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Forfás report highlights export-led growth as key to economic recovery

Ireland has the potential to deliver economic growth and jobs that are sustainable into the future, right across the entire economy, according to a new report from Forfás.

Called Making It Happen: Growing Enterprise for Ireland, the report sets out several recommendations to address concerns raised by Irish enterprise and that can create this supportive environment.

Minister for Enterprise, Trade and Innovation, Batt O’Keeffe TD said the research sets out a strategic approach to attaining ambitious targets of two million people in work and annual economic growth of 4.6 per cent by 2015.

The report presents opportunities for growth across a range of sectors, from pharmaceuticals and medical technologies, ICT, agri-food and financial services through to construction, retail and tourism. It emphasises that services activities and high value-added manufacturing will remain core to future growth and employment.

Recommendations in the report focus on a number of key areas which it says are relevant to all firms: education and skills, R&D and innovation, management development, public procurement, access to finance, infrastructure priorities, the regulatory environment and competition policies.

The report is available for download at the Forfás website, www.forfas.ie.

Net pioneers to speak at Dublin conference

The founders of Twitter, Skype and Last.fm are among several leading internet entrepreneurs and business leaders scheduled to address a conference in Dublin at the end of this month.

The conference is called Founders and the line-up includes Twitter founder Jack Dorsey, Niklas Zennstrom, founder of Skype; and Michael Breidenbruecker, founder of Last.fm. Also scheduled to speak are Justin Lin, chief economist of the World Bank and the president of the European Parliament Jerzy Buzek.

The chief executives of Enterprise Ireland and the IDA will also address the invitation-only gathering, as will An Taoiseach Brian Cowen TD. The event takes place on October 29. ‘Founders’ has places for 100 high-profile delegates and the conference organisers say it is an opportunity for the Government, the IDA and Enterprise Ireland to present the country as a leading smart economy and destination for the world’s new wave of high-tech companies.

The organising committee includes a number of well-known young Irish company founders such as Eamonn Fallon of Daft Media, Dylan Collins of Jolt Online and Iain MacDonald of Weedle. A full list of speakers and more details around the event are due to be announced closer to the date.

SKYPE FOUNDER NIKLAS ZENNSTROM

Enterprise Ireland unveils re-designed website

Enterprise Ireland has unveiled its new website, which has been re-designed to include rich media and social networking content as well as providing advice and information for clients and stakeholders.

Frank Ryan, CEO of Enterprise Ireland, said the new site is a comprehensive single point of information on all of the services and supports that are available to export-focused Irish companies and entrepreneurs.

Many of the changes to the site have been driven by feedback from clients and to help them connect with people in Enterprise Ireland. Key features of the re-developed site include:

– Improved search and contact details
– Links to networks of EI staff
– A people finder
– Starting links covering main client needs such as starting a business, growing through exports, commercialising research and investing in emerging firms
– Information about funding and other non-financial supports
– A calendar for tracking Enterprise Ireland events

The site also makes much greater use of video for key messages such as CEO Frank Ryan’s presentation which features on the homepage. Dublin firm pTools deployed its content management system (CMS) for the new site, which retains the same address as before: www.enterprise-ireland.com.

The site is more closely integrated with social media and content can be easily shared through a ‘Share this’ feature. The pTools CMS also allows for EI’s international offices to have their sites displayed in the local language. It is built on the Microsoft.Net architecture that will allow it to be integrated with document sharing and collaboration tools like Microsoft SharePoint.
SolarPrint drives partnership with Fiat in €3m project

Irish energy technology company SolarPrint has entered into a partnership with Italian car manufacturing giant Fiat to develop solar panels that can be incorporated into the roof surface of vehicles as a way of generating alternative sources of energy.

Supported by Enterprise Ireland, SolarPrint is a key part of an international consortium that has begun working with the car maker’s innovation and research arm, Centro Ricerche Fiat (CRF) to develop a ‘smart roof’ that will incorporate low-cost photo-voltaic (PV) – or solar – cells and lithium batteries that convert light to power on-board devices in cars.

The consortium working on the €3 million project, which has been dubbed the ‘SMARTOP’ initiative, also includes scientists from University College Dublin, Trinity College Dublin and Imperial College in the UK. Other partners in the group include German semiconductor company, Infineon Technologies, and auto components supplier, Webasto Product.

SolarPrint CEO Dr. Mazhar Bari said the project has been set up to create a technology that would “revolutionise” the auto industry. “Simply put, in the not-too-distant future, cars will be partially powered by PV technologies, which will have significant knock-on benefits for consumers, manufacturers and society as a whole,” he said.

Clean tech companies well placed for strong growth, says HSBC

The clean tech sector received another boost recently with a report from HSBC finding that the market was worth close to €530bn last year. The bank also said companies in the clean tech sector are more resilient to the current economic climate.

By HSBC’s analysis, the sector is worth more than the wireless telecoms services market and media.

China has been central to keeping the sector growing strongly, the report said. Having been worth 6 per cent of annual climate-related investment six years ago, the country was now the source of almost a quarter of all spending on clean technology.

The report defines the clean technology sector as “companies that have been engaged in producing goods, products and services that address the issues of climate change”.

Looking further ahead, HSBC analysts were reported to have said the market for low carbon energy and efficiency technologies will triple by 2020 to be worth an estimated $2.2tn, which suggests worldwide annual growth of between 7 and 11 per cent. While China is set to be the fastest growing market – overtaking the US in the process – it will still lag behind the EU.

€1m investment in Benetel to fund US and UK marketing drive

Wireless design and test company Benetel has secured a €1 million investment to fund new product development and a major marketing drive in the UK and US.

The investment by the AIB Seed Capital Fund, managed by the Dublin Business Innovation Centre (Dublin BIC), with additional investment from private investors and with grant support from Enterprise Ireland will see the company create eight new jobs by 2011.

Based at the Guinness Enterprise Centre in Dublin, Benetel supplies wireless test services, as well as in-house radio frequency (RF) and wireless design expertise, to clients in Ireland, the UK, Sweden, Switzerland, China, France, Germany, the Czech Republic and the US.

Founded in 2001 as a design consultancy, Benetel expanded its portfolio by productising its service and selling wireless test systems. Today, it is the only National Instruments Certified Alliance partner in Ireland with several LabView Certified Engineers.

The company has already built a sizeable customer base for systems within the automotive, cellular, consumer electronics and medical electronics industries.

Benetel CEO John Doyle said: “Having secured some enviable reference clients and an international reputation as wireless innovators, we decided to take outside investment onboard to facilitate the next step in our growth.”

Dublin BIC’s Desmond Fahey said: “Benetel is primed for success. All the groundwork has been laid in terms of securing intellectual property, forming strategic alliances and generating interest from the wireless market. With funding behind them, Benetel can grow its footprint in the global wireless market.”
Grads 4 International Growth initiative launched to help exporters

Enterprise Ireland has launched a new initiative, Graduates 4 International Growth (G4IG), to help Irish exporters improve their business development capability.

Under G4IG programme, 50 graduates will be provided with a structured means of applying new skills in business development by undertaking a Postgraduate Diploma in International Growth with UCD Michael Smurfit Graduate Business School while undergoing an 18-month long placement with one of 50 companies yet to be chosen.

During the 18-month placement, participants are expected to be based for six months with their company in Ireland and for at least 12 months to be based in an overseas market working on a specific company project.

Enterprise Ireland will support the salary costs of graduates during the 18-month period at a rate of 70 per cent for SMEs and 50 per cent for large companies, with salary costs ranging from €20,000 to €51,280, pro rata per annum, depending on location. Enterprise Ireland will also fund the total cost of pre-screening graduates before their participation and the cost of their training to postgraduate diploma level.

Company participation is open to Enterprise Ireland clients only, who must outline details of the market investigation project that they would like a graduate to undertake. Projects must clearly relate to a company strategic plan for a specified international market and involve a 12-month graduate placement in one of the following locations where the company already has a market presence – the UK, Europe, the Americas, Asia, Australia, New Zealand, Russia or the Gulf.

The companies must also clearly show that the company has an appropriate overseas infrastructure to enable the graduate to fulfil the aims of the programme.

For further details visit www.enterprise-ireland.com/G4IG.

Leadership insights in book by DCU authors

Leaders are made, not born is the central thesis of a new book published by Dr Aoife McDermott and Professor Patrick Flood of the DCU Business School.

The authors of ‘Insights into Leadership in Ireland: Insights from Contemporary Leaders in the Public, Private and Voluntary Sectors’ claim: “The book aims to provide insight into the development and practice of effective leadership in the variety of organisations prevalent in our economy. We hope that the book will be read, and used by practising, developing and aspiring leaders as they follow their own journeys to achieve social and organisational change.”

“They are major components of our economy, underpinning and shaping the civil society in which we live. We were curious about whether the values, motivation and dynamics of leadership were likely to be different in contexts seeking social, as well as organisational change.”

The contributors to the book are: health club owner and former supermarket magnate Ben Dunne, Chairman of SymbioHR Consulting Niall Saul, O2 CEO Danuta Gray, former GAA president Nicky Brennan, former Governor of Mountjoy Prison John Lonergan, former Police Ombudsman of Northern Ireland Nuala O’Loan, founder of homeless charity Focus Ireland Sr Stanislaus Kennedy, Irish Heart Foundation medical director Dr Brian Maurer, St Vincent’s University Hospital cardiologist Kenneth McDonald, retired cardiac surgeon Maurice Neligan and Rowe-Creavin Medical Practice managing partner Mark Rowe. Unusually, the book has a strong medical bias, with three of the 11 leaders featured being cardiologists and another being a GP.

Dr McDermott and Prof Flood say: “The interviews emphasise the core dimensions of leadership, which include the hard work behind the scenes, failed attempts at change, and the nitty-gritty of decision-making.”
IT Alliance wins €750,000 of French and Danish contracts

Building alliances with major IT companies is proving dividends for Dublin-based IT Alliance, which has won €750,000 worth of new contracts to optimise, and provide support for, data centres in France and Denmark, writes Cian Molloy.

IT Alliance has won business using what it describes as a ‘tier-two service alliance’ (T2SA) business model. CEO Philip Maguire explains: “We operate behind other large brands, the likes of the IBM’s and the HP’s, who are tier-one companies. We then work exclusively with our alliance partners helping them sell and deliver IT projects and services into their customer base; we do not sell direct, thus we never compete with our alliance partners in their accounts.”

After the company was founded in 1997, Maguire says it was hit far more severely by the ‘dot com bomb’ than by the current recession and it was in 2000 that he first started at changing IT Alliance’s business model. “I saw that the tier-one companies were using tier-two suppliers for manufacturing and I wondered could the same be done for IT support. With the help of Prof Joe Peppard of the Cranfield Business School in the UK, I saw it was something that would work.”

While the company did have to let some staff go in recent years, it is now recruiting again and IT Alliance now employs 400 people, double the number it employed five years ago.

“Last year, for the first time, more than 50 per cent of our income came from overseas,” says Maguire. “Building on our existing partnerships, I see that percentage growing, mainly in new European business.”

In particular, he sees demand growing for IT Alliance’s data management skills, which involve IP unique to the company. “Virtualisation and the momentum of cloud computing is creating significant growth across the global data centre market. Benefits include greater efficiencies in terms of energy consumption, space, personnel, security and continuity.”

While he admits that market conditions are challenging, he said: “Ireland retains a strong reputation abroad for its technology skills and we believe that there is great potential for indigenous Irish consulting and IT companies to leverage this on export markets.”

Support for senior directors as Academy for Chief Executives group launches in Ireland

It need not be so lonely at the top for Irish business leaders: a new support organisation for senior directors, the Academy for Chief Executives, is setting up self-help groups in Ireland.

Originally founded in the UK in 1985 where it now runs 40 groups, the main aim of the academy is to offer group experiential learning to its members. The Irish group’s MD Pat Chambers says one of the key differences between the academy and organisations such as Chambers of Commerce is that membership is for individuals, not companies. “It also differs from trade organisations, like the Irish Software Alliance which I helped found, in that you are not discussing your issues or problems with competitors – the other members of the group come from different industries and have all signed a confidentiality agreement.”

The first group established in Ireland includes senior personnel from the food industry, insurance, telecommunications, an energy utility, a charity, the fashion industry and a hotel. Chambers aims to establish two or three groups in Dublin, one in Cork and one in Limerick

Groups meet for one half-day every month and for one full-day every quarter. Explaining how meetings work, Chambers said: “The monthly meeting is in two parts. First, after a breakfast at 7.30am, each member of the group would talk about their individual recent ‘achievements’, any ‘realisations’ that came from that and then any ‘attentions’ or matters that needed addressing as a result of their realisations. The second half of the meeting would address particular problems one or more of the group members might be having. Members get inspiration from each other’s achievements and they also can help by spotting issues or solutions that you mightn’t have realised. There is also a great deal more openness than you would perhaps get at a company board meeting where board members might not feel comfortable about constructively criticising the chief executive’s latest new idea.”

At the quarterly day-long meetings, the group invites a guest speaker from an international panel of experts to address them on a particular area of expertise – risk assessment, HR, redundancies, pension provision, etc. The inaugural one-day meeting held in August was addressed by the international speaker Roger Harrop who talked about the importance of taking a ‘helicopter view’, standing back from your business to have a look at the overall direction in which it is heading and how individual elements of your business are contributing to its progress.

Membership of the Academy for Chief Executives costs €395 a month and further details are available on www.chiefexecutive.com. [Cian Molloy]
Fama is the spur, to bilingually quote Shakespeare, for Castlebar-based InTime Media which develops mobile phone apps that allow greater interactivity between TV audiences and the programmes they are watching.

The company has just signed its first commercial contract with Endemol in Spain to provide an application for Fama ('Fame'), a show described by InTime Media’s COO Julian Ellison as “a cross between Big Brother and Strictly Come Dancing, where contestants are locked in a house together, while learning to dance”.

“Viewers who download our app will be able to use their mobiles to vote more easily, to take part in quizzes, get ‘behind the scenes access’ and gain access to sponsored promotions,” Ellison told The Market only a few hours before the show was due to go on air. “Our agreement with Endemol is a revenue share and they are expecting an audience of five million, so if one percent of the audience download our app we will be very happy.

“Endemol has since asked us if we could produce an app for Big Brother and our answer was ‘of course, we can’. Although, Big Brother is no longer running in the UK, it is still running in more than a dozen countries worldwide.”

As The Market went to press, InTime Media was awaiting reaching a final agreement on major deals with two other broadcasters, one of whom is looking to commission an app for a programme format currently broadcast in 20 countries.

The five-year-old media company in Mayo is headed by CEO Gordon Simpson who previously headed the first pan-European internet advertising agency. Ellison is former technical director of Red Fig, a company that pioneered concurrently linking TV broadcasting to telephony, SMS, ‘Red Button’ technology and the web.

“When we were setting up the company, we started to think about how mobile phones could be used for something that went beyond SMS-texting and that gave greater inter-activity,” Ellison told The Market. “This was before the arrival of the iPhone, but people had already started to download various apps to use on their handsets. We saw that the mobile phone networks were improving their connectivity and we saw that would allow for real-time synchronisation between the mobile hand-set and what was happening on TV.”

InTime’s apps can be used in a myriad of different ways – the most obvious being playing along with quiz shows or voting in talent contests, less obvious apps are those that are aimed at improving the viewer experience. Ellison claims InTime’s apps can help build community around a programme brand: “Soap opera fans love to predict what may happen in story lines, gossip about characters and test their knowledge of trivia. Our app brings all these features together and more. It has: ‘What will happen...?’ – see how your plot predictions match what actually happens, ‘Spot the..?’ – win points and prizes for being on the ball, ‘Who was the...?’ – on-going trivia quizzes about current or past storylines, and ‘Feeling sorry for...? – fans’ opinions about characters. As fans interact and win points through these activities, they can be rewarded with codes they input on the programme website to get special videos, out-takes and a behind-the-scenes look into the world of the soap.

InTime Media’s apps work on the majority of mobile handsets on the market today, working across Java, Symbian, iPhone, Android, Windows Mobile and BlackBerry. The company employs six people, four of whom are developers. Ellison said the company hopes to employ another eight app developers shortly.

“We are very close to inking two major deals that will involve development money up front,” said Ellison. “At the end of the day, there is a certain serendipity to how an innovation like ours is adopted – it usually happens when a television programme format has reached a certain stage in its lifecycle and the programme’s producers are looking to re-develop or re-invent the format. Sometimes, though, it takes longer than you would expect for everything to go through.”

There are a number of possible revenue streams for the application, including: up-front development fees paid by the TV programme-maker or programme-sponsor, a share of revenue from the call charges accrued by app users, plus income from paid-for app upgrades.

