarely as user-friendly as this cheap and cheerful device.





## Canon EOS 750D

€900  
(with  
EF-S  
18-55mm  
lens)



**B**y making the vari-angle LCD of the 750D a touchscreen, Canon has made an entry-level DSLR even more user friendly. The camera specialist has always gone out of its way to include automatic controls for point-and-shoot simplicity that overrides a complex array of dials and settings, but touchscreen makes it even easier for the novice looking to get to grips with a proper camera.

You can move the autofocus zone to anywhere on the screen with your fingers when shooting, flick through pictures in review mode or press the playback arrow if you're watching video footage. After years of losing ground to smartphones with increasingly sophisticated onboard cameras, it's interesting to see the DSLR manufacturers appropriating their touchscreen tricks for their own ends along with WiFi and NFC for sharing pictures.

People who are persuaded by such user-friendly touches to take up more serious

photography won't be disappointed with the 750D. With a 24.2MP sensor and a massive ISO range, it's well equipped to handle any conditions, inside or out, and capture stunning images. The dynamic range is impressive and the muted Canon colours delectable. If you prefer a bit more intensity there's the option of cranking it up in-camera or with editing software on your desktop.

There are shooting tools for all tastes – flicker detection technology ensures consistently exposed images under artificial light while a continuous shooting mode of five frames per second is great for action shots. An obligatory feature on Canon DSLRs is the excellent HD video mode. So good you'll never need to buy a camcorder.

A solid buy for anyone bitten by the photography bug, who doesn't feel ready to jump into the high-end.

## Galaxy S6 Edge plus

€868 SIM free

**T**hose who want a top-notch smartphone and are unmoved by Apple's premium priced iPhones will almost always find themselves weighing up the latest Samsung Android devices. This has been a good year for the Korean company, first with the Edge and now Edge plus, demonstrating that there's more than one player when it comes to smart and stylish phones.

As the name suggests, the "plus" is a bigger version of the Edge – a 5.7-inch screen instead of 5.1-inch, a Super AMOLED that looks gorgeous. It also boasts one of the best on-board cameras on the market and some excellent bundled apps like Flipboard, the aggregated news service.

If you are in the market for a "phablet" – the offspring of tablet and phone technology – then the Edge plus should be on your shopping list. With its aluminium alloy finish and sloping edge, it also scores high on the style stakes.



## Moto G

€200 SIM free

**T**here was a time back in the nineties when Motorola was up there with Nokia as chief exponents of the mobile phone. Best known for its Star Trek flip, Motorola is a very different beast today, carving out a niche in the entry-level smartphone space with economy models that are resolutely practical.

The 4G version of the Moto G is a case in point. Weighing in at 143 g, it's a good deal heavier than upmarket competitors that have bigger screens, but that's not the point of the Moto. It's tough and water resistant, with a ridged surface on the back for added grip. It doesn't forsake style entirely – a range of shells are available in a variety of colours if you want to personalise the chassis.

The 720p screen is low-res but functional and perfectly adequate for working your way around the Android operating system. The 13-megapixel camera produces pretty detailed shots and the processor packs enough punch to handle streaming video. No frills but a stalwart performer and very good value.



**Lucille Redmond** shares some nuggets from three of this season's new business titles.

# INVENT, NEGOTIATE, COPY

**D**escended from Thomas Langlois Lefroy, whose killer charm made him the generally accepted model for Jane Austen's Mr Darcy, the founder of Rentokil was Maxwell Lefroy, 1900s England's premier entomologist. And so commences a lesson on how to build a global corporation in *The Pest Detectives: The Definitive History of Rentokil*.

As entertainingly told by journalist Rob Gray, Lefroy made his entomological name in India – and his career by ridding Westminster Hall of deathwatch beetles with refinements of his patent mixture of tetrachloroethane, cedarwood oil, solvent soap, paraffin wax and trichloroethylene. A knighthood was reputedly proffered and politely refused.

During World War I, Lefroy fought the voracious insects dining on troops' food and on the soldiers themselves – he got 1,100 desperate letters looking for a louse remedy. Lefroy founded Rentokil – named from



the Greek *entomon*, meaning 'insect'. But in 1925, he gassed himself while working on a new poison. His friend Francis MacLean Scott told the inquest he had seen Lefroy staggering around complaining of having inhaled the vapour. "The little beggars have got the best of me," he remarked. Next day, he was found stretched dead on the floor of his lab.

