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Export collective aims to slash export delivery costs for small business

A newly formed cooperative of small businesses aims to remove a major barrier to selling internationally by using collective buying power to reduce the price of exporting small items from Ireland.

The idea came about when Chris Gordon of the Trophies Awards and Gift Stores was faced with prohibitive high costs of shipping items he makes, such as shields and medals for GAA clubs in the USA. He found delivery prices from international couriers sometimes outweighed the cost of the goods themselves. In one case, he was quoted €260 to ship a package of GAA shields weighing less than 2kg, where the goods themselves cost just €40.

The concept mixes the old and new: cooperatives are centuries-old, while the momentum for this group has been built up on social media, notably LinkedIn and on Twitter using the hashtag #SMEcommunity. Through his research online, Gordon found groups that were using collective bargaining to reduce costs for a range of services. Among them was SME Capital Funds, a business consultancy which obtained a group discount from an electricity supplier for more than 50 small businesses in Cork.

Gordon and SME Capital Funds founder David O’Brien hatched the idea for the Irish Export Cooperative that would apply the same concept to reduce the cost of international delivery by gathering multiple small batches of goods and shipping them at the same time. “Everybody is a winner in this situation, in particular the craftspeople, and the couriers have the potential to do more business as a result,” says Gordon.

The group hopes to tackle five issues for small companies selling internationally:
- To reduce barriers of exporting for small and medium and micro enterprises
- To reduce domestic delivery charges
- To reduce costs on packaging
- To reduce cost of insurance
- To provide guidance for members about customs issues.

The co-op plans to apply economies of scale to all parts of the shipping process. “Large organisations can have goods packaged for 2-3c per box but for a craftsperson working on four or five items a week from a workshop, then a box is going to cost 50-60c apiece,” Gordon points out.

The group’s website is www.exportcoop.ie and is accepting membership applications of €30 per year via PayPal. The fee will contribute to the running costs of the co-op. Membership will come into effect from 1 January next, after the co-op has signed its first agreement with a delivery company.

The initiative has the backing of Enterprise Ireland, the Small Firms Association, ISME and the Craft Council of Ireland. Its inaugural AGM will be held on 23 November where the board will be elected by members. SME Capital Funds is designated as the administrator, with a remit to negotiate deals on behalf of the co-op’s members. The group also plans to appoint an advisory board from industry, so that members can receive advice from organisations with experience in a range of export-related issues.

According to Gordon, the co-op may ultimately be divided into five regional sections for Ulster, Munster, Leinster, Connacht and Dublin, with each area having preferred couriers. This should save craftspeople or small businesses from having to bring goods part of the way to a delivery hub. “A courier should technically come to collect that box. That’s what we’re aiming for,” he says.
Competitive fund launches to support start-ups

Enterprise Ireland is launching a pilot Competitive Start Fund, geared towards start-up and early-stage companies in the ICT and industrial sectors. The move follows the success of three sector-specific Competitive Start Fund Pilots in the last year. The new fund is aimed at companies who are active in the internet, games, SaaS, cloud computing, enterprise software, telecoms, lifesciences, cleantech and industrial products sectors. It is envisaged that 15 successful applicants will receive a maximum investment of €50,000 for a 10 per cent ordinary equity stake in the start-up company. In addition, companies will receive 10 days mentor support. The last date for receipt of applications is expected to be October 19, 2011. For further information, see www.enterprise-ireland.com/csf, email csf@enterprise-ireland.com or call 01 7272202.

Additional call for Going Global fund in 2011

Enterprise Ireland is adding an additional call close date (November 3) to its Going Global fund in 2011. The support, up to a maximum of €25k, is designed to help co-fund the cost of activities such as:

- evaluating and assessing overseas market opportunities,
- developing plans to localise their current service/product offer for overseas markets,
- identifying suitable channels to international markets,
- examining possibilities for web-enabling its service offer for export markets and,
- undertaking overseas market research.

The competitive fund is open to Irish-owned businesses with annual sales of greater than €1m or more than 10 employees. The maximum support level is 50 per cent of all eligible costs up to a maximum €25,000 grant. Eligible costs include consultancy costs, travel and subsistence and overhead costs. However, the Going Global Fund (2011) differs from the previous funds in that promoters’ salaries are no longer eligible, and only clients that have received less than €50,000 in support in the last five years may apply. For further information, visit www.enterprise-ireland.com, email going.global@enterprise-ireland.com or call 01 7272100.

Enterprise Ireland to open first Africa office

Supporting companies tapping into the potential of South Africa and the growing sub-Saharan market, where countries like Nigeria, Ghana and Kenya are showing promise, Enterprise Ireland is to open an office in Johannesburg.

While high-potential North African markets such as Egypt and Libya will continue to be served by Enterprise Ireland’s Middle East North Africa (MENA) office in Dubai, the Johannesburg office will build on existing support for the Southern African market from the high-growth team in Dublin. It is Enterprise Ireland’s first office on the continent.

South Africa has one of the most sophisticated business environments in Africa and is the regional powerhouse in sub-Saharan Africa, accounting for 30 per cent of total GDP, according to high-growth markets adviser Fred Klinkenberg. “Its financial sector is stable and well managed, it has strong banking and insurance markets and economic growth of over 4 per cent is projected for 2011,” he told The Market. “We are also seeing a high level of client interest: 156 EI clients are exporting to South Africa, and 35 Irish companies with operations on the ground employ over 13,000 people there.”

Initial targets will be the financial services, e-learning and telecoms markets. “There has been limited development of an indigenous technology base in South Africa, and the absence of such a local supply base creates a window of opportunity to increase Irish exports and develop partnerships in knowledge-intensive sectors,” Klinkenberg says. “Also with the emerging international status of South Africa, there are opportunities in the healthcare and educational services sectors, including e-learning. Our priorities in these growth sectors are to identify opportunities, encourage relevant clients to visit the market and support an in-market presence for selected companies through our various assistance programmes.”

An Irish trade mission to Johannesburg and Cape Town, running from November 6 to 9, will coincide with AfricaCom, the annual Pan-African exhibition and congress for telecommunications professionals, but the mission will be open to companies from all industries. For further information, email fred.klinkenberg@enterprise-ireland.com or tel +353 1 7272921.
**Irish companies join forces to make life easier for UK airport users**

Two Irish companies, SurfBox, a pay-as-you-go internet kiosk and printing provider, and with Bitbuzz, a Wi-Fi network operator, have joined forces to provide internet kiosks with printing and Wi-Fi access to customers at Leeds Bradford Airport. The service is designed to make it easier for users of the airport, which had passenger traffic of 2.75 million in 2010, to check-in or book cars and hotels online. The two companies came together to win the contract to provide internet access to the airport, fending off stiff competition from their UK counterparts.

**Animation company has designs on overseas market**

Thanks to the massive popularity of video sharing sites, moving pictures are coming into the corporate marketing vocabulary. An Irish animation studio is drawing on this development by creating cartoons that explain in communicating business concepts in plain English.