Now that the company has signed its first big deal, Ellison predicts that it will very quickly find itself signing many contracts in several territories. In addition to offices in London and Castlebar, the company has offices or representatives in Barcelona, Warsaw and Singapore. [Cian Molloy]
Kildare recruitment firm Teamworx has signed a contract with the London department store Selfridges to fill some managerial roles within the well-known retailer. Selfridges is looking to Ireland as a source for talent, where it already has strong links through its sister company Brown Thomas.

A Galway company has won an award in the electronic toy category at the UK’s practical preschool awards. BB, an Irish-speaking teddy bear from Irish firm Babogbaby, won the gold award. Adrian Devane, the product’s inventor, said in his blog that the company beat competition from Vtech and Leapfrog.

RevaHealth.com has rebranded as WhatClinic.com. The independent health directory site has 500,000 monthly visitors who use it to compare dental and cosmetic treatment options. The change is intended to better communicate the site’s purpose to first-time visitors, especially as the company expands into new markets.

Messaging systems provider Tango Telecom said its iAX SMS systems in Indonesia handled more than 2bn message delivery attempts during this year’s Lebaran festivities. The Limerick firm has two further deals going live, bringing to 10 the number of new customer wins in 2010.

Architectural and Metal Systems (AMS), based in Little Island, Co Cork, is to create 31 new jobs in an €8m expansion. The company designs aluminium window and door systems and last month officially opened its new aluminium extrusion plant – said to be the first of its kind in Ireland.

Ireland intends to increase its milk output when EU quotas end in 2015, as the Government wants to give food a key place in its export growth strategy. The recent Food Harvest 2020 strategy report forecasts Ireland can grow its food and beverage exports over 40 per cent by 2020.

Bord na Móna Horticulture has secured a three-year distribution agreement with Vital Earth, an organic, peat-free compost manufacturer. Vital Earth will distribute Bord na Móna’s GroWise peat-reduced range of composts to independent garden centres in Britain in a deal valued at €2m over three years.
The most effective way for the McGonigles to sell their watches is still meeting people face-to-face. “Our prices are pegged in Swiss Francs, because that is where most watches are sold and that is where most watch collectors are based. We will arrange to go for a dinner with one of our stockists, who will then invite those customers of his along who might be interested in seeing the watches themselves. It’s that personal contact that really works.”

Potential funding for Irish firms exceeds €2bn

Available investment in Irish enterprises could be more than €2bn: that’s according to the incoming chairman of the Irish Venture Capital Association (IVCA) Peter Sandys. The managing partner and co-founder of Seroba Kernel Life Sciences takes over the role from John Tracey.

Sandys said there is currently around €800 million of Irish VC funds available for investment over the next few years. This does not include the recently-launched €500m Innovation Fund.

“For the first time, venture capital is at the heart of Government policy. The focus on innovation has the potential to transform the Irish venture capital market,” he said.

Sandys said venture capital history suggests that each Irish VC euro leverages a minimum of another euro from international VC investors and that, conservatively, there is around €2 billion available for investment in the right enterprises.

Separately, the IVCA announced that Irish technology companies raised €76 million from investors in the second quarter of this year – a 33 per cent increase on 2009.

Strencom invests a further €750k in international push

Strencom, a data network and cloud computing provider, has made a further €750,000 investment in the company to support international growth both in the UK and beyond.

Strencom is being supported by Enterprise Ireland as part of its international expansion. In line with its strategy, the company signed several partnerships with European telecommunications operators including Carphone Warehouse, France Telecom, Opal and Deutsche Telekom.

To support its expansion into the UK market, Strencom has opened an office near London. It already has customers there and UK business accounts for around 25pc of the company’s revenues.

The latest funding round includes €500,000 which the company previously invested on infrastructure to allow it to provide a cloud computing service along with its wide area network capability. Strencom has already demonstrated its cloud computing infrastructure to some healthcare firms in the UK and Italy. Over time, Mr Murphy said he expects the cloud business to account for one third of sales for the company.

Prestige Irish timepiece brand McGonigle clocks up sales through social media

A thlone-based watchmakers John and Stephen McGonigle are securing advance orders for a new limited-edition range of luxury timepieces thanks to intelligent use of specialist websites and social media reports Cian Molloy.

The two brothers earn most of their income making watches for watchmakers in Switzerland, where they both worked during the 1980s after graduating from the Irish/Swiss Institute of Horology in Blanchardstown, but since 2004 they have also been producing their own timepieces under the McGonigle brand.

Each of their luxury watches is pre-ordered and the two secured much interest – and healthy sales – from watch collectors across the world for their first model featuring a tourbillon, an addition that not only gives greater mechanical accuracy but which is considered to be a demonstration of watch-making virtuosity. Each McGonigle watch is signed and dated by one of the two brothers, underlining the fact that each timepiece is an individual work of art.

Now the two are working on a new range of watches, Tuscar, with a time-only in-house calibre movement. The Tuscar is designed to be more affordable than the tourbillon but it comes at a price beyond that of most Swatch-wearers. To launch the Tuscar range, the brothers are offering a special ‘One of Ten’ limited-edition series. As yet, they are still building the first two Tuscar prototypes, but the series was launched with a sketch of what the timepieces will look like when they are completed and they regularly post photos detailing how their work is progressing.

“We use a lot of specialist horology websites to keep potential clients informed about our work,” John told The Market. “There are some websites dedicated to high-end watches that are visited on a daily basis by individual collectors of means.” By getting coverage on these websites, news of what the company is doing gets picked up by the print media. So far, the greatest amount of interest generated by media coverage was from a feature in The Times.

“We also use Facebook to keep those who follow our work informed about what we are doing. We’re very careful about how we use it. Often, we will delete postings and comments to keep the page uncluttered and easy to navigate. It’s hard to say how helpful Facebook is to us, but it is a free resource and it is of benefit to people in a niche market like ours,” said John.

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High definition meets high ambition as Wavebreak secures €350k funding

The Bank of Ireland Seed and Early Stage Equity Fund has led a €350k investment in Cork-based Wavebreak, which produces broadcast-quality High Definition (HD) royalty-free film footage and animation.

The Fund, which is managed by Kernel Capital in Cork, committed €250,000 and the remainder of the funds were raised through Enterprise Ireland.

Established four years ago, Wavebreak is a former InterTradeIreland Seedcorn National Finalist. It has built up a catalogue of more than 13,000 HD stock videos and some 25,000 animations/photographs.

Wavebreak’s stock media is available online and current demand shows average download rates of 15,000 times per month from customers around the world. The company sells its stock media through an extensive global distribution network that includes some of the industry’s largest distributors such as Getty Images and Corbis Motion.

Orla Rimmington, operations director at Kernel Capital, pointed to Wavebreak’s “significant traction” in acquiring tier-one international customers such as FoxSports, Channel 4, MTV and the ITN group.
**OCTOBER**

**EnterpriseSTART workshop series**

*Ongoing*

EnterpriseSTART is an introductory workshop series, geared towards those considering launching an export-oriented, start-up business. The workshops take place over two afternoons, at various dates and locations around the country.

L: Various locations in Dublin and regionally

**Start and Grow Enterprise Expo**

*October 8*

For people starting or growing a business, the Expo will provide easy access to enterprise supports.

L: Portlaoise

**Australasian Financial services development event**

*October 11 to 20*

Joint promotional event, targeting the financial services sectors, planned to include the IDA/IFIA and potentially a number of other financial services-related groups.

L: Singapore, Hong Kong, Sydney
E: simon.mcdowell@enterprise-ireland.com
T: +353 (1) 7272685

**Motivation Show 2010**

*October 12 to 14*

The Motivation Show is the leading trade show for corporate gifts, incentives, recognition awards, and motivational meetings and events. The group exhibition will provide access to power buyers representing over 1000 blue chip companies, such as American Express, Coca Cola, Harley Davidson, Liberty Mutual, Toyota Motor, GE, Ford Motor.

L: Chicago
E: annmarie.maxwell@enterprise-ireland.com
T: +1 (617) 235-1603

**Business mission to Brussels**

*October 13 to 14*

E: marion@dublinchamber.ie

**Workshop on accessing UK cleantech opportunities**

*October 14*

Accessing market opportunities arising from Public Sector investment in CleanTech in the UK market.

L: Dublin
E: sarah.ocallaghan@enterprise-ireland.com
T: +353 (01) 7272413

**Logistics Ireland 2009**

*October 19*

The theme for this year’s conference is ‘Dynamic Supply Chain Management and Logistics Leading the Recovery’.

L: Crown Plaza, Santry

**Robert Kaplan Live in Dublin 2010**

*October 19*

Event organised by start-up company Staff Balance, featuring Robert Kaplan – Baker Foundation Professor at Harvard Business School and co-creator together with David P. Norton, of the balanced scorecard, a means of linking a company’s current actions to its long-term goals. The event promises to provide the opportunity to meet one of the world’s greatest business strategists and to benefit from his insights, case studies and management tools.

L: Dublin
W: [https://www.eventelephant.com/robertkaplanliveindublin2010](https://www.eventelephant.com/robertkaplanliveindublin2010)

**Big Ideas Showcase 2010**

*October 20*

Hosted by Enterprise Ireland, this event will showcase the commercial opportunities emerging from Ireland’s third level institutions in the areas of: life science and food, ICT and industrial technologies.

L: Dublin
E: martin.lyes@enterprise-ireland.com
T: +353 (1) 7272007
Using the Internet to Compete in International Markets
October 21
This seminar will highlight the growing need for Enterprise Ireland clients to develop and enhance their online corporate service or product offering to promote existing and new business opportunities.
L: Dublin
E: eoin.osiochru@enterprise-ireland.com
T: +353 (1) 7272969

Telecoms Standards Workshop
October 27
Workshop hosted by Enterprise Ireland which will focus on the practical experiences of companies, both small and large, in developing telecoms standards.
L: Dublin
E: padraig.timmons@enterprise-ireland.com
T: +353 (1) 7272212

Sales Pipeline Management Workshop
October 28
The aim of this practical one-day workshop is to get your company consistently and systematically using a sales process and pipeline methodology.
L: Dublin
E: angela.byrne@enterprise-ireland.com
T: +353 (21) 4800248

Trade Mission to Kingdom of Saudi Arabia
October 31 to November 3
Featuring market briefings, meetings and trade reception, hosted by the Embassy of Ireland.
L: Riyadh (HQ), Jeddah, Damman
E: daniel.cunningham@enterprise-ireland.com
T: +966 (1) 4881383
W: http://www.enterprise-ireland.com/sauditradelegation2010

November

Public Sector Buyer Network Event
November 1
Public sector buyer event hosted by Enterprise Ireland. Seminar will include guest speakers on innovative technologies and intelligent procurement processes.
L: Dublin
E: evelyn.smith@enterprise-ireland.com
T: +353 (01) 7272717

Services Sector Market Study Visit to China
November 1 to 5
The visit will be composed of pre-arranged one-to-one meetings for Irish companies with their prospective customers; networking with local business communities and high level briefs from local government officials.
L: Guangzhou, Hong Kong
E: tony.wang@enterprise-ireland.com
T: +86 (20) 8662450

Furniture Design and Market Trend Conference
November 2
This event will provide design, market intelligence and information on international best practice in the furniture sector.
L: East Point, Dublin
E: lorraine.egan@enterprise-ireland.com
T: +353 (1) 7272865

Investor Forum
November 2
Investor Forum for EI clients to network with and present to (primarily) overseas VC and Private Equity firms.
L: London
E: garrett.murray@enterprise-ireland.com
T: +0035 (1) 7272815

ProcureCon
November 2 to 5
Event geared towards procurement specialists.
L: Brussels
W: http://www.wbresearch.com/procureconuk/home.aspx

How to Negotiate and Administer Framework 7 Grant Agreements
November 4
Course for those who have been successful in evaluations, those going through contract negotiations and those already participating in projects.
L: Teagasc Ashdown Town Centre, Dublin
W: www.fp7ireland.com

CEO Forum
November 11
An invitation-only, half day Enterprise Ireland networking event, exclusively for Irish CEOs, co-sponsored by Deloitte.
L: Dublin
E: jackie.whelan@enterprise-ireland.com
T: +353 (1) 7272942

National Procurement Awards
November 16
Awards programme designed to recognise the important role that procurement plays in the economy.
L: Dublin
E: info@procurementawards.ie
T: http://www.procurementawards.ie/

Globe Forum Dublin
– Smarter and greener business innovation for sustainable growth
November 17 to 18
Two-day international conference focused on matching people, ideas and business with sustainable innovation opportunities.
L: Dublin

Market Visit to Greenbuild International Conference & Expo
November 17 to 19
Conference and expo dedicated to green buildings. Building professionals from all over the world come together at Greenbuild for three days of educational sessions, renowned speakers, green building tours and special seminars.
L: Chicago
E: simon.barcoe@enterprise-ireland.com
T: +001 (212) 546-0473

Channel Management within the Eurozone (Electronics)
November 23
One-day networking/learning event with consultancy support. Companies will meet and discuss experiences and challenges of channel management within the Eurozone.
L: Dublin
E: barry.odriscoll@enterprise-ireland.com
T: +353 (1) 7272272

Trade Mission to Brazil
November 21 to 24
Trade mission to Brazil, headquartered in Sao Paulo, and with a day in Rio, focused on the 2016 Olympics, to be led by Enterprise Minister Batt O’Keeffe.
L: Sao Paulo
E: colin.mccullagh@enterprise-ireland.com
T: +55 (11) 28474518

Email details of your forthcoming events to: the.market@enterprise-ireland.com
The building bubble in Ireland has attracted its fair share of negative sentiment but there is also a positive legacy. Anthony King discovers how expertise developed in energy-efficient construction has the potential for export to an emerging US market.

BUILDING ON EXPERTISE

he electric car or wind turbine is often pictured alongside discussions of future energy, but the buildings we live and work in are the real heavy hitters in terms of energy consumption and carbon emissions. They account for 40 per cent of energy used, 72 per cent of electricity consumed and 39 per cent of carbon emissions in the US. And though Europe has supported sustainable buildings, the US has been slower to adopt the green mindset. Now, green building is taking off stateside.

The goals of building green include the efficient use of energy, water and other resources, the protection of occupant health and improvement of employee productivity, as well as the reduction of waste, pollution and environmental emissions. All sorts of new technologies, software and green tech innovations can be brought to bear.

Irish companies can take advantage of Europe's lead in this area, green building expert Jerry Yudelson has said. The author of several influential books on sustainable building, he addressed a seminar in Dublin this summer organised by Enterprise Ireland as part of its Green Building Initiative 2010. While the Irish construction boom of the last few years has put us in play, Yudelson warned that the ball is moving downfield fast, and Irish companies need to get ahead of it.

Although the aims seem altruistic, the business case is in the numbers. Greener buildings can reduce energy use by 30 to 50 per cent, carbon emissions by 35 per cent, water use by 35 per cent and solid waste by 70 per cent. Such upsides explain why green-registered buildings have shown a rent premium, higher occupancy rates and a price premium compared to other buildings during the downturn, said Yudelson, who predicted that inefficient buildings will pay a huge penalty in future. Moreover, green buildings now cost close to conventional buildings, with price premiums down to around 2 per cent.

Europe is said to be 5 to 10 years ahead of the US in sustainability in the built environment. Moreover, Ireland's building boom as left a skilled workforce in its wake. “Irish clients in the green building space can leverage that experience to promote and bring awareness on sustainable green building products and design services available in Ireland,” says Simon Barcoe, vice-president of engineering and construction in Enterprise Ireland's New York office.

Upwards of 60 per cent of US building stock is classed as energy inefficient. While green buildings carved out 5-9 per cent per annum of the market thus far, this share is expected to increase to 20-30 per cent within four years, according to Barcoe. This represents a $10-15 billion market per annum for major projects.

TAKING THE LEED This move to greater efficiency has been pushed by standards set down by the Green Building Council in the US. While the Irish construction boom of the last few years has put us in play, Yudelson warned that the ball is moving downfield fast, and Irish companies need to get ahead of it.

At the conference, attendees heard again and again that they need to learn this new language: LEED (Leadership in Energy & Environmental Design). Familiarity with this accreditation system is essential.
The business case around green construction is all that matters; it’s all about the money.

GERRY MCCAUIGHY, FOUNDER OF CENTURY HOMES

The LEED cert offers independent verification that a building project is environmentally responsible, profitable and a healthy place to live and work. Projects are scored on energy savings, water efficiency, improved indoor environmental quality and stewardship of resources, among others. Certified, silver, gold and platinum are the four award levels. Though begun in the US, LEED has gained momentum and looks set to be adopted in many other countries.

CLIENT DRIVEN Garret Sheehy of green cement company Ecocem Materials, who attended the conference, said he was surprised by the pressure coming from commercial clients in the US: “It was interesting to see that there are lots of things going on, both in the formal sector, with the government pushing the green agenda, but also from the customer side, with clients pulling it along with the LEED programme and really promoting the use of green products.”