Bessie Eades, a formidable young Londoner, was in charge of the commercial side of the business. Now she took the

reins, buying the rights to the timber fluid from Lefroy's widow and, with Elsie May Lanstein, formally setting up Rentokil (Sales) Ltd in summer 1928 – just as women finally got the vote in Britain.

They made big changes, starting to sell directly to the public and using vivid advertising. Their firm scraped through the Depression, was bombed out in the Blitz, but kept growing. The staff even scoured rag-and-bone yards for bottles of all sizes and shapes to send out their Kilit and Mothproofer, as their new entomologist Dr Norman Hickin wrote in his autobiography, *My Life With Woodworm*.

By the 1950s, their major customers were building contractors specialising in home and church reconstruction: the enemy was woodworm and dry rot, with a sideline in insect infestations. Journalists wrote approvingly about "the maternal nature" of Bessie Eades' management style. They took on work in the

Colonial Williamsburg village in Virginia, in St Helena, in the Falklands. A Ugandan customer wrote to say that their product's long-term efficiency couldn't be attested, because the gate treated had been destroyed by a hippopotamus.

Meanwhile, back in the 1900s, a bubonic plague pandemic was killing thousands: 500 died in Australia alone. Danish pharmacist George Neumann cultivated a broth from a bacterium found in a cystitis patient's urine and discovered that it caused gastroenteritis in rats. The Ratin company was born. Ratin scoured country after country. In Reykjavik, 84 per cent of a sample 5,000 buildings were found to be rat-infested; the company wiped out the infestation that had overrun Iceland.

In 1957, Ratin bought Rentokil, and Bessie Eades bowed out. The new men went on a buying spree, acquiring Fumigation Services, Insecta Laboratories and Scientex, bringing in food sector fumigation, maritime pest control and bird repellents.

Rentokil went on to publicity coups – clearing the German town of Hamelin of rats in an achievement not matched since the Pied Piper visited there in 1284 (but without the loss of children), debugging the British Houses of Parliament and Buckingham Palace. By the time the company floated in 1969, it was trading in 85 countries.

Nowadays, Rentokil is involved in every possible infection-control and infestation scenario. After the 7/7 bombings in London in 2005, its Specialist Hygiene Team dealt with the biohazard aftermath of bombs that left 52 dead and over 700 injured.

A fascinating, racy book, *The Pest Detectives* is enjoyable study material for every entrepreneur hoping to build a company into a business.

**S**teve Gates is founder and CEO of The Gap Partnership, which advises corporations on negotiations. His *The Negotiation Book* is a textbook of methods, based on a library of self-tests and theories of communication. His thinking can be rather subtle: "Values such as fairness, integrity, honesty and trust naturally encourage us to be open. Personal values have their place within any relationship, but business relationships can and often do exist based on



different value sets."

Is tendering the best way to get a good deal if you're looking to have work done? Not always, advises Gates in one of the counter-intuitive nuggets in *The Negotiation Book*. "Where the nature of the contract is based on a performance-related service, for example the building of a road," he writes, "price alone, even against a well-specified brief, can prove a restrictive means of agreeing all terms and can lead to poor 'total value' agreements."

Gates writes a coolly effective primer on how to learn your skills and use both these skills and your observation of the opposite side's needs and signals to make the right bargain for your company.

In design terms, *The Negotiation Book* is difficult to read in parts, due to the darkish-grey-backed explanatory panels, printed in a light sans typeface. It's a technical, dry instructional piece of work that may make a skilled negotiator from an instinctive dickerer, because in Gates' view, your main tool in negotiation is your knowledge of the parameters of negotiation and your control of them. An interesting book for those involved in making deals.

**C**opying genius ideas is, as we know, the road to success. Mark Earls' juicily illustrated *Copy, Copy, Copy* aims to show what to do with great ideas once you've pinched their basic premise – and conversely, how to use the human liking for the familiar and samey to position your products.

In the sense that we copy from our earliest years to learn about how things are done, and to do them better, copying is, he posits, our primary source of information about the world. Earls cites the way babies imitate facial expressions, and experiments show people looking at others' improvements of a basic idea to use in their own further improvements. Copying, all in all, is how information spreads through a population.