Igloo Animations, which is based from Dublin’s Digital Hub, has already signed several international customers including UTZ certified in Holland, Unicorn Training in the UK, Scotland’s National Trust, ESG Responsible Investment in Australia and The Natural Step in Canada. “The international market is something we intend to focus on,” confirmed Igloo founder Trevor Courtney.

A video the company produced about sustainability has had more than 122,000 viewings on YouTube to date, and has been translated into five languages. Since the company was started a year and a half ago, it has grown fourfold, said Courtney.

He believes a franchising model is the best way to expand internationally. A London office is planned, and he has already identified the US, Canada and Australia as other likely locations. “I think it’s got massive potential,” he said.

‘Gimme the short version’ corporate videos are one of the company’s most popular formats and the idea came from Courtney’s own attendance at networking events when he was starting off in business. “I found it weird that people couldn’t tell me what they did, clearly. I thought of setting up ‘gimme the short version’ after that,” he said. New Irish clients that have signed up for short versions include, Bord Na Mona, Magnet Networks, Sonru, Freeflow and You Report which will feature the voice of broadcaster and pundit George Hook.

**Life and pensions market assures strong performance for EXAXE**

Exaxe, a specialist IT solutions provider for the life and pensions industry, has announced a 30 per cent increase in revenues for the year ending 2010 and plans to expand the business with the generation of 20 new jobs over the next two years.

In 2010, Exaxe secured a contract with Capita, the leading BPO provider in the UK for software to provide new and existing business illustrations support for all of the books of business administered by Capita. Upon completion of this project, the solution will be used to support in excess of 25 per cent of all life and pensions policies in the United Kingdom.

Also during 2010, Exaxe embarked on a market expansion programme into Canada, Australia, New Zealand and the Nordics and is currently engaged in detailed discussions with a number of potential clients in these markets.
The Now Factory opens in Silicon Valley

The Now Factory has opened an office in Mountain View, Silicon Valley, expanding its operations into the heartland of technological innovation at a time when the North American market is undergoing radical change in the way data networks are used, managed and monetised.

A North American presence is a natural next step for The Now Factory, the company says. With the growth of mobile data and the constraints of bandwidth, service providers are striving to understand how their customers use services, identify key trends that optimise the customer experience and maximise profitability. The Now Factory makes a range of products that aim to address these challenges, helping service providers collect and analyse detailed information about subscriber traffic in real-time, improve the quality of experience, build customer loyalty and turn subscriber usage information into new revenue streams.

With over 30 per cent of the entire user-base in the US and Canada owning a smart phone, the region has one of the highest mobile data penetration rates in the world.

Rapid growth has seen The Now Factory’s revenues increase by 70 per cent year-on-year and the number of employees rise from five to 130 in just four years. The Dublin-based firm opened its Asia-Pacific headquarters in Singapore last December.

Silver anniversary for Emerald

Emerald Cultural Institute, a Dublin-based English language school, celebrated 25 years in business last month. Originally aimed at Italian and Spanish children so they could learn English during summers spent in Ireland, the institute has expanded its remit and now provides English language and professional development programmes in Ireland and the USA. Today, students come from Brazil, Japan, Korea, Argentina, Italy and the Middle East.

Owner Mauro Biondi is an Italian who founded the institute when he relocated to Dublin in the eighties with his wife, who is from Ireland. In 1993, the ECI acquired premises in Dublin’s Palmerston Park, which it still occupies today.

The anniversary coincided with a major refurbishment of the site - “from the espresso we provide to the students to the interactive equipment for the classrooms,” Biondi said. The ECI is continually reinvesting in the business, he added. It recently received support from Enterprise Ireland to develop an online learning environment for English teachers based in other countries.

(Gordon Smith)

Easytrip expands tolling payment service into UK market

Easytrip, Ireland’s largest provider of electronic tolling payment services, has announced a new tag that can be used on the Dartford Crossing in London. The company says that this new service will be of particular interest to commercial and haulage companies carrying out business in the UK.

The Dartford-Thurrock River Crossing is one of Europe’s most heavily used crossings and complex traffic management systems. Spanning the Thames between Dartford and Thurrock, the Crossing forms a vital link in the M25, Britain’s most important orbital road.

“We hope the introduction of this new service will be of great assistance to our existing and potential Easytrip customers,” said Dermot MacEvilly, CEO of Easytrip Services Ireland. “The new tag will make life so much easier for commercial and haulage companies in particular, as they do not have to worry about sterling and euro exchanges. We see this expansion of our services into the UK as a stepping stone, which we hope to build on to extend our services across other locations in the UK and across Europe.”

Tethras localises itself in the US

Tethras, a start-up mobile app developer based in NovaUCD, is launching into the US market and opening an office in Mountain View, Silicon Valley. Tethras provides a platform that connects developers to translators of more than 40 languages.

Its suite of online tools is said to speed up the localisation process so that an app can be more quickly translated into different languages. This gives mobile developers access to global markets and new revenue streams without having to leave their desks, give up their source code, or download any software: all of the translation is handled over the internet – a model Tethras dubs “localisation as a service”.

Translation could play a large part in the future mobile app market. Market research from Gartner forecasts global revenues for mobile apps will exceed $58 billion by 2014, and most app downloads already occur outside of a developer’s local market.

Data from Apple appears to support this: on average, eight out of the 10 top-selling apps in markets like France, China and South Korea are localised. Such is the “exponential growth” that Tethras is seeing, CEO Brian Farrell said the company is currently fundraising to meet that expansion.
OpenHydro prepares to install first tidal turbine in Brittany

The Irish tidal technology specialist OpenHydro, working with the French utility company EDF, is now in the final stages of preparation in a project to deploy the first of four 16m tidal turbines off the coast of Paimpol-Bréhat in Brittany. The turbines have been supplied by OpenHydro, and each has the capacity to generate over 2MW of energy.

On August 31, the first turbine assembled at a shipyard in Brest was towed from the harbour to commence a series of commissioning tests at sea prior to installation.

Deployed on the seabed at a depth of 35 metres, the turbine and subsea base are to be tested for two months in preparation for the implementation of the world’s largest tidal array, which is scheduled to connect to the French grid by 2012. The project is unique in the world and carries a budget in the order of €40 million.

Candelas lights the way for export growth

At least through its first full year of trading, Mayo-based start-up Candelas is looking beyond Ireland to the UK and German markets in order to grow the business. The company specialises in lighting solutions that reduce energy use and lower running costs.

In the past year, the company has conducted 200 audits and turned 20 per cent of those into revenue-generating work. Candelas claims it can identify average savings of 70 per cent in commercial sites, which use a lot of lighting. The company has also been active in agriculture. Lighting carries a significant cost overhead to farmers running broiler chicken houses and piggeries. Candelas’ pitch is that by combining innovative design with integrated lighting control systems, a farmer can save energy, reduce costs and enhance animals’ welfare and productivity.