Ecocem uses a by-product from the steel industry that would otherwise go to waste to create a replacement product for traditional cement. The LEED system is a holistic system and takes materials into account, good news for companies like Ecocem. US brokers are now asking about LEED and some corporate tenants are demanding their buildings be LEED accredited.

Merritt Bucholz is a native New Yorker who founded an architectural practice together with Irish-born Karen McEvoy; their company Bucholz McEvoy Architects has designed a string of buildings in Ireland. Their first was
Fingal County Hall, completed in 2000, and their largest was Elm Park, a low-energy green urban quarter finished in 2008 that uses passive means such as natural ventilation and daylighting to improve on energy efficiency.

WHY IRISH? “I feel strongly that we in Ireland have built up quite a lot of knowledge about making low energy buildings, because so many have been built,” Bucholz says, adding that innovation in the construction industry is a message worth spreading. “What has happened in Ireland is special and unique and the green buildings are fantastic. We did them a while ago, so we have experience not just in building them but in using them, and that’s something we as a country should try to market.”

Bucholz points to the local authority building programme as a singular example. “They have a low-energy ethos and were built with the attitude that the local authority when spending public money should lead by example and demonstrate to the commercial sector how we should be building.”

Bucholz McEvoy has begun eyeing the US market and Bucholz says the firm has run into the obstacles SMEs typically encounter. “One of the biggest ones is probably the first word of SME, small. How do you decide how to pitch yourself and decide what part of the market to go after, because it’s so big?” Getting the message out about the capability of your company to the right people is another big challenge, he says.

He sees the future as bright though. “The US has only recently started to take this seriously, but I would say that when they do take it seriously, it will go like a rocket.” He plans to attend the green building conference in Chicago in November, a yearly showcase event, and is to present at the prestigious Urban Green Expo in New York in late September. Tomas O’Leary of MosArt, an environmental design practice based in Wicklow, will also give a talk at this event.

Yudelson stressed Irish businesses can tout Europe’s experience. “You can come in as a bit of an exotic flower. You’ll get an audience,” he told the conference. “Technical ideas can be brought from Ireland to the US. There are lots of software opportunities to help people manage their building stock.”

JERRY YUDELSON, GREEN BUILDING EXPERT
UPLIFT EFFECT
HOW WORKING TOGETHER HELPS FIRMS FLY HIGH IN FOREIGN MARKETS
Irish businesses are discovering new ways of broaching foreign markets thanks to some lateral thinking. By clustering companies together that have not necessarily seen themselves as part of a sector, doors are opening into territories that had previously been closed. While the approach is primarily a marketing exercise, its antecedents can be found in Ireland’s geographic clusters, the most successful of which is the medical device industry that has grown up around Galway.

What started out as a handful of firms agreeing to host an annual dinner for overseas customers evolved into a cluster of capabilities that Enterprise Ireland now sells to the rest of the world. “The question is whether you can replicate that success if the companies are not geographically tied? I firmly believe you can,” says Gary Fallon, manager of the EI Paris office.

You could argue that the point has already been proven in Germany where diverse medical companies from all around Ireland have been sold as a cluster for some time. “When we meet a European medical device customer, we can offer a ‘one-stop-shop’ for all their supply chain needs – from design and prototyping, to developing, manufacturing, testing and validation, packaging and ancillary services,” says Deirdre McPartlin, manager of EI’s German office.

The strategy is all about marketing the capability of Ireland Inc., selling businesses as part of a vibrant and innovative ecosystem, making it more attractive for end customers to engage. “We are still working with our companies on an individual basis, helping them to deliver their own sales and marketing plans, but we also use the opportunity to position the company as one with deep domain expertise in an overall context of Irish small and medium-sized companies,” explains McPartlin.

John Concannon, managing director of JFC Manufacturing, which makes plastic products for the construction industry, has direct experience of the strategy. “You get access to people who are not easy to meet and the chance of creating new business,” he says.

His firm was one of eight companies that gathered in the Polish city of Poznan to present to buyers for major road projects that stretch across Eastern Europe, from Germany through Poland all the way to the Ukraine. The firm was already active in Poland but not in the road building sector, so Concannon was delighted to take part in the delegation.

He stressed, however, that there was still a lot of follow-on work to do – being part of a marketing cluster was just a foot in the door. “You get out of it what you put in. We have a bit more experience than some of the other participants and punt a lot harder. Nothing has come of it yet but we’re hopeful on closing some business soon.”

He also had a word of warning for companies that pursue overseas business too enthusiastically and risk over-extending themselves. “You need to have free capacity because you can’t take on another country without impacting on your business. It’s one thing getting the contract but you need to be sure you can deliver. You don’t get a second chance to make a first impression.”

HORSES FOR COURSES In another initiative a group of Irish companies working in and around the equine industry will be presented to French businesses at a reception in the Irish embassy before the Prix de l’Arc de Triomphe. Ireland is already recognised as a horseracing ‘brand’, but EI is looking to make it a more tangible sector, launching a catalogue of 26 companies with services and products to sell. They range from riding footwear and horse blankets to a life science company involved in stem cell research around breeding.

Within Ireland these companies are seen as operating in very different sectors but they find themselves in the same shop window when EI brings them to the attention of the wider world. Prospective buyers in the French construction industry, for example, were recently invited to an event in the Aviva Stadium where they met diverse companies that offered a collective solution to their particular requirements.

Having won the bid to host the 2016 European Championships, the French government plans to rebuild four stadia and renovate another 12. With the paint still drying on the Aviva, and Croke Park demonstrating further prowess in the sector, EI saw an opportunity to bring a range of different companies together to present to the French.

The London office had already done something similar to pick up business from the development authority responsible for construction around the 2012 Olympics. “Such initiatives help companies that became overly reliant on the home market and are struggling in the downturn. These same companies wouldn’t have looked at France for business but we’re able to highlight the opportunity by bringing them all together,” says Fallon.
Comparing Clusters

The more familiar clustering concept is about interconnected businesses that share the same geographic location. They often form strong ties with universities that are carrying out research in related fields, leading to a vibrant environment for innovation and even spin-off companies.

A complex area of geo-economics, business clusters have evolved out of academic theory and into the mainstream activity of government agencies around the world. In Ireland, the most obvious manifestation has been the development of the bio/pharma sector around Cork and the Galway concentration of medical device companies.

Precise definitions depend on the academic you talk to – in Ireland there is a lively debate as to whether the collection of bio/pharma companies around Cork really constitutes a cluster – and models continue to evolve.

Dr. Chris van Egeraat, lecturer in economic geography at NUI Maynooth, has been studying clusters since the mid-Nineties. He says that even the idea of shared location is no longer a given.

“I wouldn’t be hung up on where companies are located. The culture in Ireland is so intertwined because it’s a small country anyway. People read the same newspapers and watch the same news programmes so proximity is not that big a deal.”

Van Egeraat says that the consistent requirement is a flow of information and knowledge sharing between the interconnected companies. The EI clustering initiative is something very different from the traditional models. “It’s really a marketing strategy,” he says. “I have no doubt there is a place for [clustering] because there are a lot of companies that don’t grow in Ireland because they lack marketing skills.”

Firms involved may serve the same customers but remain significantly different to the extent that the advantages of traditional clustering might not apply.

“Engineers in one company, for example, may have nothing in common and are unable to communicate with the guys in another company. Such clusters will not lead to product innovation but they might lead to marketing innovation,” says van Egeraat.

Buyer’s Market

For the EI offices around the globe the aim is to present “buyers” – decision-makers and influencers rather than procurement people – a brand identity from Ireland that will resonate with their needs. It ticks boxes for both sides: participating firms understand they are stronger as a group than individually while prospective buyers are reassured that Ireland is not trading on a one-trick pony.

“We try and cultivate relationships so they will think of Ireland when a project comes along. We pitch ourselves as a conduit into all the supply capability in Ireland,” says Fallon.

“We want to promote ourselves as a centre of excellence for key capabilities.”

There are challenges for the companies involved because of the fine line between co-operation and competition. Rival companies may find themselves in the same room as prospective customers, an uneasy state-of-affairs when contract wins are hard fought.

“From the medical device experience, we know that trust is hugely important for it to work. At the outset there were two companies competing directly but both participated because they trusted each other and were comfortable working together,” says Fallon.

For smaller firms and start-ups, there is an opportunity to piggy-back on the prowess and reputation of the bigger players.

“When we’re promoting a cluster, one or two companies tend to lead the way as innovators in their field. They will pull through the companies that are just starting out,” says Fallon.

With the economic downturn, there is increasing competition as countries pursue overseas business but Fallon believes Ireland is in a strong position. “We benchmark well because the EI model is extremely strong. We are a conduit and one-stop-shop to all the capabilities that Irish clusters have to offer, and our clients know us intimately. That isn’t the case in other development agencies where different parts are often run by different departments.”

With sector clustering, EI has found a strategy that allows the development agency to be a facilitator and avoid being too prescriptive. Other strategies, such as creating geographic clusters where none exist, are not usually successful. Fallon describes how the French government attempted the top-down creation of 72 clusters around the country, targeting disadvantaged regions with brand new business sectors. The artificial implants mostly failed; the few success stories were where clusters had already evolved like the life science companies that had grown up around Lyon.

“I don’t think there is a role for government in terms of deciding on geographic clusters in disadvantaged parts of Ireland. It won’t work. Ireland is small enough to make the geography irrelevant and sector clusters more viable,” Fallon concludes.
Clustering can open doors to higher levels of deals than Irish companies could achieve by themselves. David Compton hears from four companies in different sectors whose business in the French and German markets has been given a timely lift.

ALL TOGETHER NOW

AUTOMATIC FEEDING SYSTEMS HOLDING

What do you do when your fussy eater is a one-tonne Clydesdale? Equine welfare company Automatic Feeding Systems Holding (AFSH) has found the answer for not only the massive work-horse but for all kinds of bloodstock: a programmable feeding system that allows owners to automatically feed a horse with the correct amount of food up to 16 times a day. “Basically, we’re replacing the bucket with automation to feed horses,” explains Conor Hayes, the company’s business development manager.

The feeding system – developed by the company owner JP Monahan – reduces labour and improves animal performance by bringing the natural grazing regimen into the stable, implementing the advice of veterinarians that small, frequent feedings are superior to twice a day.

The Waterford-based company does not have any direct competitors in the Irish market and has been working with Enterprise Ireland to find greener pastures outside the country. “Marketing overseas is expensive,” says Hayes. “Joining up with other Irish companies in Enterprise Ireland’s equine cluster allows us to optimise overseas marketing expenditures.”

Hayes recounts how the cluster initiative – encompassing more than a dozen indigenous companies – was built on the back of the RDS Horse Show last year. “After surveying Irish exporters of equine-related products, Enterprise Ireland organised an event to coincide with the 2009 Horse Show where key foreign buyers were brought to the Dublin event. We were able to meet with potential clients that would otherwise have been very difficult to reach for a start-up like AFSH.”

The key for the company’s success in its expansion efforts – assisted by Enterprise Ireland – is to identify potential distributors at an early stage. “Enterprise Ireland has been of tremendous benefit in setting up meetings so that we better target our marketing campaigns in new overseas markets.”

In addition to gaining access to new customers, participation in the cluster initiative has given the company access to difficult-to-obtain market information. “Plus there is a secondary benefit of being able to learn from the experience of other participating companies,” adds Hayes.

Hayes views the initiative as ultimately having the potential to lead to a significant increase in customer orders. “We are now targeting much larger companies outside of Ireland,” he says. “The logical next step is to work with EI on a large trade event to help drive the expansion into the broader European market”. Hayes is clearly enthusiastic about what lies ahead for AFSH overseas. “It’s the cluster initiative that’s providing the synergy to all members of this group set up by Enterprise Ireland.”
AMCS

MCS wants to know exactly what you’re doing with your rubbish. Enterprise Ireland has joined the company – an innovator in the use of Radio Frequency Identification (RFID) technology to track residential and commercial waste bins – with other Irish cleantech companies as part of a cluster initiative targeting Veolia, the French conglomerate with activities in the waste, water and transportation sectors.

At a recent Dublin event, EI arranged for AMCS to meet one-on-one with the company; an encounter that could rapidly expand the Irish firm’s European presence. “We finally got to present our technology for identifying, weighing and invoicing waste collection to key executives at Veolia,” says AMCS co-founder and business development director, Austin Ryan. “This was the first opportunity we had to meet with senior people from the company. Before that, we’d only been able to connect with them at a much lower level.”

Since Veolia isn’t already using this RFID technology, AMCS is well placed to help the French firm quantify its waste business, a sector with thin margins where the tracking of costs is critical.

AMCS currently has a presence in the US through a licensing agreement with a US company which manufactures waste bins and trucks. It is through clustering initiatives with Enterprise Ireland that it is targeting its European expansion, however. “We’ve had a very positive experience with the cluster,” says Ryan. “We’ve reached higher in the organisations of potential new customers than would have been possible if we were operating on our own.”

He recommends that other companies who are considering joining a cluster initiative to research carefully who the right companies and executives are before jumping ahead. “The success of your participation depends on how much effort you put into the front and back end of the customer meeting,” he says. “Spend time on researching target companies so that you can thoroughly brief Enterprise Ireland’s consultants so they can help you make the right connections. The EI person who we worked with on the cluster did the footwork, got under the bonnet and learned about our technology so he was then in a position to get to the right people. In the end, we were able to fast-track this opportunity and saved 18 months in customer development.”

ZENITH TECHNOLOGIES

For one Irish company operating in the life sciences sector, where only three years ago there was nothing, now there’s a multi-million euro business. That’s the experience of Zenith Technologies, the Cork-based company which used its participation in an Enterprise Ireland marketing cluster to open an office and develop business in the German market.

Zenith is a systems integration consultancy which already counts among its clients some of the biggest names in pharmaceuticals such as GlaxoSmithKline, Novartis, Pfizer and Merck.

It specialises in writing the software that runs drug-making facilities for pharmaceutical and biologic companies, automating everything from the production floor to resource management. The company is also heavily investing in industry training, using simulation software delivered via the internet to educate employees in the compliance environment as well as drug production.

Zenith’s success in Germany came as a result of doing many things right – including taking advantage of Enterprise Ireland’s market expertise and joining in with other life science companies in focusing on that country’s pharmaceutical sector. “There were a lot of tangibles such as having access to market information obtained by EI market surveys,” says Joe Haugh, Zenith’s regional director for the UK and Ireland. “That kind of information is invaluable and would have taken us an awful long time to get on our own, but it was made available to us in the cluster. From there, we were able to validate our own market strategy and leverage Enterprise Ireland’s existing in-country contacts. These are contacts that would have taken us months to reach on the phone”.

The result of the German initiatives meant that in 2010 Zenith Technologies starting started getting unsolicited queries from German companies which led to successful bids, sales growth, and eventually opening an office in Marburg. Haugh commends Enterprise Ireland in the way it helped Zenith to gain more visibility through large German trade shows, including setting up meetings with key decision-makers at the event. As Haugh says: “Our Enterprise Ireland consultants always know someone who knows someone.”
FREEFLOW

Making millions off the maxim 'one man’s junk is another man's treasure', Freeflow operates in the consumer electronics sector, having developed a proprietary system for taking the at-risk inventory of high-tech companies – returns, failed new product introductions, last year's model – and squeezing every last cent out of their end-of-life products.

“Our value proposition is simple,” states Paul Coughlan, vice-president of business development. “We address the question of what the client does with inventory it cannot sell into its primary sales channel. We establish a proprietary B2B private marketplace for the company – a branded auction on its own website.”

The way many companies still handle obsolete inventory appals Coughlan. “They’ve got a guy who picks up the phone and starts calling around to his buddies to see if he can off-load some merchandise that the company can’t sell through its normal channels. That manual system is not only inefficient, it fails to get the highest price possible and is open to abuse.”

For almost 10 years, Freeflow has been giving enlightened companies such as Sandisk, Apple, Motorola and Logitech an alternative to either tearing apart their old inventory, turning it into waste, or liquidating it through manual sales operations. But Coughlan is hungry to exploit what is still a highly undeveloped global market. And this is where Enterprise Ireland’s cluster marketing initiatives have helped.

Coughlan asserts that Freeflow does not really have any direct competitors on a global basis. “Enterprise Ireland understands this and shares our vision for growth and has identified us as one of the Irish companies with potential to be a major worldwide leader in our sector,” he says. Freeflow has been part of an informal cluster marketing initiative that has taken the form mainly of trade missions organised for Irish tech companies. “It’s these trade meetings where we’ve made a lot of valuable connections with overseas retailers and also possible agents who might end up representing us in those markets,” says Coughlan.