He introduces the word 'shanzai', used in China for the almost-exact copies of everything from buildings to phones to entire Apple stores; it comes, he says, from 'bandit fortress' and the name of

Shenzen where many of the shanzai factories were originally based.

He reckons that it is more profitable to be a good copier than a true innovator, citing McDonald's, which copied the earlier fast-food chain White Castle; *Playboy*, which copied earlier titles; and Apple, whose phones, mp3 players and computers were often improvements on an earlier iteration. 'Bad copying', he writes, is an exact imitation; 'good copying' – like Apple's first graphical user interface computer – is an improvement on the original. This is not so much a classic guidebook for business as a thought-provoking work of popular



philosophy, with a cute design, and lots of team-building games, exercises and experiments.

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**The Pest Detectives: The Definitive History of Rentokil** by Rob Gray, Harriman  
**The Negotiation Book: Your Definitive Guide to Successful Negotiating** by Steve Gates, Capstone  
**Copy, Copy, Copy: How to Do Smarter Marketing by Using Other People's Ideas** by Mark Earls, John Wiley & Sons



## From Enterprise Ireland's Market Research Centre team.

# MARKET INTELLIGENCE

*Enterprise Ireland's Market Research Centre hosts Ireland's most comprehensive collection of business intelligence resources and is staffed by specialists who can assist EI clients find company, market and project information.*

*The centre subscribes to a wide variety of databases, including*

- Frost & Sullivan
- Forrester
- Euromonitor Passports
- AMA Research
- BvD Orbis

*The reports summarised on these pages are just a sample of the type of information available. Follow us on Twitter @EI\_MRC to see further examples of recent reports available or check out the MRC site at [www.enterprise-ireland.com/MRC](http://www.enterprise-ireland.com/MRC)*

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## ICT/SOFTWARE

### Predictions 2016: Mobile Apps and Development

*Gartner*

October 2015

In this analysis, Gartner argues that while options for creating, deploying and using mobile apps continue to expand, adoption continues at a conservative pace despite the potential for competitive advantage. It advises mobile strategists to step up their development and innovation strategies to put mobile at the core of every project.

### The Top 10 Technology Trends to Watch, 2016 To 2018: The Age of the Customer Will Drive Firms to Increase Their Investments in End-To-End Technology Solutions

*Forrester*

September 2015

Five years into the age of the customer, investments in mobile, cloud, big data, predictive analytics and social technologies are booming. But unlike previous technology cycles, tech investments will continue to grow rather than diminish throughout the refinement period. As this year's top 10 tech trends demonstrate, a shift is underway from cyclical, invention-led spending on point solutions to investments targeting customer-driven, end-to-end value.

### 2015 To 2016 Tech Market Outlook for European Countries: Better Growth Outside the Eurozone Than Within

*Forrester*

October 9, 2015

Will Europe's modest economic expansion strengthen or go into reverse? And what of the impact of China's economic slowdown and the ongoing conflict with Russia? These questions loom large for European CIOs as they adjust their 2015 tech spending plans and hope to spend more on business technology (BT) in 2016. According to Forrester, CIOs in the UK, Sweden and Ireland can be more aggressive in their tech spending, thanks to better economies and tech markets growing by 6 per cent or more as a result. But CIOs in the continental Eurozone (and near-neighbours like Switzerland) need to be more cautious due to weaker economies and lagging adoption of the BT agenda.

### The Internet of Things (IoT)

*BCC Research*

September 2015

This report explores the market opportunity for IoT components, including the ubiquitous sensors in all connectivity applications and other connectivity-enabled devices such as smartphones, as well as chipset subcomponents. According to BCC Research, the total market for IoT devices and chipsets is expected to grow from almost \$4.2 billion in 2014 to nearly \$49.2 billion in 2020, at a compound annual growth rate of 49.3 per cent. The device segment is expected to account for a major portion of this growth, growing from \$4.0 billion in 2014 to approximately \$48.4 billion in 2020.

### The Global Enterprise Mobility Market

*BCC Research*

September 2015

This report provides a detailed analysis of the global enterprise mobility market, including the enterprise mobility value chain, drivers, challenges and opportunities. It predicts that the market will reach \$99.5 billion by 2015 and \$201.6 billion by 2020, registering a compound annual growth rate of 15.2 per cent from 2015 to 2020.