The company has already fielded enquiries from Europe and is working towards selling to sites initially in the UK and Germany in the coming months. It has appointed sales staff in the UK market, and MD Sean Hyland has a network of business contacts in Holland and Belgium through which he plans to approach the German market. “The plugs and voltages may be different but the use of lighting control to save money and create ambience is common to all,” he said.

Hyland said Candelas will most likely look to tackle international markets through joint ventures – either with electrical contractors, lighting manufacturers or even government bodies. “We’re looking at a model where a customer of an energy supply company could get a retrofit of their premises done, up to a certain amount, and use their bill to pay back the cost,” he said. [Gordon Smith]

Dublin firm launches global solution for patient data capture

Clinical Trial EndPoint (CTEP), an Irish pharmaceutical services company, has signed deals with Estellas Pharma and Novartis for its electronic data capture systems, which allows patients’ experiences of newly released drugs to be recorded during observation studies.

Launched on the German and Irish markets, the CTEP product is now being used by doctors and nurses in The Netherlands, Germany, Austria and Ukraine for clinical trials. The RealWorld-EDC software, which cost €1.2m to develop, is designed for fast and effective data collection by general practitioners, clinical researchers and nurses. Its big selling point is that it’s web-based, so is particularly applicable to Phase IV trials and tailor-made for ‘real-world’ observation study. Clinicians can use it on iPads or iPhones to provide secure data transmission to research organisations.

NHS contracts Radisens Diagnostics to develop kidney test

The UK’s National Health Service (NHS) East of England has contracted Radisens Diagnostics to integrate a kidney test onto its existing chronic-care assay panel for long-term disease management.

The Limerick-based medical diagnostics start-up has developed a point-of-care platform to integrate immunoassay, biochemistry and haematology tests onto a single mini-disc panel, to diagnose and monitor patients for multiple chronic and acute care conditions. Using a finger-prick of blood applied to the panel, the device returns results within minutes.

The kidney test will add to the ability of GPs to actively monitor for diabetes, heart disease and hypertension using the chronic care panel.
Lincor Solutions strengthens advisory board with key US appointments

Lincor Solutions, which has installed its bedside computing and entertainment solutions in over 20,000 beds in more than 85 hospitals and care facilities in Europe, North America and Asia-Pacific, has strengthened its advisory board. The appointment of Hal Andrews and Peter M. Kilbridge, M.D., is aimed at supporting the Cork-based company’s expansion plans into the US market and beyond.

Dr Kilbridge, a Senior Research Director with The Advisory Board Company, Inc.’s Information Technology group, specialises in the use of information technology to support patient care. Meanwhile, Mr Andrews is a co-founder of Mainland Morgan & Co., LLC, a holding company in Nashville, Tennessee, with interests in healthcare, information technology and real estate.

Ikon Semiconductor raises €800k to target lighting markets

Dublin-based Ikon Semiconductor has raised €800k, comprising a €400k investment by the Bank of Ireland Seed Fund, with the remainder of the funds provided by Enterprise Ireland and private investors. The company is focused on the LED lighting market and is developing a single-chip power converter, which resides within an LED bulb and powers it. The solution is said to be simpler, smaller and less costly than its competitors.

Over 12 billion incandescent light bulbs are currently sold annually, and lighting accounts for almost 19 per cent of global energy consumption. A building’s carbon footprint from lighting can be reduced by approximately 85 per cent by exchanging all incandescent bulbs for new LEDs. Ikon’s first product, which will be available in early 2012, will target the residential and commercial bulb replacement market, where volumes of LED replacement lamps are predicted to grow to 430 million units in 2013.

World Economic Forum selects Altobridge as Technology Pioneer

Kerry-based Altobridge has been named by the World Economic Forum as a 2012 Technology Pioneer. To be selected as a Technology Pioneer, a company must be involved in the development of a major technology and/or innovation and have the potential for long-term impact on business and society. Previous Technology Pioneers include Google (2001) and Twitter (2010).

Since its creation in 2002, Altobridge has focused on the enormous challenges involved in getting basic connectivity and mobile broadband to the world’s unconnected. To date, Altobridge’s ‘lite-site’ deployments have brought first-time mobile connectivity to remote communities across Northern and South-East Asia, the Middle East and Africa. In recent weeks, Asiacell announced the rolling-out of mobile voice, broadband and SMS services across remote communities in Iraq using the Altobridge lite-site solution.
Equine interests gather on eve of Prix de l’Arc de Triomphe

At the time of going to press, Irish equine interests were due to gather in Paris on the eve of Prix de l’Arc de Triomphe. Following the success of a networking reception on the eve of the racing weekend last year, Enterprise Ireland, Irish Thoroughbred Marketing and the Embassy of Ireland in Paris again joined forces to support Irish companies targeting the French equine market, which is worth about €10 billion annually.

According to a recent report, Ireland has the highest density population of sport horses in Europe, with more than 53,000 people regularly involved in the industry and annual expenditure of some €400 million. A complementary cluster has built up around it, offering innovative products and services ranging from animal feed and nutrition to veterinary products, equipment, materials and clothing.

Sixty companies participate in mission to the Southern States

Breaking new ground, this September, Richard Bruton T.D., the Minister for Jobs, Enterprise and Innovation, led sixty companies on what was the first Irish Government trade mission to the southern states of the US. Taking in the south-eastern states of Georgia, North Carolina and Florida – and the cities of Atlanta, Miami, Charlotte and Raleigh – the schedule included nine sectoral events, five large networking receptions and number of ministerial meetings with civic leaders and members of Irish global diaspora. In addition, each participating company had its own itinerary of meetings with potential customers and partners.

As flagged in the June/July issue of The Market, the US’s southern states represent largely untapped markets for Irish companies. The GDP of each is equivalent to countries such as Belgium, Sweden and Switzerland. They are locations for growing sectors such as telecommunications, healthcare, biotechnology, logistics, information technology, banking and aerospace. Charlotte has the largest concentration of financial services activities in US after New York; Miami is a major gateway to the growing economies of Latin America and North Carolina’s Raleigh Research Triangle Park is one of the top green energy locations globally as well as a major centre for life sciences research.

The 2011 event was expected to see some additions, notably an Equine Forum attended by Irish companies targeting France, including Connolly’s Redmills, Equinome, Epona Biotech, Nortev, Irish Equine Centre, Horseware, JFC and Automatic Feeding Systems.

The aim was to allow the company to present to an audience comprising key decision-makers and influencers from the French racing industry – trainers, jockeys, equine vets and journalists – and then to participate in a networking reception, attended by over 150 key Franco-Irish equine contacts, including the Aga Khan studs, Arqana, Jim Bolger, Denis Brosnan and France Galop.