“We often need to go up to the very top executives of large, international companies,” he says. “What we offer is a product that requires a change in corporate strategy in terms of how they handle inventory and sales channels, so we often need to connect at the VP and CEO level to make the sale. Enterprise Ireland has helped out in providing high-quality contacts for the company’s sales department at these cluster events.”

Freeflow’s expansion plan for the German market is a case in point. “Enterprise Ireland brought consumer electronics retailers together in Düsseldorf to meet with the cluster companies,” recalls Hayes. “From our point of view, this was a highly successful event. Not only did we get to meet one-on-one with new client companies, but we got to meet with other Irish companies who – once they found out about the products we offered – were even touting our services to some of the Germans that they themselves were meeting with.”

For Freeflow, future success is all about the power of networking. “We don’t need a physical office in all the markets. We don’t even always need a large presence with a booth at a trade show. Participating in the EI cluster is delivering exactly what we need: contacts with the right people so we can pitch what we know to be a service the customer shouldn’t be without.”

PARTICIPATING IN THE CLUSTER IS DELIVERING EXACTLY WHAT WE NEED: CONTACTS WITH THE RIGHT PEOPLE SO WE CAN PITCH WHAT WE KNOW TO BE A SERVICE THE CUSTOMER SHOULDN’T BE WITHOUT.
In just a few years, Indonesia has grown to become a major market for one of Ireland’s most enduring brands. Diageo’s John Galvin tells Donal Nugent why Indonesia is an opportunity that can’t be ignored.

**BUSINESS is good for you**
With first-hand experience of the impact of the economic crisis, John Galvin, general manager with Diageo Indonesia, confirms that, aside from some declining prices in commodities and export-led sectors, recession has largely by-passed the country. With 70 per cent of the economy domestically focused, “people mention the crisis in passing but, in reality, it’s the tiniest of blips.”

Guinness is arguably the most significant ambassador for Ireland in the country, having been sold there since the early 1970s. As with many third country markets, the link with the home country is, at best, tenuously understood by consumers and the Foreign Extra Stout variant, today virtually forgotten in Ireland, is the mainstay of the market. In the last decade, sales have taken on a momentum of their own, lifting the country from one of the many on Diageo’s long list of global markets right to the first division.

“From a business perspective, we have had two very good years in 2008 and 2009,” Galvin explains. “Indonesia is now one of the fastest growing markets for Guinness globally and, in terms of turnover, has moved from sixth largest to fifth largest in the world.”

While the attributes of the product and the marketing muscle of Diageo undoubtedly play their part, central to this acceleration is a lesson any company interested in Indonesia can’t ignore: finding the right partner. Although the company has worked with its distribution partner, PT Dima, since 1973, it was, for most of this time, on a regional basis, serving the Jakarta area. In 2003, Diageo made the company exclusive national distributors and the results speak for themselves. “The business has grown hand over fist since then,” Galvin says pointedly.

Given the country’s majority Muslim population, alcohol is, unsurprisingly, a sensitive topic politically and culturally. Advertising is not allowed, meaning a focus on below-the-line marketing, typically in places where it is sold. In spite of some extremist views, the prevailing consensus view favours choice, and a hugely significant tourism industry brings a pragmatic element to considerations. Over the last year, Diageo, along with other international drinks companies, successfully lobbied for a reform of the tax base for alcohol, as the previous system resulted in imports carrying the burden of taxes. The new system brings strategic benefits rather than a quick win in the marketplace, Galvin explains. “It actually led to a further increase in taxes for beer, as we had an excise increase in April, which resulted in a small hit in terms of volumes. However, from our point of view, it casts the tax net fairly across all alcohol categories and, for the government, will capture a lot more revenue.”

Without advertising, Diageo has developed some innovative below-the-line marketing, with a particular success in 2010 being the development and sponsorship of the Guinness World Series of Billiards. A nationwide search for 32 Indonesian players, who were then pitted against the world’s top international players, proved to have significant appeal in a country that is off the beaten track for most major sporting events. “The feedback from consumers was extremely positive. They felt it helped put Indonesia on the map and made them feel proud to be Indonesian,” Galvin says.

Last year was, of course, ‘Arthur’s year’ and John says the 250th anniversary celebrations were an important focus for the brand, with a positive response, particularly for the live music programme they developed. In 2011, a further planned promotion will involve a number of dates for a major Irish music group (yet to be announced) who will perform a series of dates across the major cities.

In contrast to the West, beer rather than spirits occupies the more privileged position in the marketplace and Guinness is marketed at the premium level. “Its high quality is key to its appeal among consumers and it will typically retail at double the price of the mainstream domestic lager,” Galvin explains. While the significance of the harp symbol may be lost on most consumers, the links with Ireland are real. The key ingredient or ‘essence’ of Guinness is manufactured in Ireland and shipped to Indonesia, allowing Diageo absolute control over the quality of the brewing. However, if Ireland scores low in public consciousness, it is more a question of geography than anything else, as knowledge of Europe, in general, tends to be low. The universal language of football has, however, extended one possibility for chit chat. “Roy Keane, Robbie Keane and Damien Duff will typically get a mention when you do say Ireland,” Galvin notes.

Diageo is, needless to say, more than Guinness and among its power brands, Johnnie Walker is also significant in the market, while Baileys, too, has a niche presence.
However, the St James’ Gate brew is indisputably the mainstay, representing 80 per cent of Diageo’s turnover in the country.

On the preference for Foreign Extra Stout, Galvin explains that, not only would Draught be unsuitable for distribution in the territory, but it is also a case of consumers getting what they want. “We have done a number of taste tests and found that consumers prefer Foreign Extra Stout. They see it as richer and more flavourful than Draught.”

**FIRST STEPS** For those interested in doing business in the country, Galvin reiterates the first step is to find the right partner. ‘It would be very difficult for any company to make an impact in Indonesia without getting this right,’ he says. ‘Of course, it takes time and time always means money, but you’ve got to be willing to make that investment.’ In terms of cultural interactions, he points out that personal relationships are also significantly more important there than in the West. ‘If you get that right in the first year, you’ll find it significantly easier and much more hands-off in subsequent years,” he says.

The ability to fine-tune listening skills will also be handsomely rewarded. ‘People don’t communicate as directly as in other cultures, so you have to tune yourself into the culture. They will hint there is an issue rather than tell you straight out.’ There is also the simple fact that in a large but geographically fragmented developing country, it can simply take longer to get things done.

Though English is widely spoken and standards are high, Galvin has not used this as the ex-pat’s excuse not to engage with the local language. After two years in the country, he now speaks Bahasa Indonesian with enough fluency to have a conversation and give a speech. Already fluent in Irish and German, he extends hope for those wishing to follow suit with the observation that it is a “significantly easier language than either of those”.

**OPPORTUNITY** While Jakarta is the natural focus of attention, those entering the market need to remember the vast number of consumers beyond it. Java is the world’s most populous island and Indonesia’s second city, Surabaya, alone, has a population of some four million. Diageo’s emphasis on driving the brand on a nationwide basis is reflected in distributors PT Dima’s staff of a thousand dedicated solely to Diageo products.

Though the Irish business presence is still relatively low, there is now a sufficient mass for an Irish Business Network. Established earlier this year, Galvin is its first chairman. One possible plus for Irish businesses is that the biggest foreign direct investor in the country is the UK. “They invest across all areas, including retail and travel, whereas other countries tend to be more focused on oil and gas,” he explains.

As former colonists, the Dutch are also significant while, in recent years, Germany has come to prominence in manufacturing and engineering. Australia is also, naturally, a significant player, particularly in mining, although touch points on historical issues such as East Timor and, more recently, the refugee question can create a sometimes tense relationship. “At the moment, the sense I get is that there is a growing interest in Indonesia from Irish companies, with sectors like the telcos, for example, seeing a key opportunity in the sheer quantity and the growth of that market,” Galvin observes.

While the argument that you need a five-year plan to make a significant impact in the market may not have immediate appeal to those keen on finding cashflow solutions through exporting, Galvin says there is little doubt that, so long as Indonesia remains under the radar, it represents a prime opportunity for first movers. “If you are patient, then you will make an impact and the scale of the opportunity is so big that you’d be crazy not to.”
The decision to target a key niche and develop a clever marketing strategy to differentiate itself has helped transform Nualight’s LED technology from growth potential to global player. Brian O’Grady sheds light on the story.
One of the first challenges any start-up faces is identifying a profitable market niche it can sell into by providing a solution that improves customers’ situations, or by removing their ‘pain’. Without focusing on a niche to which it can provide clear benefits, runs the thinking, a business’s efforts will become over-stretched and potential customers will be unmoved by a sales proposition that fails to address their direct needs. The challenge facing the founders of Nualight in 2004 was in focusing the vast potential of its technology into a single market when so many commercial applications were possible.

LED lighting (light emitting diode – a semiconductor that converts electrical impulses into light) is energy-efficient and because it is solid-state is more robust than tube lighting, while also more consistent, more flexible and has a far longer lifespan than current alternatives. The Tyndall Institute which commercialises research from University College Cork had established expertise in optical technology relatively early.

Tyndall had become a leader in LED technology, which was becoming more affordable and was starting to be used in aviation, display and street lighting, in addition to so-called smart lighting and a plethora of non-visual applications. It formed the basis for Nualight founder and CEO Dr Liam Kelly’s third business venture, having already spun off CorkOpt and Farren (subsequently sold to Smith Technologies for £22m).

After considering all potential applications and markets, Dr Kelly decided on the relatively obscure but global market niche of illuminating refrigerated displays for food retailers. According to Dr Kelly, the market is a global but concentrated one as buyers typically work from head offices and are responsible for multiple stores and big budgets (in Europe the top 15 supermarket chains run 85,000 stores, he claims).

LED ZEPPELIN

Applied to retail, LED technology provided clear benefits in lower heat generation and energy consumption – improving ‘green’ credentials – while also improving the quality and consistency of in-store displays, all of which were becoming important drivers in a retail market concerned with green issues and the challenge of attracting customers.

“Retailers want to turn shopping into a leisure activity so lighting increasingly needs to fit with that,” says Paul Kelly, Nualight’s head of business development. In May this year, the company signed a €5 million deal with Tesco, which it expects to grow to €10m of business by 2013. It has also built a sizeable presence in the US and has launched in nearly 20 countries, while also attracting a further €9.1m of investment this year, plus €5m from the ESB in 2009, so clearly the company has chosen a profitable area to focus on.

There are clear benefits with LED lighting for retailers, and Paul Kelly is well versed in all of them. Nineteen per cent of the world’s energy bill is in lighting, he claims, and for food retailers, 58 per cent of their electricity costs are spent on refrigeration. Fluorescent lighting works poorly, he claims, as its tubes generate heat, consume too much energy and break down, with flickering tube lighting known to deter customers as they shop in supermarket aisles.

LEADING LIGHT

Paul Kelly claims Nualight’s products reduce refrigeration costs and increase products’ shelf life, while also providing more consistent, better focused and colour-controlled lighting that is increasingly vital for point-of-sale purchases. “Our lighting genuinely solves a problem,” he says. “I’m hoping to be able to claim that it sells more product and we have research underway on that.”
“It’s all about merchandising and we have the best performing light in the market because we’re niche and specialist,” he adds. “Many retailers even think it’s a unique source of competitive advantage for their product.”

Having already ticked so many boxes in the checklist for start-up success, the next step for the business was to build a presence in a well-established global market. When that market niche is dominated by giants like General Electric and Philips however (in the US and Europe respectively), such a step presents obvious challenges to a start-up with a then skeletal staff, limited resources and offices then above a garage in Cork city.

Paul Kelly joined Nualight in November of 2007 and was faced with the challenge of presenting the business as a branded global competitor for the Euroshop trade show that February, which only takes place every three years but gathers the world’s buyers together in one place. With the assistance of Kilkenny-based agency 360, a new branding and marketing strategy was developed.

ILLUMINATING IDEA Instead of portraying Nualight’s LED merely as a competitor to existing products, the strategy positioned it as a new technology that would change the industry. “The decision made was to create a new market segment – digital lighting. We didn’t want LED becoming a commodity, and we introduced it as a disruptive technology. So we refer to the existing market suppliers – our competitors – as lightbulb manufacturers,” says Paul Kelly.

With LED units costing up to eight times the price of existing technologies, Nualight’s customer proposition needed a lot to separate it from existing alternatives on the market. The branding required a careful use of terminology throughout the sale process, so clients “upgrade” to LED. “They don’t buy it – they ‘invest’ in it,” he says.

Nualight’s marketing strategy was built on positioning LED as the technology of the future that addressed energy and marketing issues affecting food retailers, all of which helped position the business in customers’ minds as a premium, high-tech product. “Now we’re one of the top three, but before this [rebranding] we were nowhere,” says Paul Kelly.

SHINING THROUGH PARTNERSHIPS Once a market profile was created and market awareness created, the next challenge was to establish routes into their chosen markets, which would mean creating a sales presence, and an installation and repair capability in every market it was targeting. Working with Tesco Ireland’s stores, where it refitted 115 stores, had already given the company some valuable lessons in managing the installation process and clarified the wisdom of using local expertise rather than doing installation directly. Partnership at a local level, therefore, remains critical, says Kelly, and more especially identifying the right sort of partner that has the appetite and capability to represent the brand.

“Our priority now is on increasing our market reach so we partner very carefully at a local level. Some of our partners are fridge manufacturers and some are maintenance firms – whoever has an ‘in’ and the right capabilities. So we sell and they install,” says Kelly. “Retailers think local so understanding the local dynamics of each country is essential. You can do that physically by putting people in planes but you need to be there on the ground.”

“Our business model is about selling to retailers’ new stores or ones which are due for refurbishment,” says Kelly. A clear customer profile enables Nualight to identify markets that are immediately viable ones to enter with immediate sales potentials. Consequently, Turkey is now seen as a market with potential, and one which the company is in the process of entering, while in France the price of electricity is less of an issue so is a less attractive market. Poland is another market Nualight is currently building a presence in, having been assessed on several criteria, including electricity prices, demographic growth and how often stores are refurbished. Potential demand is then validated by tactics like cold calling and talking to retailers about their needs and who they use. “Then we go in,” says Kelly. Own equipment manufacturers (OEMS – fridge manufacturers) are also a major market for the business, especially during the retail downturn of recent years, though retailers remain the primary focus and the impetus for any purchasing decision.

Establishing brand awareness among retailers about Nualight seems to be more than partly achieved, but remains the priority of the business as the basis for further growth. The company also produces 1-watt spotlights for jewellery display. “We want Nualight to be number one in this market, build our reputation there and then grow into ambient lighting,” says Paul Kelly. Already achieving double-digit growth in a recessionary market, Nualight appears to be on target for achieving its aim of €100m in sales by 2014.
Export sales can be a vital lifeline to companies, but the process of selling in new markets isn’t always so straightforward. For the past four years, the International Selling Programme has been giving businesses best practice guidance to avoid the pitfalls when entering uncharted territory. Adam Maguire hears from some of the participants.
As Irish companies seek to offset local losses by improving their international performance, any advantage they hold could be the difference between success and failure. However, with competition only increasing, such an edge can often be hard to find.

For the past four years, Enterprise Ireland has attempted to remedy this through its International Selling Programme. It aims to give companies the tried-and-tested tools needed to sell better outside of Ireland, be it through better awareness of their strengths or greater understanding of the markets they seek to enter.

Since 2006, the scheme – which is run in partnership with the Dublin Institute of Technology (DIT) – has been undertaken by over 300 executives across a range of industries. With applications now open for the next year of the programme, The Market speaks to three alumni from the class of 2008 to see what impact their involvement has had on their companies’ development.

**CUSTOMER FOCUS** Since its formation, Voicesage has targeted international customers but according to director of sales Mark Oppermann, the International Selling Programme has helped the company better identify its ideal client.

Voicesage offers an automated voice and text message service that it says is interactive and, most importantly, human. It runs on a software as a service model and charges on a per-transaction basis, installing and managing the system itself at no cost to the customer.

“Our main marketplace is the UK, Europe and Northern America but it is primarily UK-based,” says Oppermann. “Our client base would be very large business consumer-type operations that invariably have a large contact centre which we would aim to automate fully or partially.”

Oppermann has a long background in sales and he undertook the programme expecting it to be interesting, if not significantly influential in terms of how he did business. However, very quickly he found it to be effective in focusing attention on the company’s real goals.

“As a small start-up, you’re brutally desperate for revenue. What happens is you get sucked into becoming very busy thinking you’re making progress but in actual fact you have to work just as hard for less revenue.”

Through the programme, Voicesage identified the key characteristics of its ideal client. Since then, it has focused more on making those kinds of deals rather than chasing a larger number of smaller agreements. “I also realised that technology people often love to talk about technology when all the customer wants to hear is the potential benefit to them,” he says. “That was another thing – how do you verbalise your company proposition?”