### Global Contact Centre Systems Market: Emerging Regions Key for Growth in a Mature Market

*Frost & Sullivan*

2015

This market analysis provides global market size estimates and forecasts for premises-based contact centre systems for North America, EMEA, Asia Pacific and Latin America. The product segments covered are inbound contact routing, IVR and voice portal, outbound dialler, quality monitoring, workforce management and contact centre analytics.



## FOOD, RETAIL AND CONSUMER PRODUCTS

### 2015 European Retail Segmentation: Mobile Shoppers Double in Just Two Years – Mobile Optimisation is a Must for European Retailers

*Forrester*

November 2015

Using Forrester's latest data, this report considers the significant growth of European mobile shoppers and super shoppers over the past couple of years and highlights the need for e-business professionals to focus on delivering a consistent, seamless, multi-touchpoint experience for their customers.

### The Food and Drink Colour Report

*Datamonitor*

November 2015

This report focuses on the impact of wider consumer interest in 'natural' on approaches to food and drink colour, exploring how producers are investing in shelf-stable iterations of non-artificial, colour-rich ingredients to boost the visual and implied nutritional appeal of their products.

### The Rise of Plant Protein

*Datamonitor*

October 2015

Plant protein sources are growing in popularity to meet ongoing demand for protein at a time when consumers are increasingly opting for meat-free or reduced-meat diets. Using insight from global consumer surveys, this report identifies consumer perceptions of different types of plant protein, including pea, oat, soy, nuts, seeds and pulses. Globally, the proportion of new food and drink product launches claiming to be 'high protein' increased six percentage points between 2013 and 2015, from 2 to 8 per cent.

### Personal Accessories in the United Kingdom: Rising Economic Confidence Bolsters Sales in 2015

*Industry Overview*

October 2015

2015 is expected to see stronger annual performance for overall personal accessories. This will largely be due to a stronger economic performance at the end of the review period, encouraging consumers to spend more and trade up. Bags and luggage are notably benefiting from this trend, with jewellery also seeing above-inflation unit price growth.

## CLEANTECH, LIFE SCIENCE, CONSTRUCTION AND INDUSTRIAL

### Upstream Oil and Gas Opportunities in Key Countries – September 2015: Unconventional Resources and Opening of New Markets Will Boost Investments in Upstream Oil and Gas

*Frost & Sullivan*

November 2015

This study explores the opportunities present in the global upstream onshore and offshore oil and gas markets, considering the impact of falling oil prices and the global economic slowdown. Given the market's volatility, it presents scenarios for each segment. In addition, it provides a competitive analysis of the top competitors.

### Health Insurance Information Technology: US Overview and Outlook, 2014-2020

*Frost & Sullivan*

November 2015

Healthcare payers are grappling with a number of significant challenges that are upending their traditional business models and operational processes. In response, health insurance organisations are actively looking at information technology as a lever of operational efficiency and transformational change, with spending priorities focusing on new tools for analytics, consumer engagement and population health/care management. This study provides an overall outlook for future business and IT trends for health insurance companies, forecasting revenue growth for the total payer IT market and key market segments for the six-year period from 2015 to 2020.

### Construction and Housing Forecast Bulletin - GB 2015-2019 - ISSUE 31

*AMA Research*

November 2015

This forecast bulletin covers both the residential and non-residential construction sectors in Great Britain, providing an analysis in current prices for new work and renovation, maintenance and improvement.

### Advances in the Companion Diagnostics Market 2015

*BMI/Espicom*

November 2015

This study explores how the pharmaceutical market landscape is changing, as greater understanding of disease biology, the introduction of new clinical trial protocols, next-generation sequencing, reimbursement constraints, the development of immunotherapy and changing regulatory guidelines all contribute to progress in companion diagnostics.



## An update on customs compliance, trade regulations and negotiations

# TRADE REGULATIONS, INFORMATION AND NEGOTIATIONS

### WTO members conclude landmark \$1.3 trillion IT trade deal

**W**TO members representing major exporters of information technology products have agreed a timetable for implementing a landmark deal to eliminate tariffs on over 200 products. The deal, initiated by the EU, extends the 1996 Information Technology Agreement (ITA) to cover €1.3 trillion in global trade. This makes it the biggest tariff-cutting deal in the World Trade Organization in almost two decades.