Start and Grow Enterprise Expo

An all-day event, providing a one-stop-shop to help entrepreneurs and businesses to start and grow, takes place on November 18 at the Tullamore Court Hotel, Tullamore, Co Offaly. With the keynote address by serial entrepreneur Denis O’Brien, the event, which is free to attend, promises an exciting line-up of entrepreneurs and exhibitors, one-to-one mentoring opportunities, an Ideas Zone, networking and seminars on starting, growing your business and expanding into overseas markets. To register and book a mentor, visit www.startandgrow.ie
Delegates urged to look east

"C"hange is on the way in Russia; it is just a question of timing and pace and where it begins. Renewal will not always be easy or successful, but it will keep occurring," Dr Neil Robinson, Department of Politics and Public Administration at the University of Limerick, told those attending an Ireland Russia Business Association seminar in Shannon this September.

The seminar heralded the appointment of Pádraig Cleary of May Day Management Consultants, Shannon, as the Ireland representative of the Chamber of Commerce of Pushkin and Pavlovsk to promote trade, scientific, academic and cultural cooperation between Ireland and Pushkin/St. Petersburg region – a location with a population of 5 million and the second city of Russia.

"Irish business cannot afford to ignore Russia as a potential target market. Sectors of most opportunity for Ireland are telecommunications and IT, finance, education, construction and food," Cleary said. "With GDP totalling approximately $2.23 trillion in 2010 and with a current population of roughly 140 million, Russia is also expected to surpass France as the largest food and grocery market in Europe by 2020, ultimately creating major opportunities for Irish agri-food exporters."

Russia was also on the agenda at a ‘Finding New Markets’ seminar hosted by Ulster Bank and Enterprise Ireland at the Rochestown Park Hotel, Cork. The event was chaired by economist Dr Constantin Gurdgiev.

Enterprise Ireland’s Pat Maher told delegates how CSO statistics from the first five months of 2011 showed Irish exports grew nearly 6 per cent. However, exports to Russia alone increased by 50 per cent and to Romania by 30 per cent, while exports to the Czech Republic almost doubled. Attendees received a copy of Ulster Bank’s ‘Guide to International Trade for Irish businesses’, which is available online at www.ulsterbank.ie/findingnewmarkets

Irish technology enrolls in Malaysian colleges and offices

A number of Irish companies announced deals in Malaysia last month, during a four-day official visit to the country by Ciarán Cannon, T.D., Minister for Training and Skills. As reported in the last issue of The Market, the Ireland Malaysia Association (IMA) was formally launched in Dublin this June.

Yayasan Universiti Multimedia (YUM), a private third level college focused on ICT and the knowledge economy, signed an agreement to become Malaysia’s first user of Irish-based Quest Computing’s enterprise software system designed to manage grant funds disbursement. CareerDecisionMaker also announced its first sale in Malaysia, with its psychometric tool for identifying suitable careers pathways.

Meanwhile, the Malaysian division of Canon, the global photography and digital imaging giant, announced that it was selecting technology from QMS Software as its business platform for sales management. QMS’s Ulysses CRM solution is to be deployed at Canon’s Malaysia headquarters located in Shah Alam and across its seven branches. Also during the visit, Minister Cannon observed how the Teaching English Language and Literacy (TELL) programme involves a growing number of teachers from Ireland. TELL is a Malaysian government project designed to improve English language abilities through in-service teacher training. It involves 120 English language mentors for around 4,000 Malaysian primary English teachers across 600 schools in six states in Malaysia.

TELL is managed by the Brighton Education Group, which was set up in 2008 by Irish citizen and Malaysian Permanent Resident Mr Mohd. Arif Christopher Bell, and his partners. Among them is the Kerry-based company Fleurise, established in 2005 and specialising in online training for teachers.

Historic education links between Ireland and Malaysia go back more than half a century. The Royal College of Surgeons in Ireland has been taking Malaysian medical students to Ireland for around 70 years and, together with the Penang Medical College (PMC), has its own marketing office in Kuala Lumpur. In addition, the International Medical University in Malaysia has a working agreement with NUI Galway. And outside medicine, other Irish universities, ITs and private colleges also recruit there and are engaged in active partnerships. Upcoming education events in Malaysia include a Study in Ireland Fair in Kuala Lumpur this November. In addition, planning has started for the Star Education Fair in January 2012. Enterprise Ireland expects at least 12 Irish higher education institutions to attend.

QUEST COMPUTING SIGNING DEAL IN MALAYSIA.
An Irish-based company is developing a ‘smart mark’ that lets people tag content on social networks with a scale of up to 32 different emotions. Gordon Smith reports.

When ‘like’ just doesn’t sum up how you feel

As with many good ideas made in Italy, this one started over the dinner table. What if there was a more accurate way for people to express how they feel about a brand or a piece of content that they see online than just clicking a ‘like’ button? A start-up addressing this issue – what’s known as semantic feedback – combines Italian ingenuity with Irish infrastructure.

Dublin-based B-Smark has just launched a public beta of its first product to come out of its research into sentiment, mood and emotions. MySmark lets people tag content on a social network according to their mood using a ‘smart mark’ the company has developed, which is a coloured widget that people can set with up to 32 different emotions. Once they have set up their page in mysmark.com, anyone can ‘smark’ directly from that page or from their Facebook, Twitter or Google accounts. Links to other social media platforms are in development.

According to Nicola Farronato, B-Smark’s founder, that ability to obtain instant feedback from consumers who express how they feel about a product or an event is a major attraction for brands and content providers that already use traditional methods of market research. Unlike the historical nature of surveys, Farronato says the value of smarks is that they can be captured in real time.

For example, that could be while a concert is happening so the emotion of the moment is captured immediately, rather than the person having to remember the feeling weeks or months later. B-Smark is already in discussions with brands in Italy and Ireland, and it is also looking to the UK and US where digital marketing is at its most advanced, Farronato said.

Brands could encourage consumers to share their smart marks on Facebook or Twitter by offering something in return. “Look at what’s happening online: reward systems are becoming a commodity. Users look for a reward for doing anything extra,” Farronato said.

The company turned one year old in September. The concept began in Italy, but reams of red tape and a lack of support for entrepreneurship in their native country saw Farronato and his fellow founders consider alternative locations. They looked at the UK and Switzerland before choosing the National Digital Research Centre in Dublin as the company’s headquarters. Another attraction of Ireland is the more advanced approach to marketing here, which Farronato said makes it a suitable platform to build the company for serving key international markets.

US native Richard Bendis is to advise on strategy for the North American market. He is a successful entrepreneur, corporate executive, venture capitalist, investment banker, innovation and technology based economic development leader, international speaker and consultant in innovation and economy building.

Two Italians have joined the advisory board. Stefano Camatti and Professor Piero Formica, who has three decades of experience in economics, innovation and entrepreneurship. Irishman Noel Toolan, a longtime marketing veteran of well-known food and drink brands, has also come on board and is an investor. He said his involvement stems from an interest in how technology integrates with marketing.

Irishman Martin Curley, Intel’s global head of innovation, is mentoring Farronato. “All new entrepreneurs need as much encouragement and mentoring that they can get. I saw in Nicola a young entrepreneur with energy and a passion for his idea. This is worthy of encouragement and coaching,” he said.