Over the past 18 months, Oppermann reckons the improved focus has added €1m in potential sales to Voicesage. It continues to work with companies like the ESB, British Gas and AXA Insurance and has an ever growing relationship with NHS Trusts in the UK.

“If anything, I would say the title of the programme doesn’t really capture what it covers – it doesn’t do it justice,” he says.
SEND ME A POSTCARD  The different selling techniques required for different markets was a key learning curve for Geoff Scargill, export manager with John Hinde Ltd. For him, the company – which specialises in personalised gifts, tourism and novelty items – had been selling in a very Irish way until 2008.

“I was only selling the way I knew and I wanted to – this course really made me shift my axis in those terms.” He applauds the practical nature of the course, saying each lesson had a basis in reality and not just theory. This included having buyers come in to see an individual’s sales techniques and give advice based on what they look for in the real world.

It also featured lessons on the cultural differences that companies may encounter as they go from place to place and has helped him to strike deals in Italy, Romania and Singapore since. This is a significant departure from where the company was at before 2008 when, according to Scargill, exports were a minor part of their bottom line.

“Export sales used to be an added bonus for us but they’re now a fundamental part of the company’s survival and our future growth and prosperity,” he says. “Because of challenges on the domestic front, export sales have become a lifeline and their percentage of sales has probably trebled since 2007. The course was an intrinsic part of us shifting our focus to where we have it now.”

Scargill says the people who delivered modules on the course all had real-world experience and reputation, which helped add credibility to what they were saying. He has also taken part in some of the follow-on alumni days which he says were well run and always helpful in terms of adding value.
The objective of the International Selling Programme is to provide proven and practical selling tools and techniques to participants via modules delivered by international sales experts. Each participant is also supported by an experienced business advisor who engages with the individual as programme milestones are completed. Throughout the course of the programme, participants will significantly enhance their sales capability and professionalism and the ultimate programme output is a cohesive export-led sales strategy for their company.

Since 2006, 230 people have graduated from the programme, which currently has 80 participants. Feedback from past participants indicates that the programme has had a significant impact upon sales performance, leading to increased revenues in export markets.

The next International Selling Programme will be delivered between January and November 2011 and applications will be accepted until October 30th 2010. Funding towards participant fees will be available for Enterprise Ireland client companies. For more details, contact Sarah Buckley on 01 727 2527 or email internationalselling@enterprise-ireland.com. Or you can apply online at www.enterprise-ireland.com/internationalselling

TRAVEL BROADENS THE MIND

Specialising in the software technology behind the travel industry has meant that OpenJaw has had no choice but to think internationally from day one.

By the time it undertook the programme in 2008, only 2 per cent of the company’s business originated in Ireland, according to senior vice-president of sales Declan McGuinness. However, that does not mean the firm did not benefit from taking part.

“There was experience at senior level of doing deals in the export markets, but in terms of things like understanding value propositions, competitive differentiations, market entry strategy and so on, there was lots of experience but it wasn’t formalised.”

McGuinness says he saw the programme as a route to formalising the knowledge that he and others in the company already had. He also saw it as a way of learning current international best practice when it came to selling. The opportunity to undertake the course came just at the right time as many of its modules fitted in with OpenJaw’s operating plan at that time.

“We wanted to implement a CRM (customer relationship management) solution and an opportunity management pipeline solution and that came along at the same time as the programme,” he says. “So we implemented modules from the programme practically immediately – it ran parallel with our own growth plans.”

McGuinness adds that the course content was extremely relevant to the real business world. He attributes a lot of this relevance to the experience its lecturers had, which he describes as “compelling”. He also says having an experienced businessman act as a personal advisor throughout the course further grounded everything they did in practicality.

“It upped our game significantly in terms of our ability to sell better,” he says. “It’s something that’s very contemporary, very up to date and offers the latest techniques and information in these areas. You suddenly feel like the guy in America who you’re competing with might not be as skilled as you are.”

DECLAN MCGUINNESS, SENIOR VICE-PRESIDENT OF SALES, OPENJAW

INTERNATIONAL RESCUE

The objective of the International Selling Programme is to provide proven and practical selling tools and techniques to participants via modules delivered by international sales experts. Each participant is also supported by an experienced business advisor who engages with the individual as programme milestones are completed. Throughout the course of the programme, participants will significantly enhance their sales capability and professionalism and the ultimate programme output is a cohesive export-led sales strategy for their company.

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OCTOBER/NOVEMBER 2010 | THE MARKET
For Enda O’Coineen, business is as much about adventure as it is about money. The former telecoms, finance and publishing entrepreneur talks to Niall Byrne about the value of connections between people and succeeding in overseas markets.

The sea has always been close to Enda O’Coineen’s heart. The Galway man crossed the Atlantic on his own in an inflatable dinghy when he was 21, his first business venture was a sailing magazine and he was a lead player in bringing the Volvo Ocean Race to Ireland in 2009.

It’s not hard to see the appeal of sailing to the entrepreneur. Where others see the shoreline as the end of their natural domain, the entrepreneur sees the waves beyond it as something to be mastered. For O’Coineen, the sea represents something other than a challenge – it is also a connection between people.

Building relationships with people has been critical to his success. O’Coineen is executive chairman of Kilcullen Kapital Partners, a Czech-based venture capital, property funds and asset management firm. His past businesses cover the areas of recruitment, telecommunications, software, finance and publishing. “My success has been in pulling together people who know more about a specialist area than me,” he says.

His most recent venture is Irish Pubs Global, an organisation and brand designed to service the international Irish pub sector. There are more than 3,500 Irish-branded pubs around the world, with an estimated combined turnover of more than €1bn. Irish Pubs Global seeks to connect their owners and managers in order to facilitate supply, recruitment, trade, exchange of business ideas, sale of pubs and Irish tourism products.

O’Coineen has seen first-hand how the Irish pub can be a fulcrum for making social contacts that can bloom into profitable business relationships.

“I started my business in Prague out of an Irish pub,” he says emphatically.

When O’Coineen entered the Czech market following the fall of communism in the ‘90s, the Irish pub was more than a recreational feature on the landscape. “It was the place where you networked – all the ex-patriates, foreigners and high-level locals went there to socialise.”

O’Coineen sees the Irish pub as an existing foothold in foreign markets, one which heretofore has not been leveraged by Irish businesses. “These pubs internationally want to buy Irish products. Heretofore there’s been no simple way to connect them.

There’s a huge opportunity there for Irish businesses to start selling into that client base and then use it as a platform for entry into the respective markets.

“I’ve been travelling professionally for more than 20 years and everywhere I went, there’s been an Irish pub. I was in Krabi in Thailand last year and encountered three Irish bars there – they didn’t look Irish but they marketed themselves as Irish. It’s a phenomenal global brand.”

While O’Coineen’s take on business emphasises the social side, his philosophy around networking is perhaps surprisingly relaxed. “I do not network with business in mind. I am social. I love meeting people and have deep curiosity relating to people and how things work. If business benefit comes, it’s a real added bonus.”

With formal networking becoming a business in its own right through the proliferation of websites like LinkedIn, O’Coineen believes there is an overkill factor when it comes to the online channel, although he acknowledges it does work for some people. “Personal contact is key and people buy from people,” he says. His advice to Irish export-led firms is to just get out there, travel, listen to what the market wants and sell with service.

THE EDGE O’Coineen’s first business flew in the face of what he later learned about succeeding in business – to look for an “edge” by getting in on a growth sector before it gets too crowded. When he launched Afloat, a magazine for the leisure sailing market, in the early 1980s, there were already two magazines servicing this niche sector. “If I had looked at the market in a rational way, I wouldn’t have launched the magazine. There were more boats in one marina in Britain than there was in all of Ireland. I was unemployed and I did it because I loved sailing.”

The key to the success of Afloat was the long hours O’Coineen was prepared to put in, something which no structured business would be able to match, he admits. He built up a close relationship with the marine trade and embarked on an outsourcing strategy long before it was the norm in business. “I outsourced everything so for the first edition I had enough ads

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I do not network with business in mind. I am social. I love meeting people and have deep curiosity relating to people and how things work. If business benefit comes, it’s a real added bonus.

sold to pay the production cost so it was profitable from day one. It had to be. I had no money, no capital and we had 17 per cent unemployment in the country.”

Since then, he has sought to get in on a growth sector before it gets too crowded. “A few years later I launched Security World magazine. I’d learned my lessons and researched the market and that publication was three times the return for half the effort.”

O’Coineen is aware of how hard it is to start a business from scratch. As a result, many of his most successful enterprises were spin-outs from existing ones. Irish Pubs Global was incubated in Lets Do It Global, the non-profit organisation he put together to bring the Volvo Ocean Race to Galway. Irish Pubs Global will in turn create its own spin-out opportunities, he envisages.

At the moment, Irish Pubs Global has four full-time staff, with O’Coineen forecasting this number to grow to 15-20 in a few years – as well as the employment generated by the spin-outs.

One planned spin-out is a recruitment agency specialising in the Irish pub sector; another is a business selling management and training services in this sector, linking up stand-alone enterprises so they can leverage the global channel. He also has plans for a financial services company, financially rating and buying and selling pubs.

GAINING CREDIT Financial services is a sector in which O’Coineen has a pedigree. Among his greatest business achievements, he ranks the establishment of the Czech Credit Bureau and Slovak Credit Bureau. “They brought me to the heart of how the financial system works and that finance is not about money – it’s about risk, information and security,” he explains.
Setting up business in the post-communist world of Central Europe brought opportunities and challenges. “When you’re in business, your greatest asset is your reputation. The core of any financial system is information. I had good credit with my bank in Ireland where my credit history is an asset, but there was no means to transfer that to the Czech Republic because it was a new market.

“I went to the bank in the Czech Republic and persuaded them to lend me money, even though I didn’t need it at the time, just to build up a credit history. I paid it all back and paid a big interest rate and discovered there was no credit register in the country like there was in Ireland which stores your history so other banks could check you out.”

O’Coineen examined the credit register models in countries such as Ireland, the US and Australia and amalgamated best practice from them all to bring a proposition to the Czech, and subsequently Slovak, financial sector. “The greatest achievement was to get all the local banks to agree. They all agreed they needed it but we all had to share IT, legal and protection, commercial information and so on.”

O’Coineen has had prodigious success in Central Europe. He was a co-founder and early investor in the eTel Group, formerly GLOBIX Telecom, which is based in Hungary, Austria, Czech Republic, Poland and Slovakia. He also founded ASPEKT Central Europe Group in 1994, a business financial information and events company; Simply, a mortgage company; and Key 6, a recruitment company.

GREEN DRAGON In 2009 the Volvo Ocean Race featured a stop-over in Galway, generating over €20m for the local economy. Bringing the event to Ireland was unfinished personal business for O’Coineen, who had been involved in Ireland’s entry in the race 20 years previously when it was known as the Whitbread Round the World Race.

“I wanted to put Ireland on the world sailing stage and do something for my home town,” he says. O’Coineen was chairman of Let’s Do It Global, the non-profit organisation set up to oversee hosting the event. It also entered Green Dragon, a boat with Irish and Chinese sponsors, into the race.

The core ethos was voluntary, with the event having at one stage over 1,000 volunteers, with a small core of professionals involved. Despite the voluntary aspect, the business expertise was essential to getting the Government behind it, a necessary step to ensure the success of their bid. “Our pitch was a totally numbers-based business case – spend X and you get 10 X return,” recalls O’Coineen.

Although the project turned over €20m in a very tough climate, O’Coineen never took any money in salary. The same went for people such as John Killeen, David Beattie and Robert Dix who contributed their time free.

A sign of the success of the event is the fact that Galway has been selected as the finishing port for the 2011-2012 Volvo Ocean Race.

O’Coineen’s affinity with the sea is such that when he decided to write a book about his business experiences and lessons the title was an obvious choice: The Unsinkable Entrepreneur.
The world, it seems, is social networking. The business site LinkedIn can be a way to generate valuable sales leads. John Collins explains how.
Over the past few years, the unstable business environment has impacted on many companies, resulting in unpredictable revenues and limited growth. To counteract the situation, lost customers must be replaced and new business won. There are three ways a company can win new business:

– A customer contacts them directly
– Salespeople reach out and generate leads
– Marketing programmes generate new leads

Today, many companies are limited in what can be allocated to marketing budgets; therefore, salespeople must generate sales leads. This article considers the effect the social network website LinkedIn is having on sales lead generation, outlining how salespeople are using it to add new opportunities to prospect lists and to plan approaching prospects, to avoid the dreaded cold call and potential rejection. This is based on recent research carried out by Glenomena. The sales process and marketing planning activity associated with sales lead generation campaigns is addressed in previous articles.

LEAD GENERATION
A typical sales process has seven steps:

– Prospecting – seeking out new sales opportunities
– Pre-approach – planning to approach the prospect to qualify them
– Approach – gaining their attention
– Presentation – submitting a proposal
– Handling objections – overcoming any objections to doing business
– Closing – finalising the deal
– Follow-up – customer relationship management

Sales lead generation covers the steps 1-3: prospecting, pre-approach and approach. The purpose of a sales lead generation programme is to turn suspects into qualified prospects. The role of the salesperson is to engage with the buyer, create an interest and obtain an action that will move the prospect to the next step in the sales process.

PROSPECTING
A list of suspects can be obtained from multiple sources; online reports, chambers of commerce, conferences and exhibition lists, online and offline business networks etc. For many salespeople, online business network websites such as LinkedIn have become invaluable tools that are now part of daily working lives. Salespeople are seeking out new opportunities using four main features of LinkedIn:

– Companies
– Groups
– People
– Broadcast

Companies
LinkedIn allows a user search for companies by industry sector and location. This can return previously unknown companies that the salesperson can add to the suspect list, which can then be qualified. By searching company data, LinkedIn returns statistics such as where employees worked previously, or where they now work subsequent to leaving the company. LinkedIn also returns a list of people following the company and salespeople can search this list for companies to add to prospect lists.

Groups
LinkedIn allows users form groups, so as to attract prospects by positioning themselves as thought leaders. While the majority of salespeople are not forming own groups, many participate in groups as a means of looking and listening for new opportunities. An advantage of being a member of a group is that the salesperson can communicate directly with the prospect without being connected to them.

Broadcast
The broadcast features on LinkedIn allow users share interesting articles or topics with connections, or anybody who reviews their profile, as a way of attracting new prospects.

People
LinkedIn allows users search for potential buyers by job title. For example, a search can be conducted for all supply-line managers in the automotive industry, in Germany. This returns a list of suspects that the salesperson can use to start to qualify. Salespeople are also searching connection’s connections to identify companies that can be put on to the prospecting list.

SUSPECTS VERSUS PROSPECTS
A suspect is a subjective opinion not based on fact while a qualified prospect meets the following criteria:

– They have a need
– They have a budget
– They have authority
– They are receptive to a call.
PRE-APPROACH

Once a list of suspects has been generated the salesperson can utilise several prospecting techniques to avoid the dreaded cold call. The salesperson should attempt to obtain a warm introduction to the decision-maker via business networks.

Techniques include:
- Referral approach: Obtain a referral from an existing customer
- Introduction approach: Ask a business contact with a connection to the prospect for an introduction
- Non-competing salesperson: Ask a non-competing salesperson for an introduction
- Business organisation: Use on-line groups and forums as a way to reach the prospect

Salespeople are employing the abovementioned pre-approach techniques, using connections from LinkedIn to create the warm introduction opportunity. Checking a prospect’s profile on a social network website has the potential to guide the initial conversation that will allow the salesperson build rapport quickly.

APPROACH

At this point, the salesperson must now reach out and grab the potential buyer’s attention and get a call to action. This can be via email or telephone.

Advice for telephone calls includes:
- Having a telephone script stressing benefits
- Selecting the appropriate timing for call
- Having a call to action
- When making a telephone call:
  - Be positive and upbeat
  - Say your name and your company’s name
  - Lead with any of the following:
    - 3rd party reference
    - Follow-up from email/literature sent
    - Statement of known problem/business issue
    - Pertinent point made by someone in industry about known problem
    - Qualify – Are you responsible for ....?
    - Obtain a call to action: Face-to-face, proposal, presentation etc..

Some advice for sending the initial email:
- Keep it short and succinct recognising that it might be read on an iPhone or Blackberry
- Use an effective email header
- Avoid wasting time: qualify them.

- Are you the person with responsibility for ...?
- Draw in with a succinct email referring to:
  - 3rd party reference
  - Statement of known problem
  - Pertinent point made by someone in industry about known problem
  - Your customer value proposition
  - Know your call to action: e.g. ‘I will call you on Thursday at 14.00’, ‘Can I meet you on the 24th at 10.00.

Salespeople are also using LinkedIn to approach potential prospects by participating in discussion groups. This allows them to communicate with potential customers without being connected to them first. Some salespeople are using the premium service on LinkedIn, which allows them to send 10 INmails per month to members of the database, even if not connected. The advantage of this type of communication is it allows the receiver to qualify the sender by sector, connections or offering and avoids the email getting caught in the receiver company’s firewall.