The list of 201 products was originally agreed by the ITA participants in July 2015. Among the products covered in this agreement are new-generation semi-conductors, GPS navigation systems, medical products which include magnetic resonance imaging machines, machine tools for manufacturing printed circuits, telecommunications satellites and touch screens.

For every product on the list, ITA participants have negotiated the level of reductions and over how many years it will fully eliminate the tariffs. As a result of

these negotiations, approximately 65 per cent of tariff lines will be fully eliminated by 1 July, 2016.

Most of the remaining tariff lines will be completely phased out in four stages over three years. This means that by 2019 almost all imports of the relevant products will be duty free.

The agreement also contains a commitment to work to tackle non-tariff barriers in the IT sector, and to keep the list of products covered under review to determine whether further expansion may be needed to reflect future technological developments.

### Liberia and Afghanistan join the WTO

**T**he recent accession of Liberia and Afghanistan to the World Trade Organisation makes them the 163rd and 164th members of the WTO, respectively.

### EU and US temporarily suspend certain sanctions on Belarus

**T**he United States and European Union have temporarily relaxed targeted sanctions against Belarus that

were first imposed in 2004.

On October 29, 2015 the EU announced the suspension of most, but not all, of its sanctions against Belarus. The EU sanctions suspensions came into effect on 31 October, 2015, the date each year when the EU sanctions targeting Belarusian companies and individuals either expire or are renewed.

In a less widely expected move, on 29 October, the US also suspended many of its sanctions targeting certain Belarusian companies on the US list of Specially Designated Nationals and Blocked Persons, effective 30 October.

The EU sanctions suspensions have effect only for four months, through 29 February, 2016, while the US suspensions will remain in place for six months, unless modified by OFAC, until 30 April, 2016. Whether the sanctions will remain suspended will be evaluated early in 2016 by the EU and US governments.

### EU adopts transitional rules pending full implementation of electronic customs

**O**n 17 December 2015, the European Commission adopted a delegated act to establish transitional rules for operators and customs authorities pending the introduction of new IT systems to create a fully electronic customs environment. The Transitional Delegated Act is the last element of the Union Customs Code package aimed to provide a modern and integrated EU customs system that will streamline customs legislation and procedures; complete the shift by customs authorities to a paperless and fully electronic environment; and reinforce swifter customs procedures for compliant and trustworthy economic operators.

The Transitional Delegated Act lays down provisions for a transitional period during which

the electronic systems for the exchange of information between customs authorities and the Commission are finalised. These will apply from 1 May 2016 until the respective IT system has been updated or deployed and are designed to ensure uninterrupted trade flows as well as appropriate controls until full roll out of the overall electronic landscape.

### Latest version of SEPA Cards Standardisation Volume published

**T**he European Payments Council (EPC), representing payment service providers, and the Cards Stakeholders Group (CSG), a multi-stakeholder body gathering retailers, vendors, processors, card schemes and the EPC, have published version 7.1 of the Single Euro Payments Area (SEPA) Cards Standardisation Volume.

This key document for the card industry is aimed at achieving cards standardisation, interoperability and security in Europe. For the first time, this latest version includes functional and security requirements applicable to card-not-present transactions, as well as a cards processing framework.

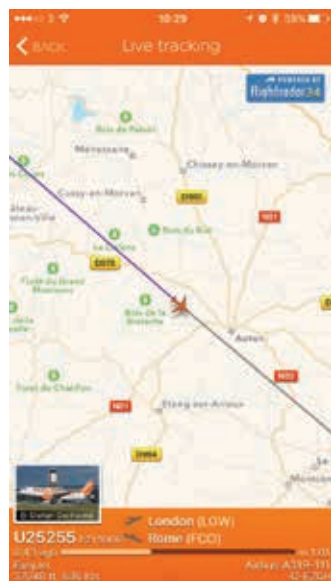
Though conformance with the latest volume is not mandatory, all stakeholders active in the SEPA cards domain are encouraged to roll out services and products in line with the requirements by December 2018.



## Travel News

### EasyJet adds live aircraft tracking to app

EasyJet has become the first airline to offer real-time aircraft tracking to its mobile app. The Flightradar24 tracking feature allows passengers to view the exact location of the aircraft they are due to travel on up to three hours prior to departure. In addition, family and friends can track the status of the flight when it's in the air. The app shows the aircraft's route, speed, altitude, distance travelled, total distance to destination and aircraft type.