Curley believes it’s too early to gauge the potential for smart marks but he says the concept shows a lot of promise. “Basing their work on Plutchik’s theory of emotion is a good foundation to introduce a new innovation to the world of social computing. Feedback from the early adopters will be an important litmus test for the company,” he said.
A new group that aims to prepare start-ups before introducing them to investors will be launched in Dublin next month. Angel Holdings will help entrepreneurs formulate their business plans, provide them with access to mentors and provide a platform that enables them to present their plans to potential investors.

Angel Holdings executive director Adele Hinze said the scheme is intended to address the gap between investors and start-up companies by providing start-ups with the ability to understand how to present their business ideas in a professional environment, while allowing them to put a more accurate financial value on their companies.

Any new venture’s business plan is scrutinised before being put into the system, so that would-be investors are introduced to projects of a sufficiently high standard, said Hinze. Availability of seed funds to invest in Irish companies is at its highest level in 30 years, she added.

Prior to launch, Angel Holdings has been setting up networks of business mentors in several countries. “We want the mentoring to be in the entrepreneur’s own language as far as possible,” Hinze said. Having business advisors from other countries can also help to give business owners fresh perspective on their own plans, she said.

Participating mentors who apply will list what languages they speak and what sectors they have experience in, to match them as closely as possible to potential companies. There are currently 20 mentors in the scheme, based in Ireland, the US, Hong Kong, Australia, New Zealand, Denmark, The Netherlands and India.

All mentoring will be delivered online, so it can be scheduled in advance. This will also save firms from incurring transport costs to attend meetings. “I’m trying to stay within a culture of being a virtual service,” said Hinze. Some 30 start-ups have already expressed an interest in taking part, including two from Africa.

Angel Holdings plans a series of further business activities, including buying and selling companies, as well as community projects to encourage entrepreneurship, Hinze said.

The Angel Holdings platform will go live in October and its formal launch is planned for the following month, on November 14, at Bewleys Hotel in Leopardstown, Dublin. Businessman Bobby Kerr of Dragons Den fame will attend the launch, which coincides with Global Entrepreneurship Week. More information is available at www.angel-holdings.com.

[Gordon Smith]
OCTOBER

Saudi Build
October 10 to 13
One of the largest construction and building material exhibitions of the Middle East which will help Irish companies to network with developers, architects, designers, consultants and Saudi government/public departments.
V: Riyadh
E: daniel.cunningham@enterprise-ireland.com
T: +966 (1) 4881383

Digicom Technology Event
October 12 & 13
Global players such as Deloitte, Google and Microsoft to discuss what ranks as current best practice in ‘business efficiency’ and also what the future trends will be.
W: http://www.digicomevents.ie/

Aerospaces Days
October 12 & 13
Venue for space and aeronautics industry business meetings.
V: Paris-Orly Airport
W: www.aerospacedays.com/uk

Asia-Pacific Ireland Business Forum
October 14
Following on from the Asia-Pacific Ireland Business Forum in Dublin earlier this year, this event will focus on the opportunities for Ireland in Asia in the context of free trade agreements, notably recently implemented EU-Korea FTA and other EU FTAs under consideration in the region. It is being hosted by the Asia-Pacific Ireland Business Forum, which connects the Irish Community in Asia with support from the Asian GAA Board.
V: Korea, Seoul
E: alan.dixon@enterprise-ireland.com
T: +86 (21) 6279 7088
W: www.apibf.com

Trade Mission to Saudi Arabia & Qatar
October 16 to 20
Minister-led trade mission to KSA and Qatar. Opportunities to meet major private and public sector procurement departments and networking events in Jeddah, Riyadh and Doha.
V: Jeddah & Riyadh (KSA) and Doha (Qatar)
E: daniel.cunningham@enterprise-ireland.com
T: +966 (1) 4881383

Study visit to GITEX
October 16 to 20
Market study visit to the Middle East’s largest ICT exhibition, covering telecoms, banking, business solutions and consumer electronics.
V: Dubai
E: nasser.zahran@enterprise-ireland.com
T: +971 (4) 3298384

GTEC 2011
October 17 to 20
Canada’s government technology event attracting over 7,000 participants at both federal and provincial government level. Enterprise Ireland will take a stand at GTEC with participating Irish companies, host a networking event and facilitate introductions with relevant Canadian government contacts.
V: Ottawa
E: marguerite.bourke@enterprise-ireland.com
T: +1 (416) 9345033

Restructuring Workshop
October 19 & 20
This one-day workshop will focus on the early warning signs of a cash crisis, how to restructure debt and look at the differences between insolvency, receivership, examinership and liquidation.
V: Dublin (19th) & Shannon (20th)
E: tom.early@enterprise-ireland.com
T: +353 (1) 7272942
W: www.enterprise-ireland.com/financeforgrowth
Pharma Services Market Study Visit to China

October 23 to 28
The schedule will include attendance at the China Pharmex exhibition and meetings with Chinese pharmaceutical companies.
V: Shanghai & Guangzhou
E: tony.wang@enterprise-ireland.com
T: +86 (20) 86662450

2011 TIF Annual Conference
October 27
The theme for this year’s Telecommunications and Internet Federation conference is ‘The Global Digital Consumer’.
V: Dublin
E: carolyn.doumeni@ibec.ie
W: www.tif.ie

Business Mission to Slovakia – Bratislava
October 26 to 27
V: Bratislava
E: marion@dublinchamber.ie
W: www.een-ireland.ie

Med in Ireland 2011
October 27
Med in Ireland 2011 is Ireland’s leading medical technologies and healthcare conference and exhibition, with over 200 international visitors expected to visit and meet with Ireland’s leading indigenous life science companies.
V: Dublin
E: rosemary.durcan@enterprise-ireland.com
T: +353 (1) 7272654

Dublin Web Summit
October 27 to 28
Dublin Web Summit 2011 promises to bring world class entrepreneurs, investors and influencers to Ireland to talk and meet with the web community.
V: RDS, Dublin
E: daire@dublinwebsummit.com
T: +353 (85) 1419072
W: www.dublinwebsummit.com

NOVEMBER

Study visit to Minnesota’s Medical Device Cluster
November 1 to 3
Minnesota is one of the three main medical device clusters in the USA, houses over 600 medical device companies from Medtronic and St Jude to SME sized medical device companies.
V: Minneapolis
E: eddie.goodwin@enterprise-ireland.com
T: +1 (617) 2351606

International Investor Forum
November 2
This one-day event will provide an opportunity for investors to meet with innovative Irish companies seeking investment funding. Showcasing approximately 30 investor-ready companies from across ET’s portfolio, with guests attending from leading venture capital firms throughout Europe, North America and Asia.
V: London
E: cian.daly@enterprise-ireland.com
T: +353 (1) 7272684