Sales organisations are continuously working to find better and more efficient ways to locate leads, qualify them and convert them to customers. Social networks such as LinkedIn are altering the way professionals communicate with each other. Organisations are using these technologies to get closer to customers, to generate leads, qualify prospects and manage account relationships. Despite current economic challenges when marketing budgets are limited and salespeople have to do lead generation, a programme that is planned and managed well, using all the available tools and prospecting techniques can turn suspects into qualified prospects, putting a salesperson in a position to win new business.

John Collins is managing director of Glenomena, which develops and implements product management, marketing strategies, business development and sales processes for SMEs, high potential start-ups and high-tech campus spin-outs.
Germany is growing again and Irish exporters should look to Europe’s biggest economy as a way to boost sales. Michael Gerling of the EHI retail institute gives Shane Leavy an insight into the major trends at the till.
EHI, a German retail institute with 550 member businesses including retail companies, manufacturers of consumer and capital goods and service providers, researches cutting-edge trends in the German market. Irish exporters eyeing Germany for growth opportunities will doubtless have reason to call on its knowledge of the sector. One of the developments EHI has noticed in recent years is the growth of internet-users purchasing goods online. “Only 8 per cent of German sales are mail order today, and 50 per cent out of this is e-commerce business,” says EHI managing director Michael Gerling. “And this e-commerce business is really, really growing rapidly.”

But the shift to digital shopping may not be happening at the expense of big players in the retail market; a rather different trend in retail architecture suggests that bigger is still better. “What we can see is retailers building larger units with more focus, wider assortments in stores. Larger, larger, larger: it’s still a trend.”

Germany, with a low fertility rate and falling population, is expected to shrink by millions of people over the next few decades, which Gerling says will impact on how people live and shop, especially if urbanising trends continue to gather people in major cities. “Retailers are also going more to city centres. There will be 70 million people where today there are 80 million people, and much more of them will live in the bigger cities.”

GET TO THE FAIR EHI sponsors the annual EuroShop, the world’s largest capital goods trade show for the retail business. EuroShop has 1,800 exhibitors from 50 countries, divided into four sectors broadly covering information technology, architecture and design, exhibition design, and sales promotion. The next fair takes place in Düsseldorf in February 2011, and Gerling recommends any Irish companies with relevant products or services to get involved.

“It depends on their area. If an Irish company offers anything necessary to run a retail store, any useful technology, EuroShop is a good place to go. Also it’s not just for Germans: 100,000 visitors attend EuroShop and 60 per cent of that 100,000 are non-German.”

Particular areas of growth and innovation that Gerling sees in German retail include in-store kiosks that allow customers to exchange coins for notes, allowing the store to effectively recycle coins to stock cash registers. “Many companies are starting to pilot new concepts for checkouts, especially self-service technology,” he adds. “One idea is outsourcing some of the process to customers – involving customers with scanning and payment – and, on the other hand, trying to improve internal cash management.”

Germany also has a long tradition of investing in renewable energy and now German retail designers are pushing for ever more efficient energy-saving architecture and layouts. EHI gives regular awards for innovative design and architecture, rewarding such concepts as the overnight power-down of electronic store devices launched by Britain’s Co-operative Group that claimed to reduce their CO2 emissions by 700 tonnes last year. Swiss hypermarket Manor was rewarded for establishing the ‘TweetMirror’: an interactive mirror that customers can use to photograph themselves in various outfits and then email to friends or publish on Twitter. German fashion retailer s.Oliver installed video screens in waiting rooms that uses a camera to detect the gender of the viewer and plays films with information aimed at that target group, while other companies were rewarded for streamlining and simplifying information systems.

One exciting innovation involves the rising market awareness of possibilities offered by mobile phone technology. “Mobile commerce statistics are starting to become important. Recently, many retail companies are creating iPhone apps – shopping lists, store-finders, kitchen-planning and so on. That’s a very interesting thing,” says Gerling.

Another new technology is responding to increased consumer demand for information...
about products, by connecting databases of information to product barcodes, when customers want more information than can be described on packaging.

“Using a mobile phone app or a kiosk in the shop, increasingly customers may scan the barcodes and access more information about the product,” says Gerling. GS1, the international organisation involved in developing global standards for supply chain management, is offering ever greater access to product information via barcodes that customers can scan straight off the shop shelf. “We also have associations for customers who suffer from allergies, like nut allergies, who want to be able to check barcodes to see if products are safe.”

According to Gerling, the companies most adept at embracing new technology tend to be small. When Metro Group, one of the world’s largest retail companies, launched its ambitious Metro Future Store Initiative several years ago, its lengthy planning cycle meant that smaller rivals managed to pre-empt some of its innovations and had them on the market before Metro.

“That’s the big advantage with small or medium-sized companies, they are so quick, so fast. Big companies always take time,” Gerling says.

**TALKING THE TALK**

Irish people have among the worst knowledge of foreign languages of any nationality in Europe. Only 8 per cent of Irish secondary school students learn two or more foreign languages, compared with an EU average of 60 per cent. One fifth of Irish upper secondary school students do not learn a foreign language at all.

It is a trait common to the Anglophone countries because of the rise of English as a global language, so do Irish businesspeople really need to speak German when working with German retail companies? Michael Gerling thinks so.

“It’s always better, though it depends on the company. A big company like Metro should have people who speak appropriate English and they won’t expect non-Germans to speak German. However, when you’re visiting another country it’s always good to speak the national language and especially if you’re doing business with smaller retailers who might not have anyone who speaks English. I would recommend knowing German.”

Another aspect of Germany’s retail sector that Irish companies need to be aware of is the German consumers’ unusual focus on price, and a consequent demand by German retailers for low-cost consumer goods. Discount retailers account for 8.5 per cent of the Irish grocery market, whereas their share in Germany is more than 40 per cent.

“The German market is very competitive and prices are driven by a consumer focus on price. This is a unique aspect of German retail,” Gerling says. “When German retail companies invest, they expect a return on their investment within around two years,” he adds. Germany’s discount retail sector has seen disproportionate growth in recent years, however, a trend Gerling predicts cannot continue. “Discount was always strongest in the German market, even for food. However, discount retail companies are not able to continue with their growth rate so the market share of discount has probably reached its highest level.”

Despite the vast scale of the bigger German retail chains, family companies surprisingly still dominate the market. “What you see in Germany is that almost every retail company is in the end a family business. Metro is listed on the stock exchange, but it’s controlled by just three families. So German retail is pretty much a family business.”

The German market is a massive one and there is potential for Irish firms to access great numbers of customers by working with German retail companies. The market is a competitive one, and Germans want high-tech, low-cost solutions, but the rewards of success may be high enough to tempt some companies onto the Continent.
The property boom is over; global recession is a reality; and the significant liquidity problems in the Irish banking sector will continue for a while. Many Irish businesses find themselves in uncharted waters. Those previously involved in the Irish property boom are experiencing significantly reduced volumes of work in Ireland and are forced to go abroad to tender for construction and infrastructural projects in emerging markets, e.g. the Middle East and Africa.

Commentators are indicating that export-led growth is the only sustainable strategy to secure long-term growth and prosperity in Ireland. However, for those companies already exporting goods and services, the dynamics of the world market are changing – the traditional export locations’ (EU, US and Japan) share of world GDP has fallen from two-thirds in 2000 to 48 per cent today and is expected to reach one-third by 2016; it is expected China, India and other countries in the East will account for a higher proportion of world GDP in future years. However, the problem for Irish exporters is that only 10 per cent of Ireland’s exports go to emerging markets and developing economies so a major change in focus is required.

Expanding into international markets will be a key part of many firm's plans to grow their business. Marie Bradley, managing partner of Bradley Tax Consulting, highlights some of the tax implications.

Therefore, many Irish companies are looking to do business abroad for the first time while others are seeking to export to new markets that they have no experience in. The National Competitiveness Council recently published its report, Driving Export Growth: Statement on Sectoral Competitiveness. Therein, tax is identified as a critical factor driving competitiveness in six out of the eight sectors analysed. While the reference to tax in this report may refer to the Irish tax landscape, any company expanding abroad or exploring new markets will have to address some or all of the following Irish domestic and international issues:

- Operating structure
- Repatriation of profits
- Financing of foreign operation
- Exit mechanisms
- Indirect tax considerations
- Employee secondments
- Miscellaneous taxes
- Assistance from Governmental agencies

This article addresses each of the above areas and highlights some of the relevant factors to be considered.
A representative office is the easiest way for a company to commence activities in a foreign location and does not require the incorporation of a separate legal entity.

**OPERATING STRUCTURE**

The three structures used by companies when expanding overseas are a representative office, branch or subsidiary.

**Representative office**

A representative office is the easiest way for a company to commence activities in a foreign location and does not require the incorporation of a separate legal entity. Such offices are generally used to carry out preparatory activities, e.g. marketing, and give rise to no taxable presence. There is generally a requirement to register for local payroll taxes in respect of any employees.

**Branch**

A branch structure, like a representative office, does not necessitate the incorporation of a separate legal entity. The branch will, however, because of the increased level of activities, create a taxable presence for the Irish company in the foreign location. It is, therefore necessary, to register and account for local corporate tax on the branch’s profits.

**Subsidiary**

This generally involves the incorporation of a separate legal entity that will be tax resident in the foreign jurisdiction. The Irish parent will only be subject to Irish tax on profits to the extent that they are repatriated via dividends. Establishing a subsidiary may be a commercial necessity in many instances so the establishment of a branch or representative office may not be relevant.

**REPATRIATIONS**

**Branch operations**

Where an Irish company decides to proceed with a branch structure and profits arise in same, these profits are taxable in Ireland and the territory in which the branch is located. The Irish company can, however, claim a credit in respect of foreign corporation tax paid on profits of the branch and excess foreign tax credits from one branch may be offset against Irish tax on another branch or carried forward to future periods.

**Subsidiary companies**

Irish companies repatriating dividends from foreign subsidiaries must consider how these dividends will be taxed in Ireland. Dividends received by an Irish resident company from a foreign subsidiary are liable to tax at 25 per cent or 12.5 per cent. It is possible to get a credit for withholding tax deducted at the time of payment of the dividend and for underlying tax paid by the subsidiary. Should excess foreign tax credits arise, excess credits from one dividend source may be offset against the Irish tax arising on other foreign dividends and unused credits can be carried forward to future periods indefinitely.

**Transfer pricing**

Transfer pricing rules seek to enforce arm’s length pricing on transactions between related parties. Ireland recently introduced transfer pricing provisions for groups that employ more than 250 employees and either have a turnover of more than €50m or assets of more than €43m. These figures apply to the worldwide group and are reviewed annually.

Even if an Irish group is outside the scope of the Irish transfer pricing provisions, Irish companies operating in foreign jurisdictions will need to be conscious of foreign transfer pricing regimes when structuring their international operations.

**FINANCING OF FOREIGN OPERATION**

Setting up international operations abroad will require an efficient financing structure to be put in place which seeks to achieve some or all of the following:

- Tax deduction in Ireland where the Irish parent funds the expansion with increased borrowings
- Tax deduction for interest paid by the foreign subsidiary on loans provided to fund operations
- With regard to the second point above, foreign country thin capitalisation provisions that seek to restrict interest deductibility should be considered, particularly if the intention is to maximise the level of debt in the foreign subsidiary so as to minimise the charge to corporation tax.
When developing a tax structure for a group with international operations, it is important that some tax-free exit mechanisms are in place in the event of a disposal of elements of the international group.

There is an exemption from capital gains tax on gains realised on the disposal of certain shares held by an Irish holding company. The Irish parent must hold (directly or indirectly) at least a 5 per cent shareholding (including the right to 5 per cent of the profits and assets on a winding up) of the subsidiary company for a twelve month period. At the time of disposal, the subsidiary must be a trading company or, alternatively, the test may be satisfied on a group basis where the business of certain members of the group consist wholly or mainly of the carrying on of a trade or trades. Finally, the subsidiary must be resident in the EU (including Ireland) or a DTA jurisdiction. If the subsidiary is resident in a non-treaty territory, then alternative holding structures can be implemented.

**Indirect tax considerations**

Initially, a foreign operation may be loss making, so a corporation tax liability may not arise immediately. However, VAT and customs duty issues may result in cash tax liabilities from the outset, so their importance cannot be ignored.

**TRANSFER OF EMPLOYEES**

In any foreign start-up, the Irish head office is likely to transfer highly-skilled employees abroad to supervise and control the investment in the target location and manage local employees. The residence position of the individual and the charge to taxation on employment income is dependent on the duration of the international assignment, i.e. temporary or long term. It is important that the implications of continuing to be paid by the Irish employer or transferring to the payroll of the foreign entity are understood. The tax implications of providing accommodation in the new location and paying sums in respect of travel and subsistence must also be addressed.

**EXIT STRATEGIES**

**MISCELLANEOUS TAXES**

**Taxes on capital**

Some foreign jurisdictions impose net-worth taxes based upon business net worth at the end of the financial year. Also, many municipalities levy annual real estate taxes on commercial and private property for which a corporation tax deduction may be available. These taxes can add to the overall effective tax rate payable in any jurisdiction.

**Capital duty and stamp duty**

Unlike Ireland, many countries impose taxes on contributions of capital, whether in cash or kind. Transfer of shares, bonds and other securities as well as immovable property, may give rise to stamp duty or other transfer taxes. However, in most cases, the rates of tax are much lower than similar taxes imposed in Ireland.

**LOCAL PRACTICES**

Many undeveloped countries operate local practices that may not be transparent to foreign companies at the outset. Working in co-operation with local distributors or joint venture partners may be a way of ensuring full compliance with local laws. In practice, a higher standard of compliance with all relevant laws and regulations may be expected of foreign companies than applies to domestic businesses and this poses challenges for Irish companies commencing foreign operations.

Companies that wish to expand their business into international markets should tread carefully and seek appropriate tax advice in advance of setting up their business operations. The criteria outlined above should provide some guidance in developing a tax structure but it is necessary to understand the foreign tax issues and their interaction with the Irish system in the context of the specific fact pattern relevant to each client. It is also important that groups continually monitor the tax regime of the countries they operate within, after they set up their tax structure, as annual legislative amendments may require groups to make changes in due course.
Donal Nugent hears the experiences of Irish firms operating in Indonesia – a market that has largely been under the radar until relatively recently.

NAVIGATING THE NEW INDONESIA

KINGSPAN

Contrary to the stereotype of a sector reliant on a conservative, domestic market, construction firm Kingspan Group has long shown an international focus. Having opened its first overseas base in the Czech Republic in 1996, it now has significant manufacturing and sales operations across four continents. In January 2010, the company opened its South East Asia office in Singapore.

General manager David Tyndall believes Indonesia can become a major market for the company and points to a number of pluses, including a workforce that is “extremely friendly, entrepreneurial, ambitious and hardworking” and a business culture “eager to partner with foreign companies who have products and services to offer to this growing market.”

Kingspan’s international reputation has created opportunities to work with multinationals investing in Indonesia and he notes these players are developing facilities “on a par with the best in the world”. A recent contract where the company provided insulated panel solutions to a large international bottled water supplier exemplifies this.

Its Singapore base provides an effective entry point, particularly as Kingspan gets to know the region. “Our route to market is with partners who effectively become our local presence and interact with the end-users locally. In the years ahead, we may have local offices but at present this is a good, cost-effective, entry strategy and a good way to test the water,” says Tyndall.
As to the business culture on the ground, his experience is that most people speak English. “Negotiation can take time as they will work hard on getting a good price and can be quite persistent,” Tyndall remarks. He also has some pragmatic advice for the first-time visitor. ‘Travel around Indonesia is hard going and traffic in Jakarta is incredibly heavy so always leave plenty of time. As it is predominantly Muslim, you need to be cognisant of this. Holding a meeting on a Friday afternoon is not recommended.’

OPENET

As Irish businesses have learned during recession, price wars require not just determined businesses but equally determined customers. Indonesia’s mobile phone market is one of the world’s largest, with over 140 million handsets in use. Unlike similar-sized markets such as Brazil, there is substantial opportunity to grow further, with as many as 70,000 new subscribers coming on stream daily. One recent study argued that the country offered better prospects for organic growth than either China or India.

However, anyone expecting easy wins from such lucrative market conditions should think again, warns Philip Hogan, global vice-president for direct sales with Openet. “The market is one of the most aggressive in the world, with consumers that are price-sensitive to a degree largely unthinkable in the West,” he says.

Openet’s anchor account in Indonesia is communications multinational Hutchison, which entered the mobile market in 2007 under the ‘3’ brand. Like its competitors, 3 has an aggressive marketing programme to meet the key challenge of retaining its customer base. “Indonesian mobile phone users will routinely have multiple SIM cards and will swap them based on daily rates,” Hogan explains.