### Air France adds Tehran services

Air France is to add a new route from Paris Charles De Gaulle to Tehran this year. The carrier last flew to the Iranian capital in 2008. Air France will fly three-times weekly to Tehran, commencing in June, 2016, operating on Wednesdays, Fridays and Sundays. Flight AF738 will depart Paris CDG at 10:30 and arrive in Tehran at 18:40. The return leg AF755 will leave Tehran at 07:15 and land at Paris CDG at 10:55.



### New UK routes and increased services from Cork

Aer Lingus Regional operated by Stobart Air is set to launch two new routes to the UK next summer from Cork to Southampton and Cork to Leeds Bradford. In addition to the new routes, Stobart Air has announced it will be increasing capacity on three existing routes Glasgow, Manchester and Newcastle as well as basing a third aircraft at the airport. The Cork Southampton route will operate five days a week on Monday, Thursday, Friday, Saturday and Sunday. The Cork Leeds Bradford route will operate three times a week on Tuesday, Thursday and Sunday.

Aer Lingus Regional will also recommence its Shannon-Edinburgh service from 28 March 2016, flying six times weekly.

### Asian and European cities most expensive for expats

Just as foreign exchange costs create headwinds for organisations doing business overseas, currency fluctuations – driven by economic and political unrest – are contributing to the cost of expatriate packages for internationally focused companies. Mercer's 21st Cost of Living Survey finds that factors, including instability of housing markets and inflation for goods and services, impacts significantly the overall cost of doing business in a global environment.

According to Mercer's 2015 Cost of Living Survey, Asian and European cities – particularly Hong Kong (2), Zurich (3), Singapore

(4), and Geneva (5) – top the list of most expensive cities for expatriates. The costliest city for the third consecutive year is Luanda (1), the capital of Angola. Despite being recognised as a relatively inexpensive city, the cost of imported goods and safe living conditions in this country are available at a steep price.

Other cities appearing in the top 10 of Mercer's costliest cities for expatriates are Shanghai (6), Beijing (7) and Seoul (8) in Asia; Bern (9); and N'Djamena (10). The world's least expensive cities for expatriates, according to Mercer's survey, are Bishkek (207), Windhoek (206), and Karachi (205).



### Aer Lingus announces US routes expansion

Aer Lingus has announced a major expansion of its transatlantic route offering for 2016, with three new routes from Dublin to North America.

Aer Lingus will commence a year-round direct service between Dublin and Los Angeles from May 2016, with five services per week. Direct daily year-round flights will start in early September, from Dublin to Newark in New Jersey. A third new route will commence in late September with a daily service from Dublin to Hartford, Connecticut.



### Air Canada Rouge to fly Vancouver-Dublin

Air Canada Rouge is to launch a nonstop seasonal service between Vancouver and Dublin this summer. The three-times weekly route will operate on Wednesdays, Saturdays and Sundays between 10 June and 8 October. Outbound service AC1940 will depart Vancouver at 15:05 and arrive in Dublin at 08:35 the next day, while the return leg AC1941 will leave Dublin at 11:35 and land in Vancouver at 13:35.



Adjacent to the Mexican border and less than 200km south of Los Angeles, San Diego is the eighth-largest city in the US and the second largest in California – with an estimated population of 1.4 million. With a deep-rooted sense of historical pride, the city is the economic centre of the region. Its primary commercial concerns are defence-related (it hosts the world's largest naval fleet), international trade and tourism. It also hosts the second-largest biotech cluster in the US, with more than 400 companies in situ, and *Forbes* magazine has rated it as the best city in the States in which to launch a small business or start-up.

#### FROM THE AIRPORT TO THE CITY:

San Diego International Airport is serviced by over 20 major and commuter airlines and is located less than 15 minutes by car, taxi or shuttle bus from downtown. Disembarkation, luggage collection and walking out of the airport should take less than ten minutes. The airport is served by the usual major car rental agencies.