Trade Mission - South Africa
November 7 to 9
This trade mission offers clients an opportunity to visit the market, meet buyers, build relationships and increase sales. It will focus on opportunities in the elearning, telecoms and financial services sectors.
V: Johannesburg - Cape Town
E: fred.klinkenberg@enterprise-ireland.com
T: +353 (1) 7272921

BATIMAT France 2011
November 7 to 12
BATIMAT is one of the key trade shows to access building materials decision makers and distributors in France.
V: Paris
E: rory.mcneill@enterprise-ireland.com
T: +33 (0) 153 43 12 43

Start & Grow Enterprise Expo
November 18
For entrepreneurs, innovators and business people, the Start and Grow Enterprise Expo promises to provide a one-stop-shop for entrepreneurs and businesses to start and grow.
V: Tullamore Court Hotel, Tullamore, County Offaly
E: omartin@offalyceb.ie
T: +353 57 935 2971

How to Negotiate and Administer Framework 7 Grant Agreements
November 24
One-day course offering a strong set of templates and project management tools for negotiating and administering Framework 7 grant agreements.
V: Enterprise Ireland, East Point Business Park, Dublin 3
W: www.fp7ireland.com

Competitiveness Workshop
November 24 & 25
This workshop will examine how to develop and assess the financial implications of strategy to decrease unit costs, by cost-cutting, increasing line productivity, re-organising the plant, re-positioning on value-chain through outsourcing and customer development.
V: Shannon (24th) and Dublin (25th)
E: tom.early@enterprise-ireland.com
T: +353 (1) 7272942
W: www.enterprise-ireland.com/financeforgrowth

DECEMBER

CEO Forum
December 1
Half-day forum jointly organised by Enterprise Ireland and Deloitte, as a networking event exclusively for chief executives in Ireland.
V: Dublin Castle
E: jackie.whelan@enterprise-ireland.com
T: +353 (1) 7272742

Succession & Transforming Your Business
December 12 & 13
One-day workshop dealing with how to approach a business succession event by creating a well structured plan that incorporates a comprehensive financial model of your current position, income requirements and business worth.
V: Dublin (12th) & Shannon (13th)

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.
V: Various locations in Dublin and regionally
W: www.enterprise-ireland.com/en/Events/

Email details of your forthcoming business events to the.market@enterprise-ireland.com
Southeast Asia seems like a good bet for any firm in the construction industry: rapidly industrialising countries like Indonesia and Vietnam have been drawing in foreign investors with an eye on a population of 200 million (Indonesia) and an affordable workforce.

Keen that their new factories in the ASEAN region are constructed to exacting standards, multinationals are turning to Irish construction materials firm Kingspan for modern, energy-efficient building materials not available locally. The firm, which specialises in roof, wall and controlled environment panel solutions designed for longevity and thermal properties, is now putting together a strategic plan for the region and regional manager David Tyndall sees ‘much more of a push’ coming in 2012 to 2014.

Regional Head Installed as the company’s regional head in a new Singapore office, Tyndall has spent the last 18 months trying to get his head around it all, “seeing what will fly here.” Tyndall opened Kingspan’s Southeast Asia office when the firm dipped its toe in the region as part of its efforts to diversify beyond its core markets in Europe and more recently the USA and Australia.

With 80 offices and 50 manufacturing bases globally, Kingspan has weathered the European economic malaise by expanding into growth markets. The group’s profits rose 8 per cent last year to €67 million, at least partly due to a diversification strategy, which has also seen Kingspan open an office in India and the Middle East and appoint a distributor in China.

Barely two years old, the Singapore office began with a meeting with Enterprise Ireland’s Pat O’Riordain in 2009 - he suggested an office in Enterprise Ireland’s ‘incubation centre’ for Irish firms in Singapore, recalls Tyndall. “It was a low-cost, low-risk way to test the market.” And it’s worked out: while Southeast Asia remains a minor contributor to Kingspan’s 2010 revenues of €1.2 billion, it’s a market with a very positive outlook for the firm, says Tyndall.

Importantly, he adds, sales here support the firm’s manufacturing base in Australia.
The 38-year-old Drogheda native himself trod a novel path into the business: after a stint in Dublin accounting firm Brenson Lawlor and commercial roles in two technology companies, he jointly set up ‘Fibrecon Cladding Systems’ which developed and manufactured a unitised wall panel system for the off-site construction industry. When Kingspan bought the firm in 2006, Tyndall joined the Cavan-based firm.

Married with two kids, all now settled in Singapore, Tyndall says the first 18 months there have been about “identifying is there an opportunity here, and secondly how to address it and importantly trying to pick up a few projects to make it pay and provide a local reference”. Kingspan settled on Singapore as a regional base because it’s dead in the centre of the region, easy to travel from, and importantly a regional base for many engineering and architectural firms servicing Southeast Asia.

**ROUTES TO MARKET** That’s important given Kingspan has two routes to market: convincing regional architectural firms and selecting local contractors who will install its products in key markets like Indonesia, Vietnam and Malaysia. “We try to influence architects and specifiers at the early stage,” explains Tyndall. Architects hired by multinationals are briefed by Tyndall on the thermal and fire-prevention qualities of Kingspan panels. He also pitches benefits like speed of installation, durability, sustainability and low maintenance costs.

The goal is that Kingspan products will be specified in the architects’ drawings for contractors. But, all the while, Kingspan also seeks out partners in each of its markets who’ll install its panels. Kingspan also goes to contractors, effectively selling them the panels while providing technical support and training on installation.

A clearly beneficial partnership is with PT Techno in Indonesia, with whom Kingspan has partnered on nine projects, including projects for Danone, Glaxo SmithKline and Unilever. “We became aware of them three or four years ago,” recalls Tyndall who made it an early priority to cement a relationship with the Indonesian company. Kingspan recommends getting Southeast Asian builders to switch from an outdated reliance on cement and bricks is key to Kingspan’s future in the region.
PT Techno as the installer for its products and trains the firm’s staff on installation techniques. In turn, PT Techno exclusively uses Kingspan panels.

Getting Southeast Asian builders to switch from an outdated reliance on cement and bricks is key to Kingspan’s future in the region. Tyndall talks a lot about “educating the market”. He says countries like Vietnam and Indonesia are still in love with concrete – local builders aren’t yet au fait with steel structures commonly used in key Kingspan markets like Europe “…so you have to change the mindset.” Locals, however, are slowly becoming more conscious of the potential to reduce energy costs, and Tyndall is accordingly tapping into this trend, pointing out the benefits of better design and modern building materials.

Clearly, however, Kingspan has an edge in winning business from multinationals, which, in a globalised economy, set standards for their global operations. “They like to work with an international firm that offers a warranty,” explains Tyndall. Kingspan found it could fill a void for multinationals like Unilever and Nestle keen to roll out new plants but unable to find local suppliers making building materials that measured up to global standards. “Of course, you’ve also got to offer it at the right price,” stresses Tyndall. “Multinationals will pay a premium, but not an excessive one, for quality.”