Openet works with Hutchison in providing loyalty-based solutions that employ its Transactional Intelligence technology. Under the umbrella concept ‘Make the Most of Every Customer’, this allows mobile operators to customise their services, and build and manage closer relationships through a range of loyalty incentives; a typical example would be free calls on the subscriber’s birthday.

While Openet’s technology was not developed specifically for Indonesia, Hogan says the market conditions suit it to an exceptional degree.

The company operates from its base in Kuala Lumpur in Malaysia – a relationship he characterises as like a Dublin company dealing with a client in London. “The expectation of on the ground personnel in Indonesia is not the same as, say, the Russian market. There can occasionally be red tape issues with visas and so on, when working onsite, and companies will typically expect that Indonesian engineers should do the work.”

As against that, telecom businesses are generally multinational and Hogan says the business culture is similar to other territories. “In the current climate, like everywhere, negotiations will be tough. We do business globally and while the model may vary, the challenges are no different. In our experience, the contracts are clean, the expectations are clean and the execution is clean.”

ALTOBRIDGE

“If you are not already doing business in Asia, Indonesia might not be on your map. As you spend time in the region, however, you realise that it is potentially the jewel in the crown,” comments Mark O’Sullivan, Indonesia country manager for Altobridge, the remote mobile communications firm.

The Kerry company recognised the potential of the Asian market relatively early in its history with offices established in Kuala Lumpur. In May this year, Jakarta became its latest outpost. “As our original business grew in Malaysia, we started looked at neighbouring countries and always had our eye on Indonesia,” O’Sullivan reflects.

Indonesia’s vast and dispersed island geography means that over 72 million people currently have no access to mobile phone services. Altobridge’s offer is a cost-effective solution that can provide coverage in geographically challenging areas, and crucially, in a way that is profitable for operators.

Business relationships were initially established from the Malaysian base. However, as this developed, visiting on a two-to-three-day-a-week basis was neither practical nor efficient. “Indonesia is such a huge market that you really have to be immersed here to understand it in all its breadth,” O’Sullivan says.

Although the technology centres on connecting remote regions, the company’s focus is on Jakarta. “The partners understand the local
In terms of doing business, O’Sullivan’s experience is that there can be linguistic challenges with smaller suppliers. “It can take extra time to get the message across [but] it hasn’t been a case of needing translators.” Also, while there is a level of bureaucracy among larger operations, “in terms of building relationships, it seems to be essentially business as usual.”

With the scale of the business being done in Indonesia “approaching world class in terms of volume”, such issues are relatively small. For Altobridge, Indonesia is now a globally significant market. “For Irish companies looking at it as a potential market, there is huge potential for growth. Indonesia has come through the downturn strongly and is showing signs of going from strength to strength.”

**KERRY GROUP**

Kerry Ingredients had been selling in the Indonesian market for about a decade before it acquired PT Armita, a savoury flavourings business in Jakarta. In 2008, it established PT Kerry Ingredients Indonesia, a fully-owned subsidiary of the Irish multinational.

In those two years, the operation has become fully integrated within Kerry Ingredients, operating to Kerry systems and its business philosophy. The division supplies both western-style foods and ingredients for more traditional products typically produced by domestic companies. “We have set annual targets as we would any other business in the Kerry organisation and, if anything, it is now beating those targets,” says Kerry Indonesia general manager Paul Hewitt.

As Kerry has made significant global advances through acquisition, Hewitt is well placed to comment on opportunities in the Indonesian market. He says partnership tends to be favoured over acquisition. “Many of the very good companies are relatively young and the entrepreneur behind them is still very much hands on.”

Hewitt sees opportunities for smaller Irish companies to partner with local firms. “They are relatively open to dealing with you whether you are a big name or not, so long as you have something strong to offer and you can build good relationships,” he says. For longer-term growth, he shares the belief that an on-the-ground presence is essential. “You either need a full-time presence or a unique product with a strong local agent who understands your product.”

Kerry grew its employee numbers in Indonesia by 25 per cent over the last year. Although it brought in personnel from other parts of the world to cement its integration, “it’s not a market where you find you need to do this for the long term. There are a lot of people here who, with careful training, will develop the business for us,” says Hewitt.

For an international food company, Indonesia isn’t all plain sailing, however. “Inside the country itself, doing business is relatively straightforward. Where we do find issues is in border control, particularly around Halal and importation issues. It can be a difficult country in this respect,” notes Hewitt.

Nevertheless, there is no issue that can deflect from Kerry’s ambitions for Indonesia. “It would sit with China and India – these are the three most important markets in Asia for us.”

**OPPORTUNITIES**

Working closely with the Embassy of Ireland in Singapore and the newly formed Irish Indonesia Business Network in Jakarta, Enterprise Ireland has over the past two years developed an understanding of the opportunities in sectors such as food/drink, mobile telecoms, pharmaceuticals and education and training. There is now enough momentum, knowledge and – critically – the networks and relationships in place for a broader cadre of companies to capitalise on the market opportunities presented. Relationships are key; a strong and trustworthy local partner is the first step towards success in the Indonesian marketplace. Client companies have enjoyed a largely positive experience and view the market as one which can offer the scale of opportunity to warrant real focus.

**INITIATIVES**

Upcoming Enterprise Ireland initiatives in Autumn/Winter 2010:

– Pharmaceutical Industry Study Visit. (October)
– Connecting the next Billion – Networking Dinner hosted for Telecom providers around this major International Conference (November)
– Launch of Education Report – Opportunities for Ireland in Indonesia’s Education & Training Market (December).
Client Knowledge Services

Market intelligence

Enterprise Ireland’s Information Centre hosts Ireland’s most comprehensive collection of business information and is staffed by specialists who can aid quick and effective searches. The team can help clients of Enterprise Ireland find information on markets, products, companies, technical standards and management.

The centre subscribes to a wide range of databases, including
- Datamonitor Profiles
- Espicom
- Frost & Sullivan
- Mintel

Here is just a sample of the types of research and reports to which the centre has access.

ICT/SOFTWARE

World Animation Software Markets
Frost & Sullivan
July 2010
This research, exploring the current and future environment surrounding animation software, investigates trends, offering a comprehensive analysis of the marketplace. Market drivers and restraints, assessed in conjunction with forecasted compound annual growth rates, present an overall strategic understanding of the market.

TV on the tablet: iPad and the impact on broadcast & video publishing. Commercial and technology strategies for broadcast exploitation of the growing tablet market
Datamonitor
July 2010
This report analyses the tablet market opportunity and impact for broadcasters, the technology fundamentals of the iPad and its implications for service delivery and platform strategy. It also assesses the spectrum of strategies that have been declared to date in North America and Western Europe.

Location-Based Social Networks: A Hint of Mobile Engagement Emerges
Forrester Research
July 2010
Location-based social networks (LBSNs) such as foursquare and Brightkite offer interactive marketing, by connecting people and nearby points of sale with geo-targeted media. This is a new sector and marketers need to know what audiences can be reached with these services, which companies – if any – are ready for prime time, and whether LBSNs align with business objectives.

The Future of Video Content Convergence: Consumer engagement opportunities in multi-platform video and over-the-top TV
Business Insights
August 2010
The convergence of broadcast, broadband and mobile technologies is creating a dynamic “content everywhere” consumer market context, forcing major transformation and potential restructuring in the consumer electronics, technology, telecoms and media industries, and especially for content creators, owners and publishers. This report lays out the business case for the strategic adoption of video-centric direct consumer engagement, across multiple devices and multi-platforms, with a special focus on internet-connected TVs and other connected CE devices.

A Rebirth of Competition in Mobile Connections
Forrester Research
September 2010
Recent spectrum auctions, changes in regulatory policies, new capital expenditures, and morphing business models are triggering a wave of change in the competitive landscape for mobile connections. The next five years will witness an increase in competition around fourth-generation networks. Those building products that integrate connectivity will have more partner, technology, and business model options than in the past. But product strategists must develop a thorough and complete use model in order to ensure that these connections deliver to the bottom line.
FOOD, RETAIL AND CONSUMER PRODUCTS

Consumers and the Cloud: Quantifying and exploiting the consumer cloud market opportunity
*Business Insights*
September 2010
This report quantifies and forecasts revenue opportunities for consumer usage of cloud technologies, for all major revenue categories, on a global basis including all regions and 20 leading national markets. It analyses the impact of drivers and inhibitors to cloud technology uptake, and assesses competitive landscape development and commercial implications.

Luxury Goods Retailing – Global
*Mintel*
September 2010
This report differs from other Mintel retail reports in that it looks primarily at companies involved in design, manufacturing and distribution, rather than just traditional retailing. The report profiles the top seven luxury operators by turnover and a selection of nine other luxury players, providing a good spread of interest in terms of product categories and geographic markets.

Growth Opportunities in Sustainable Food and Drinks vs Superfoods: Key innovations, leading company strategies and how to benefit from the ethical and health overlap
*Business Insights*
September 2010
This report analyses the market for sustainable food and drinks and superfoods, highlighting key innovation, market and consumer trends to allow marketers to better exploit the niche. It confirms a strong overlap in consumer groups and consumer motivations for purchase.

UK Retail Briefing – Furniture, Carpets and DIY Focus
*Mintel*
September 2010
Each month, the UK Retail Briefing provides news and analysis that includes company results, store openings, cross-border moves, M&A activities, executive changes and property developments. The briefing also focuses on a key issue or specific UK retail sector.

CLEANTECH, LIFE SCIENCE, CONSTRUCTION & INDUSTRIAL

The Future of R&D Outsourcing: Investigating development hurdles, key challenges & strategies to optimise CRO relationships
*Business Insights*
January 2010
For several years, drug developers have been under intense pressure to introduce new products in an environment pressured by rising research costs, generic competition and heightened regulatory scrutiny. This report investigates current and ongoing issues affecting decisions on whether or not to outsource R&D which can offer a means to maintain productivity within new cost parameters.

Diabetes Therapies & Diagnostics: Global Markets
*BCC Research*
June 2010
The global market for therapeutic and diagnostic products for diabetes is valued at $38 billion in 2010 and is expected to grow to $51.2 billion by 2015. Insulin products, including administration devices, are worth an estimated $16.4 billion in 2010, reaching $22 billion in 2015.

Strategic Analysis of the Global In Vitro Diagnostics Market
*BCC Research*
July 2010
This research service analyses the characteristics of the global in vitro diagnostics (IVD) market from 2007 to 2014. It discusses the segmentation, key trends, technologies, drivers and restraints, competitive structure, and company market shares. It covers the immunochemistry, microbiology, point-of-care, molecular diagnostics, hemostasis, hematology, self-monitoring blood glucose and tissue diagnostics markets.

Wind Energy Construction Programme UK 2010 – 2020
*AMA Research*
July 2010
The Report reviews the key issues affecting both the on- and offshore wind energy markets in the UK including estimated costs and timetable for construction, key players involved and an analysis of the major factors affecting wind farm development such as planning, turbine availability and connection to the grid. The report also explores the market opportunities ahead for the construction industry and the wider supply chain.

European Laboratory Information Systems Market
*BCC Research*
July 2010
This research examines the market in terms of the challenges faced by market participants, drivers and restraints in the industry. It also describes the level of importance of various product attributes to end-users and the parameters taken into consideration during a purchase. It provides a detailed study on revenue forecasts, growth rates, areas of concern and strategic recommendations for market participants, along with a geographical analysis of revenue and trends.

European Wind Energy Market – Investment Analysis
*BCC Research*
July 2010
The firm’s Financial Benchmarking and Analysis (FBA) service presents an analysis of the investment opportunities in the European wind energy market, highlighting major global and Europe-specific market trends, the market segments and the pockets of investment in each of them. Factors driving and restraining the market are discussed, along with the major industry challenges, enabling investors to assess the market attractiveness.
Regulatory Briefing

Trade regulations, information and negotiations

The Market’s update on new trade regulations and customs compliance issues.

REACH deadline looms for chemicals registration

As part of their obligations under REACH, the EU regulation on chemicals and their safe use, companies must register their use of designated chemicals by November 30. Moreover, following registration, they must comply with the improved safety recommendations made by their suppliers, or, in certain cases, make their own risk assessments for their specific uses. The Commission is also reminding companies that they need to re-classify the substances they sell according to new rules on classification and labelling by December 1, 2010, and then notify the classifications to the European Chemicals Agency (ECHA) by 3 January, 2011. Classification is required to evaluate whether a chemical is dangerous for health and the environment, and it will determine the information printed on the labels of products that workers and consumers use.

Dossiers must be submitted electronically via the REACH-IT tool. Lead registrants are encouraged to register by September 30, to allow a safety margin in case of problems.

The regulations impact not just on the chemical industry but also users of chemicals in other sectors such the metal finishing industry. They apply even when only small quantities of controlled chemicals are used, which means that SMEs may be bound by the rules.

The ECHA and national helpdesks are available to help and support industry. See http://ec.europa.eu/enterprise/sectors/chemicals/index_en.htm

Commission proposes major regulation simplification for farm and forestry vehicles

The European Commission is proposing to simplify EU law on agricultural and forestry vehicles, such as tractors, trailers and towed equipment, in a move that would see no less than 50 Directives and the related legislation of 27 Member States being replaced by just five regulations. The proposed regulations would also lead to new requirements on anti-lock braking systems, as well as additional updates, like shorter braking distances and the introduction of hydrostatic systems. The proposal will now be forwarded to the EU’s Council of Ministers and the European Parliament for adoption.

See http://ec.europa.eu/enterprise/sectors/automotive/documents/proposals/index_en

EU to impose additional sanctions on Iran

This July, the EU Foreign Affairs Council announced additional EU sanctions on Iran. As a result, the export to Iran of any goods and technology listed in Annex 1 to Council Regulation No 428/2009—with the exception of Category 5 parts 1 and 2 (which relate to cryptographic equipment) – is now prohibited. Further restrictive measures have been agreed in principle, including certain items that currently feature on Annex II of the Council Regulation (EC) No.423/2007, as well as the sale, supply or transfer of key equipment and technology for Iran’s oil and natural gas industries. However, precise details for these latter two measures have yet to be determined, and, as yet, they are not effective.

Information on export duties and regulation is available in the ‘Export’ section of Enterprise Ireland’s website.
**EU launches a new organic logo**

The European Commission is expected to propose granting duty-free, quota-free access for Palestinian exports to the EU in the coming months. Commenting, EU Trade Commissioner Karel De Gucht said: “This would improve the access for Palestinian exports to EU markets beyond our current free trade agreement and it would help to revamp the private sector. The EU will also continue to support the Palestinian request to become an observer to the World Trade Organisation as a first step towards integration into the multi-lateral trading system and a key part of the state-building process.”

**EC set to help Palestinian economy with full opening of EU market**

The EU has introduced a new organic logo to encourage consumer protection and common standards. It is designed to provide consumers with confidence that the goods they buy are produced entirely in line with the EU Organic Farming Regulation, or in the case of imported goods, an equivalent or identical strict set of rules. Both farmers and processors wishing to carry the logo will be subject to inspections by EU inspection bodies to ensure compliance. After a two-year period, successful operators will be granted organic certification and their goods can be labelled as organic.

**Buildings process.**

A key part of the state into the multi-lateral trading system and a key part of the state-building process. It will also support the Palestinian sector. The EU will also continue to improve the access of Palestinian exports to EU markets beyond our current free trade agreement and it would help to revamp the private sector. The EU will also continue to support the Palestinian request to become an observer to the World Trade Organisation as a first step towards integration into the multi-lateral trading system and a key part of the state-building process.

**Romania raises sales tax rate**

Following the failure to pass austerities changes to the national pension scheme, this July the Romanian government opted to raise the standard VAT rate from 19 per cent to 24 per cent, effective from July 1. The move was seen as vital to unlock the next round of emergency funding from the IMF. Romania joins the UK, Greece, Portugal, Spain and the Czech Republic in introducing VAT rises to help reduce huge State deficits.

**Ireland approves new Data Security Breach Code**

The Irish Data Protection Commissioner has adopted a new Personal Data Security Breach Code of Practice, which addresses situations where personal data has been put at risk of unauthorised disclosure, loss, destruction or alteration. The code focuses on minimising the risk of data security breaches and protecting those affected should such breaches occur. Data controllers are required to give immediate consideration to informing data subjects of any breaches that happen. Data processors must also inform the relevant data controller as soon as they become aware of an incident.

**Britain and China sign new agreement on copyright**

Britain and China have signed new agreement on copyright. Under the terms of the Memorandum of Understanding, the two countries have agreed to share ideas and best practice while promoting the importance of intellectual property. The agreement will also see Britain and China seek coordination on copyright issues while looking for opportunities for development and training in copyright laws.