#### SLEEP:

**1st Choice:** Hotel Solamar, 435 6th Avenue, is a smart hotel that has been cleverly marketing itself as the home-from-home for clued-in business travellers. Located in the city's historic Gaslamp Quarter, the hotel is a very convenient three blocks from the Convention Centre. [www.hotelsolamar.com](http://www.hotelsolamar.com)

**2nd Choice:** The Grande Colonial Hotel, 910 Prospect Street, La Jolla, may boast an

impressive history, but it is bang up-to-date with a pristine nature-inspired design palette. Complimentary WiFi and a superb on-site restaurant (Nine-Ten) add to the style. [www.thegrandecolonial.com](http://www.thegrandecolonial.com)

#### EAT:

**Lunch:** Italian-inspired restaurants don't come any more authentic than Cucina Urbana, 505 Laurel Street, located in Bankers Hill. Prepare to experience innovative sharing plates, a wide range of pizza options and a quality design/decor aesthetic that blends country farmhouse ambience with contemporary art gallery. Reservations recommended. [www.urbankitchengroup.com](http://www.urbankitchengroup.com)

**Dinner:** If you're out to impress, then booking a table at Addison, Fairmont Grand Del Mar, 5200 Grand Del Mar Way, is the way to go. Southern California's

most star-studded restaurant opens only for dinner, so reservations are highly recommended in order to sample creatively executed French cuisine with a down-to-earth approach. [www.addisondelmar.com](http://www.addisondelmar.com)

#### THREE THINGS TO DO IF YOU HAVE A FEW HOURS TO SPARE:

**Shopping:** The *U.S.S. Midway*, one of America's longest-serving aircraft carriers, is now restored as a historical treasure. The ship is open to visitors who wish to find out what it must have been like to live aboard a floating town.

**Museums:** Balboa Park is referred to as the 'Smithsonian of the West' and is renowned as being the biggest urban park with museums (fifteen) in the US. If you have only several hours to spare, check into the Park's Visitor Centre and request the 'Stay-for-the-Day' museum pass.

**History:** San Diego is known as the origin city of California, so a visit to Old Town San Diego is a must, as it provides important historical glimpses into the city's colourful colonial period from 1821 to 1872. Close by is Heritage Park, where seven Victorian houses have been relocated.



# Enterprise Ireland International Network

## Head Office

REGION/OFFICE	TELEPHONE	FACSIMILE	ADDRESS
<b>Dublin</b>	+(353 1) 727 2000	–	The Plaza, East Point Business Park, Dublin 3, Ireland

## Northern Europe

<b>Amsterdam</b>	+(31 20) 676 3141	+(31 20) 671 6895	World Trade Center, Strawinskylaan 1351, 1077 XX Amsterdam, Netherlands
<b>Brussels</b>	+(32 2) 673 9866	+(32 2) 672 1066	Park View, Chaussee d'Etterbeek, 180 Etterbeeksesteenweg, Bruxelles 1040, Brussels, Belgium
<b>London</b>	+(44 20) 7438 8700	+(44 20) 7438 8749	2nd Floor, Shaftesbury House, 151 Shaftesbury Avenue, London WC2H 8AL, England
<b>Paris</b>	+(33 1) 5343 1200	+(33 1) 4742 8476	33 rue de Miromesnil, 75008 Paris, France
<b>Stockholm</b>	+(46 8) 459 21 60	+(46 8) 661 75 95	Hovslagargatan 5, 4th floor, SE-111 48 Stockholm, Sweden

## Germany, Central and Eastern Europe and the Balkans

<b>Budapest</b>	+(36 1) 301 4950	+(36 1) 301 4955	Bank Centre, Szabadság tér 7, Budapest 1054, Hungary
<b>Düsseldorf</b>	+(49 211) 470 590	+(49 211) 470 5932	Derendorfer Allee 6, 40476 Düsseldorf, Germany
<b>Moscow</b>	+(7495) 937 5943	+(7495) 680 5362	c/o Commercial Section, Embassy of Ireland, Grokholski Pereulok 5, Moscow, Russia
<b>Prague</b>	+(420) 257 199 621	+(420) 257 532 224	Trziste 13, 118 00 Prague 1, Czech Republic
<b>Warsaw</b>	+(48 22) 583 1200	+(48 22) 646 5015	Ulica Mysia 5, 00-496 Warsaw, Poland