**GLOBAL TO LOCAL** While the bulk of Kingspan’s business has come from multinationals, there’s also the chance to pick up local clients: a Thai food corporation and an Indonesian pharmaceutical firm are currently evaluating Kingspan systems – they’re trying to get their buildings to the standards of western peers as they seek lucrative contract manufacturing deals from western clients, explains Tyndall. Such food and pharmaceutical manufacturers with global ambitions find their buildings have to meet more onerous hygiene and safety specifications, even to meet insurance requirements. Risks have to be mitigated, which is where Kingspan comes in, with materials tested and certified to several global standards.

Ambitious local corporations are starting to see other value propositions of a high
performance envelope on the building – how it’ll affect the balance sheet in terms of operation costs and how it will hold its value in ten years time. The company has secured a recent commercial project in Singapore, where a large, locally-based construction company has chosen Kingspan panels for the building envelope.

Interestingly, however, environmental credentials rarely register with Southeast Asian clients selecting building materials. While elsewhere, Kingspan has been adept at exploiting demand for environmentally-friendly building materials, it’s clear the green trend will take a while to catch on in Southeast Asia. While Singapore has made noise with its green building standards, the rest of the region is made up of developing economies, where buildings are judged first for their functionality and safety. “It’s one step at a time,” says Tyndall. Sure, multinationals in the region have their global benchmarks, which often specify environmental performance benchmarks. “But otherwise, in Indonesia and Vietnam, environmental concerns emerge more as ways to cut operational costs rather than to cut down on carbon dioxide emissions.”

Aside from competition from some European, Korean and Chinese manufacturers supplying similar construction panels, Tyndall’s key challenges are identifying contractors, while also convincing architects of the many benefits of its light-weight, thermally efficient panels.

The next big move is getting country managers on the ground, firstly in Indonesia, then Vietnam. They’ll be managed out of the regional Singapore office, according to Tyndall.

So does he have advice for firms thinking of following Kingspan’s lead and tapping Southeast Asian demand for construction materials? “You need to have a very clear value proposition, you need to offer some benefits that are not available locally.” Forget about competing on cost, says Tyndall, particularly if importing into ASEAN states which enjoy tariff-free trade, unlike outside firms who face import taxes. He also advises firms thinking about the region to find local partners “who can add value, who can introduce you to projects.”
It used to be buyers who were warned to be on their guard. But in recent years, today sellers need to understand some of the changes that have happened in big buying organisations if they are to avoid a bruising. So warn John O’Gorman and Ray Collis, facilitators on a newly expanded module in Enterprise Ireland’s International Selling Programme, which looks at buyer perspectives. They tell Mary Sweetman why, in today’s buying environment, sellers need to beware.

Collis says the module is essentially about “prising the door open” to give insights into the buyer’s world. “It’s not just about how we are going to get the buyer to buy, but how we are going to help the customer to achieve what they want and, as a result, increase our own sales success.”

This focus on briefly standing in the buyer’s shoes makes the programme innovative, O’Gorman claims. “It’s a 360-degree view of selling, which has really come to the sales profession quite late in the day. Most sales books and courses are focused on pitching, presenting and closing. Incredibly, they virtually ignore the viewpoint of the buyer – he or she is simply there to be sold to.”

“At the start of the workshop, we basically ask salespeople what they would do in an organisation to get most impact on their bottom line. Inevitably, they say they would cut costs, and that’s essentially what procurement people are being asked to do right now.”

**PROCUREMENT AT THE ELBOW**

Consequently, buying organisations are investing heavily in processes, structures and training to enable their procurement people to buy more effectively.

“The objective is to have a procurement
executive at the elbow of every engineer and manager,” Collis says. “These large organisations increasingly have the objective of controlling what they manage can write cheques for and who they can select as a supplier. Between the elbow and the pen is the procurement specialist, who has seen 100s of sales people and heard countless pitches. It’s their job to be an impediment to a lot of the sales techniques that we, as a profession, relied on in the past.”

Yet Collis and O’Gorman argue that most sales courses and books continue to focus on a dominant model of selling, with the sales personality and influence, persuasion and technique-selling at the core. What they don’t take into account is that quite often sales people are selling to people who are as intelligent and experienced as they are – or to the economic buyer who has rules and regulations to follow that override influence and personality, such as that invite to the golf event or the networking reception.

“The procurement professional is the natural enemy of the relationship-based sale and the traditional mode of selling,” O’Gorman says. “They are curtailing the freedom of movement of those people to whom we were selling quite comfortably to before.”

That is not to say that selling should be devoid of emotion. From early on in the engagement, he recommends that sales people “tell stories” of successful implementations to capture imagination at the highest level so that the conversation can move beyond purely focusing on costs and benefits and valuable information can be shared. “That’s what is going to get the most senior people thinking and trying to connect the dots... if they have achieved those benefits for other clients maybe we can achieve them too,” he says. “You are selling the impact with stories of other successes right from day one.”

Another tip O’Gorman offers is that buyers can only make certain commitments at each step of their own process. Knowing what those commitments are and working at the pace of the buyer is crucial, he says. “The sales person can sometimes be a step ahead and want to rush things through. We would say ‘Stop selling; slow down to the pace of the buyer’.”

**BUYERS GET TOUGH** O’Gorman and Collis say that they keep their ears close to the ground, regularly attending major international networking events and conferences for the procurement profession. A buzz-phrase they hear emerging is the term ‘benefit realisation’. This is about the buyer saying ‘yes we believe in the benefits, but are they really realisable?’ to the point that they have to be 100 per cent sure they are going to protect themselves against all risks associated with the purchase decision.

At these events, there can be an element of bragging going on, Collis adds, because these people are very senior executives who have the ear of the CFO and CEO, and they are impacting on the bottom-line of the business. “They all have targets about cost reduction,” he says.

“Regularly at procurement conferences, figures of 25 and 30 per cent are being held up as the benchmark that procurement specialists should be cutting off costs by employing procedures and rules and driving them throughout the organisation, particularly for complex projects like IT services or management consulting services.”

The word in the industry, he adds, is that for the moment, sales people are easy prey. They are not expecting procurement to turn up in the negotiations in the final stage; they are not aware of the processes and rules and so on, so it’s easy to pull one over on them. The sophistication being employed in buying is now outstripping that which sales people understand or are equipped to deal with.

“Every sales person has stories about being beaten over the head on price or protracted negotiations or competitive processes that they find increasingly severe and demanding,” Collis says. “So our piece in the International Selling Programme is about trying to even out the field a bit and balance what has become an uneven relationship, where buyers have all or most of the power and sales people are chasing fewer customers.”

At the end of the buyer module, participants will be asking themselves and asking their customers three questions, he says: How is the buying decision going to be made? Why – what do they want to achieve through the purchase? And who is going to be involved in making the decisions?