**UK introduces banking levy**

From January 1, 2011, the UK is to introduce a banking levy. The levy will be based on a balance sheet approach and will apply to all major banks and building societies in the UK, regardless of nationality.

**US manufacturers given boost with Miscellaneous Trade Bill**

This August, H.R. 4380, the US Manufacturing Enhancement Act of 2010, was signed into law by President Obama. The law is also known as the Miscellaneous Trade Bill or MTB. The bill creates a new Harmonised Tariff Schedule (HTS) 9902 and provides for hundreds of tariff suspensions and reductions for US manufacturers on many of the materials, specialised parts and commodities they use in their production processes. Some of the materials include flat screen plasma displays, golf club heads but also a range of chemicals and compounds such as Caprolactone-neopentiglycerol copolymer, nickel carbonate and ortho nitro phinol, as examples.

Goods entered or withdrawn from warehouse for consumption on or after August 26, 2010 through December 31, 2012 will be subject to the new provision. Goods which were imported between January 1, 2010 and August 26, 2010 and which would have qualified under the new HTS 9902 will also be eligible for retroactive duty treatment.

The complete text of H.R. 4380 is available online at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h4380enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h4380enr.txt.pdf).

**The US Transportation Security Administration’s 100 per cent air cargo screening now in effect**

The US Transportation Security Administration’s (TSA) mandate to screen 100 per cent of all cargo transported on passenger aircraft on domestic flights originating in the USA went into effect on August 1, 2010. This mandate will affect all shippers within the US whose air cargo moves on passenger airlines, particularly shippers who use air freight forwarders to move their air cargo, as many freight forwarders rely on both passenger and cargo airlines.

According to the TSA, the agency is also continuing its work to improve cargo security on passenger flights originating in other countries. TSA currently requires 100 per cent high-risk cargo entering the US to undergo security screening and has increased the requirements for overall cargo screening.
The internet has enormous potential for any business, but the subject is vast. Lucille Redmond reviews three books that promise to demystify search, social media and online marketing.

Google serves more than a billion searches a day. If you could bring even a tiny fraction of those searchers into your company website, it would give you an unparalleled platform. So Steve Johnston and Liam McGee’s *50 Ways to Make Google Love Your Website* is a welcome guide for businesses. The authors are a search engine optimisation adviser (Johnston) and a Cambridge-educated scientist (McGee), who work together in a Google consultancy.

“Google’s role in the creation of customer traffic to websites around the world makes understanding how it decides on its preferences a critical organisational issue,” they write.

Johnston and McGee outline Google’s birth and growth, and how its founders decided to use as their model the method used to rate scientific writing – ‘citations’, where a paper is cited in another paper on the same subject. The duo lay out how Google chooses its rankings: how site reputation affects linking by other sites, how web addresses work, how the search engine’s mechanical intelligence assesses content.

They also have useful exercises for managers which help in working out how much time should be spent on building the company website. For instance, they suggest, if using the site assessment term Google Analytics tells you, say, that the average customer visits three times a year, and spends £30 per year, and your average profit is 50 per cent, the tool will give you a framework to consider how much you should spend on developing and maintaining your site.

The 50 ways they list to win Google ‘love’ include things like using Web Standards (the accepted best practice for building websites); improving click-throughs by the way you write text descriptions; getting word-of-mouth for your site by using tools like Facebook and Twitter – and above all, achieving the holy triad: Visibility, Relevance and Reputation.

This little book should be read by MDs and CEOs, but passed on to their webmasters – its highly technical advice, surrounded by catchy explanations, can make your site far better.
In Chris Brogan’s book *Social Media 101*, the PodCamp founder writes: “Every bit as over-used as Web 2.0, the term social media is bandied about all the time. I define social media as ‘the two-way Web’.”

PodCamp, by the way, is a type of informal conference about blogging, podcasting and social media. And ‘social media’ is the term for the side of the World Wide Web that is largely personal, but used by businesses too – Twitter, Facebook, LinkedIn, blogs, wikis.

Brogan sets out to show how businesses can use these tools to reach their customers, and individuals to help their careers. A useful little book, it is laid out in a webby way - headings and subheadings and lists – and is a rich source of tips for the uninitiated.

Vanessa Fox, author of *Marketing in the Age of Google*, was Google’s search engine spokesperson before she took to consultancy and authorship, so she writes from the inside. This is already being lauded as a bible for marketers in the age of search.

Twenty years ago the World Wide Web as we know it today didn’t exist, Fox writes. Ten years ago, only early technology adopters used search engines. Today, over 90 per cent of Americans (and probably a similar number in Ireland) use search engines.

Fox compares businesses setting up a website to a store setting up in a new city; scouting out the territory, seeing where competitors have their shops, maybe even counting the number of passers-by on a desirable-looking corner.

“Companies should think of their online presence as another ‘retail location’, she writes. She makes things agreeably simple, giving examples of how things can be done better – for instance, an example of a particular, named company which uses ‘bookkeeping’ as a keyword in its packaging, marketing materials and website.

“But if you take a look at what their potential customers are searching for, you’ll notice that it’s ‘accounting over ‘bookkeeping’ software by a substantial margin.”

Since nearly 12 per cent of online searches are retail-based, it makes good sense to use search engine analysis tools to listen to your customers – and Fox has a chapter on these tools and how to use them.

Search engines watch searchers carefully, and produce ads to suit the individual’s searches. If you have ever lusted after a car or holiday outfit, only to have it stalk you seductively from page to page, the same product appearing no matter whether you are looking at news or discussion boards or work-related material – you will understand how this appears. Fox tells you how it works.

There is a difference between ‘paid’ (advertising-linked) searches, and the ‘free’ kind. Fox shows how searches for images and videos are changing usability, as region-based results are changing searches.

These can change usability: if you invoke a page with video content, you scan it quite differently from how you read text; this can change how marketing uses the page.

Fox also has a great chapter on ‘What Next’, showcasing new searchers like the Google Images’ ‘Similar Search’ (doesn’t work that well yet, to be honest); Google Goggles, which attempts to recognise and locate photos you take; Facebook Search and Twitter Search.

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**The Big Switch by Nicholas Carr, published by WW Norton**

Reviewed by Lucille Redmond

Nicholas Carr’s *The Big Switch* is a global bestseller, now in its eighth edition – the most famous book on the way computing has changed the world, and how the world is changing computing.

Anyone interested in how computing is affecting every kind of business from newspapers to factories should read this with nervous interest. We are moving, Carr reckons, to a point where computing and the internet are not just a facility but a utility like power or water.

A century ago, the advent of cheap, universal electricity transformed factories and workplaces. Half a century ago, computing came to the great companies, then to the small firms, and then the internet opened out the world of business. Now it’s all changing again, he writes.

Carr’s book is fun, referencing everything from 19th-century cutting-edge technology to beat poet Richard Brautigan. It is also a rare book in its genre in examining the social changes of the last 20 years: in the 1970s, the top 1 per cent of people in the US had 8 per cent of income, but by 2004 just 0.1 per cent held 7 per cent of income. He quotes the economist Jagdish Bhagwati, who blames computerisation: “There are assembly lines today, but they are without workers; they are managed by computers in glass cages above, with highly skilled engineers in charge.”

Carr describes how even war is changing with computers, as Iraqi fighters use Google Earth to target British troops – raids discovered stashes of print-outs, with longitude and latitude of troop HQs marked on the back – and how videos of beheadings or images of weaponry can spread commitment and knowledge from country to country.

He also shows how un-anonymous we are online: it took only “a couple of hours” for two New York Times reporters to track down an ‘anonymous’ web searcher whose searches had been listed by AOL. Despite its eclecticism, this is an unmissable book for business readers, especially since this edition has a striking addition – a list of the companies leading the transformation from World Wide Web to ‘World Wide Computer’.

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**50 Ways to Make Google Love Your Website** by Steve Johnston and Liam McGee, published by Random House

**Social Media 101** by Chris Brogan, published by Wiley

**Marketing in the Age of Google** by Vanessa Fox, published by Wiley
Low-cost air travel on the way out?

Could the era of low-cost air travel be coming to an end? Ryanair has been flying that particular kite lately, warning that the current price of its flights is too low to be sustainable.

In a widely-published interview in September, the low-cost airline’s chief Michael O’Leary said its strategy of moving to major airports in order to attract more passengers would put pressure on costs. “We have to move away over the next number of years from being obsessed with having the lowest fares in the market,” he said.

Ryanair is now Europe’s largest short-haul airline with a fleet of 250 aircraft carrying more than 73 million passengers every year. O’Leary claimed the average fare for a Ryanair flight is €40 but said this can’t be kept up.

The low-cost carrier is famous – or infamous depending on your point of view – for flying to regional airports that are often some distance away from major cities. Recently, it has started to change that approach and has already started running major operations from larger airports in Edinburgh and Barcelona El Prat.

Prominent Irish technology executives have begun lobbying for a direct flight between Ireland and Silicon Valley, saying its absence is hurting business for indigenous and multinational IT firms.

To build support for their efforts, the group has tapped into social networks, setting up a Facebook group “Direct flight – Ireland to Silicon Valley” which at press time had more than 400 members. There is also a thread about the same issue on LinkedIn’s “Innovation Ireland” discussion group.

John Hartnett, president of the Irish Technology Leadership Group in Silicon Valley, is behind the initiative, having first raised the issue at a conference on Croke Park earlier this year.

Aer Lingus had begun operating a direct flight between Dublin and San Francisco in 2007 but it cancelled the route a year later when the economic downturn hit.

Writing on the group’s Facebook page, Hartnett said: “I understand that profitability of a single route is important for Aer Lingus; however, this type of tactical decision could choke our ambition to be the ‘smart economy’ and badly damage the IDA’s job creation goals. The Government is spending $10 Billion from 2007 to 2013 on innovation – this situation is penny-wise and pound-foolish.”

Instead of having an 11-hour direct connection between Ireland and the hub of the high technology industry, executives now face almost double the length of time to travel including stop-overs and transfers. It remains to be seen whether Aer Lingus will reverse its stance or if an American carrier will step into the gap.

Calls for return of direct flight linking Ireland with Silicon Valley ...

... as US Airways announces summer service between Dublin and North Carolina

US Airways will begin a daily, non-stop seasonal summer service between Charlotte Douglas International Airport in North Carolina and Madrid and Dublin next May. The new flights will complement the airline’s daily, non-stop year-round service to both destinations from Philadelphia.

The Madrid service will start on May 4th and end on October 29th. The Dublin route is to start on May 6th and will end for the year on Sept 30th. The latter will be operated with a Boeing B757-200 with seating for 12 in envoy and 164 in the main cabin. The airline is now taking bookings at www.usairways.com.

I understand that profitability of a single route is important for Aer Lingus; however, this type of tactical decision could choke our ambition to be the ‘smart economy’ and badly damage the IDA’s job creation goals.
DÜSSELDORF  By Tony Clayton-Lea

As Germany’s leading centre of foreign trade (since 2005, the number of foreign companies based in Düsseldorf has doubled), the city holds one of the largest stock markets and currency exchanges in the country. As home to the second-largest Japanese ex-patriate community in the world, it is also quickly developing into the European centre for the Asian economy – it is also little surprise to discover that in 2008, two-thirds of new companies originated from Japan, China, Hong Kong, Korea and Taiwan. As well as its enviable reputation as a backbone of trade and services, Düsseldorf has also emerged as a highly-rated communications/media/design hub, a large number of which companies reside in the city’s so-called ‘creative mile’. This area, dominated by three of architect Frank Gehry’s idiosyncratic works, is symptomatic of Düsseldorf’s rise as a city to be reckoned with.

FROM THE AIRPORT TO THE CITY:
From Düsseldorf International to the city centre is about a 10-minute drive (improbable but true!), while to get from the airport to the trade-fair centre normally takes about five minutes. A taxi to the city centre should cost less than €20; to the trade fair centre, less than €15.

SLEEP:
1st Choice: Steigenberger Park Hotel, Königsallee 1a, is regularly pitched as the city’s best business hotel, and its advocates have a point: this is an elegant, highly efficient place to do business. www.steigenberger.de

2nd Choice: Maritim Hotel, Maritim Platz 1, is that unusual item – an excellent, high-end hotel located at Düsseldorf airport. This offers a glass-roofed, airy lobby, a range of top-notch restaurants and bars, a very decent fitness centre and a sprawling outdoor garden. Be surprised, be very surprised! www.maritim.de

EAT:
Lunch: La Terrazza, Königsallee 30, is one of the most popular restaurants in the city for lunch due to its large terrace, on which many deals are brokered. That it’s also an excellent Italian eatery with an inventive menu is a definite bonus. www.restaurantlaterrazza.de

Dinner: If you want to impress with a Michelin-starred restaurant, then look no further than Im Schiffchen, Kaiserswerther Markt 9, which proudly (but not loudly) boasts a remarkable fusion of French and Asian cuisine. The wine list, meanwhile, is little short of astonishing, with some wines laudably affordable. www.im-schiffchen.de

THREE THINGS TO DO IF YOU HAVE A FEW HOURS TO SPARE:
Tour: One of the best ways to see a city in a short space of time is via a tour. In this particular city, a boat tour on the River Rhine is virtually a necessity, as it takes in a leisurely trip from Burgplatz to the new Media Harbour.

Sightseeing: The city’s Old Town is a refreshing sight for sore eyes; it features, among many other things, St Andrea, a beautiful baroque church, and the charming Marktplatz, which is abuzz with cafés and interesting little shops.

Relaxing: You can’t leave the city without tasting its own beer. Pay a visit to Brewery Uerige, Berger Strasse 1, which has been in existence since 1862. Our favourite tipple? It has to be their caramel-flavoured altbier. www.uerige.de
When in... France

Lucille Redmond explains the etiquette behind business dealings with the French.

In Claude Autant-Lara’s 1956 classic La Traversée de Paris, Jean Gabin plays Grandgil, an artist turned black marker who is picked up by the Nazis as he makes his way across occupied Paris with his gormless sidekick Martin.

Grandgil tries to blag his way out, speaking French rather than using his fluent German. Martin asks Grandgil why he is speaking French instead of German. “Because they like that,” shrugs Grandgil. “It flatters them.” It is a telling lesson on the French attitude, and one that should not be lost on anyone setting out to do business in France. While language is important, it is most important that one always keep an eye to the other person’s pride and status.

Parlez-vous français?

France is a culture where presenting oneself well is of the utmost importance. If you do not speak French, you should apologise for this at the beginning of any transaction but use one or two key phrases in the language, such as “thank you for your time” (“merci de m’avoir accueilli”) and “I’d like to introduce myself” (“je me présente”).

Management consultant Philippe Cosson of AP Partners says the secret is always to take your cue from the people you are with, but generally to err on the side of formality, using ‘vous’ and addressing people as ‘Monsieur’, ‘Madame’ or ‘Mademoiselle’, with their surname.

“At the start, you have no benefit to be casual,” he says. Dress for business is also a little formal, especially at the start of a relationship, and most especially with big companies. “You don’t need to be showy, just standard – but not casual.”

French companies are deeply hierarchical. If you want to deal with a company, you need to make contact with a senior decision-maker who will endorse you. Things are done far more slowly in France. Companies can expect 12 to 18 months of three-hour meetings – getting into the nitty-gritty of your product, sales, marketing, finance, the service you can offer – before a deal may be possible.

Prendre à manger

Once you have a business relationship, an invitation to lunch may be extended – by you, or by the French executive. The rules for eating are immutable and formal. For a start, he who invites pays.

‘Placement’ is super-important – don’t sit down (unless you are last to arrive and everyone is already seated), but wait for the host to seat you. And don’t talk business over lunch – eating well in a nice restaurant is a time for getting to know each other a little more personally. Only ‘entre la poire et le fromage’ – at the end of the meal, when you’re settling in with dessert and cheese – can business issues be pleasantly raised.

Most important in France is to remember that a gentle, considerate formality is the acceptable tone. Keep that kindly distance, and your chances of doing business are enhanced.
## Enterprise Ireland International Network

### Head Office

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<td>+65 6733 21 80</td>
<td>+65 6733 02 91</td>
<td>Ireland House, 541 Orchard Road #08-00, List Towers, Singapore 238881</td>
</tr>
<tr>
<td>Sydney</td>
<td>+61 (2) 927 85 05</td>
<td>+61 (2) 92 68 56</td>
<td>Leve 26, 1 Market Street, Sydney 2000, NSW, Australia</td>
</tr>
<tr>
<td>Tokyo</td>
<td>+81 (3) 3263 06 11</td>
<td>+81 (3) 3263 06 14</td>
<td>Ireland House, 2-10-7 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan</td>
</tr>
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</table>

### Market Development

<table>
<thead>
<tr>
<th>TELEPHONE</th>
<th>ADDRESS</th>
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<tbody>
<tr>
<td>+353 (1) 727 2000</td>
<td>-</td>
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</table>

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)