## Southern Europe, Middle East and Africa

<b>Abu Dhabi</b>	+971 2 495 8245	–	Embassy of Ireland, Abu Dhabi, Road 19 off 32 Street, Al Bateen, PO Box 61581, Abu Dhabi, UAE
<b>Doha</b>	+974 4410 1735	+974 4410 1500	Office 825, 8th Floor, Al Fardan Office Tower, West Bay, PO Box 31316, Doha, Qatar
<b>Dubai</b>	+(971 4) 329 8384	+(971 4) 329 8372	4th Floor, Number One Sheikh Zayed Road, PO Box 115425 Dubai, United Arab Emirates
<b>Istanbul</b>	+(90212) 809 1149	–	Mecidiyekoy Yolu Cd., Trump Towers Kulel, 3104, Floor 31, 34387, Sisli, Istanbul, Turkey
<b>Johannesburg</b>	+(27) 115505440	–	24 Fricker Road, Illovo, Johannesburg South Africa
<b>Madrid</b>	+(34 91) 436 4086	+(34 91) 435 6603	Casa de Irlanda, Paseo de la Castellana 46 – 3, 28046 Madrid, Spain
<b>Milan</b>	+(39 02) 8800991	+(39 02) 8690243	Via de Amicis, 53-20123 Milano, Italy
<b>Riyadh</b>	+(966 1) 488 1383	+(966 1) 488 1094	c/o Embassy of Ireland, PO Box 94349, Riyadh 11693, Saudi Arabia

## The Americas

<b>Austin</b>	+1 512 792 5499	–	515 Congress Avenue, Suite 1750, Austin, TX 78701
<b>Boston</b>	+(1 617) 292 3001	+(1 617) 292 3002	535 Boylston St, 5th Floor, Boston, 02116 MA, USA
<b>New York</b>	+(1 212) 371 3600	+(1 212) 371 6398	Ireland House, 345 Park Avenue, 17th Floor, New York, NY 10154-0037, USA
<b>São Paulo</b>	+(55 11) 3355 4800	–	Rua Haddock Lobo, 1421 – Conj 51, Cerqueira César, São Paulo, 01414-003, SP, Brazil
<b>Silicon Valley</b>	+(650) 294 4081	–	800W, El Camino Real, Suite 420, Mountain View, CA 94040, USA
<b>Toronto</b>	+(1 416) 934 5033	+(1 416) 928 6681	2 Bloor Street W, Suite 1501, Toronto, Ontario, M4W 3E2, Canada

## Asia-Pacific

<b>Beijing</b>	+(86 10) 8448 8080	+(86 10) 8448 4282	Commercial Section, Embassy of Ireland, C612A Office Building, Beijing Lufthansa Ctr., No. 50 Liangmaqiao Road, Chaoyang District, Beijing 100125, China
<b>Hong Kong</b>	+(852) 2845 1118	+(852) 2845 9240	Room 504 (5/F), Tower 2 Lippo Centre, 89 Queensway, Admiralty, Hong Kong
<b>New Delhi</b>	+(91 11) 424 03 178	+(91 11) 424 03 177	Commercial Section, Embassy of Ireland, 230 Jor Bagh, New Delhi 110 003, India
<b>Perth</b>	+61 8 9221 1263	–	1/100 Terrace Rd, East Perth, WA 6004, Australia
<b>Seoul</b>	+(82 2) 721 7250	+(82 2) 757 3969	Ireland House, 13th Floor Leema B/D, 146-1 Susong-Dong, Jongro-Ku, Seoul 110-755, Korea
<b>Shanghai</b>	+(86 21) 6010 1380	+(86 21) 6279 7066	Commercial Section, Consulate General of Ireland, Suite 700A, Shanghai Centre, 1376 Najing Road West, Shanghai 200040, China
<b>Singapore</b>	+(65) 6733 2180	+(65) 6733 0291	Ireland House, 541 Orchard Road #08-00, Liat Towers, Singapore 238881
<b>Sydney</b>	+(61 2) 927 38514	+(61 2) 926 49589	Level 26, 1 Market Street, Sydney 2000, NSW, Australia
<b>Tokyo</b>	+(81 3) 3263 0611	+(81 3) 3263 0614	Ireland House, 2-10-7 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan

For any other markets not mentioned, contact Market Development Dublin. For further contact information, visit [www.enterprise-ireland.com/contact](http://www.enterprise-ireland.com/contact)



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[www.the-market.ie](http://www.the-market.ie)