“If you know how the decision is going to be made – the steps and the processes and the procedures – and you know why the decision is going to be made, in terms of the logic and the rationale and the business case, and you know who is going to make the decision in terms of who is going to be consulted and involved and who is going to ultimately sign-off, then you are in a wonderful position in terms of being able to influence the sale,” he concludes.

**OCTOBER 28TH: CLOSING DATE FOR NEXT INTERNATIONAL SELLING PROGRAMME**

Delivered in partnership with Dublin Institute of Technology, Enterprise Ireland’s International Selling Programme aims to provide proven and practical selling tools and techniques, with nine modules delivered by international sales experts. Learning is also supported by an experienced business advisor who engages with participants as programme milestones are completed. Topics include strategic positioning, the sales process, competitive selling, marketing intelligence, the international buying process, global business culture and international negotiation, new customer acquisition, routes to market, and meetings with buyers, with the ultimate programme output being a cohesive export-led sales strategy for the company.

The next International Selling Programme will be delivered between January and November 2012, with a closing date for applications on October 28, 2011. For further information, contact Mariam Dadabhay on 01 7272764 or email internationalselling@enterprise-ireland.com.
PEOPLE POWER
“Our people are our greatest strength and our competitive advantage,” declares Boeing’s mission statement. But as the American entrepreneur and founder of GoDaddy puts it: “Let’s be honest. There’s not a business anywhere that is without problems. Business is complicated and imperfect. Every business everywhere is staffed with imperfect human beings and exists by providing a product or service to other imperfect human beings.” The test of good leadership is being able to effectively harness human resources to meet business goals. People are simultaneously most companies’ biggest opportunity and challenge. In this issue, Fiona Reddan looks at how bringing in outside talent through board appointments can boost your business, and Ian Campbell finds out how the recession is impacting on employee engagement.

Fiona Reddan finds out if there’s a winning formula to building better boards.

When Michael Cordner, chief executive of MindConnex Learning, a start-up e-learning company, went looking to appoint two new directors to the company’s board earlier this year, he was sure of the qualities he was looking for. “We already have a core team of e-learning designers who are world class at putting products together, but we realised that we needed to bring on board members who already had the knowledge of building up companies internationally,” he says. This led him, and co-founder Dr Fergus Connelly, to John McMahon, current chairman of BNP Paribas Ireland and adjunct professor at the University of Limerick’s Kemmy Business School.

SYNERGIES: We brought John on board initially because he has a lot of experience in building up international companies. One of the things we’re looking for primarily is people who can complement the skills that already exist on the team,” says Cordner.

Another benefit that McMahon brings to the table in his role as chairman is the fact that he led the $640 million flotation of aircraft leasing firm Genesis Lease on the New York Stock Exchange in 2006. Given that an IPO is also a scenario that MindConnex would like to be working towards, the synergies are clear. Similarly, Paul Kerley was brought on board as a non-executive director (NED) at MindConnex due to his experience at technology firm Norkom, where he had first hand experience of building a business from nothing to an international competitor. Earlier this year, he orchestrated the sale of the business to BAE Systems for €217 million.

Cordner, who had previously worked at Norkom, had first-hand experience of the quality of Kerley’s management skills and “wanted to tap into that”.

Board games
MindConnex’s focused approach will likely bolster the company in the next stage of its development, as there is no doubt that selecting the right directors can reap dividends for a company. It can open up a world of new contacts, allowing companies to draw on a wealth of previously untapped experience, and perhaps most importantly, can immediately bring companies closer to their target markets.

**THE RIGHT MIX** For Colm McDonnell, a partner with Deloitte, board selection is critically important because of the integral role of non-executive directors (NEDs). “They have to be competent, independent and have time to be prepared. You must be comfortable with their ethics and that they are aligned to you and are comfortable to be an ambassador on behalf of your firm,” he says.

It’s also all about making sure the balance is right. “You don’t want all accountants because they have no vision, but you don’t want all marketers because they have too much vision!”

Also, a tendency to go for very experienced retired professionals can pull companies away from target markets. “You need a mix that reflects both what you want to do internally as an organisation and what your customers might look like,” McDonnell advises.

Indeed the search for the right balance led start-up Moir Technologies, which has developed a 3D paper printer, to its most recent board appointment. The company appointed John Ryan as chairman, following a $1 million investment from the venture capital group of which he is managing partner, the Wilde Angels Investment Fund.

Ryan has been based in Silicon Valley in California since 1974, and he co-founded Rovi Corporation, which is listed on the Nasdaq with a market value of $5 billion. “If we had a wish list of someone you’d like, he’d be the man,” says Moir chief executive Dr Conor McCormack, adding, “he’s an unbelievable chairman to have”.

“It’s very important we have someone who has an understanding of the manufacturing industry and also has experience in a start-up, all the way through from start-up to exit”. Bringing on directors based internationally can also open up a stash of new contacts, as Moir discovered when it got a chance to pitch at an Irish Technology Leadership Group (ITLG) event in southern California recently. In a room full of top executives, the company got its chance to shine.

And the right directors can also pay dividends when it comes to recruiting the right employees. Key hires can be difficult to bring on board, but can get easier if they see a “glimmer of a big success” which may be heralded by the arrival of big names on the board, notes McCormack.

**RESPONSIBILITIES AND REWARDS** But what are the duties of NEDs and is it easy to find them? While there are no specific legal requirements to have non-executive directors on a board, it is good corporate governance to do so. For Cordner, having such experienced directors on the board of Mindconnex will, he hopes, “instill a sense of good corporate governance that you don’t often find in early start-ups”.

As George Brady, a partner in the corporate and commercial group at Matheson Ormsby Prentice, points out, there is no difference in the legal obligations that a director owes a company, whether the person is a NED or an executive director.

“There is clearly a duty on directors, even on NEDs, to spend sufficient time on the business, to be relatively actively engaged, understand what is going on, and to be in a position to supervise and discharge their obligations,” he says.

After all, directors must sign off that the company is compliant in various matters – and if it isn’t, then the director can be held liable. In this regard, “the days of having a quick board meeting, then lunch and a glass of wine are over,” notes McDonnell, pointing out that today, directors must dedicate significant time to their role. In the case of reckless trading, for example, directors can be personally held liable for those debts.

“The director owes fiduciary duties to the company, such as acting in good faith and in the best interests of the company,” Brady notes, adding, “Typically, they are extremely well versed in the risks they are assuming and are in a position to understand what they have to do to mitigate that risk”.

Fees for NEDs will vary depending on the quality of candidates the company is hoping to secure, as well as how much work is involved in the role. But it can be worth it. “I’ve rarely heard a company complain about the fees paid to a good NED,” notes Brady.

**FINDING THE RIGHT DIRECTOR** However, given the risks involved in acting as a director, some experienced professionals can be wary
about taking it on, which means that it’s not always plain sailing when it comes to finding directors.

“IT’S CERTAINLY NOT SOMETHING TO BE TAKEN LIGHTLY, AS IT DOES COME WITH A SIGNIFICANT DEGREE OF RESPONSIBILITY,” AGREES BRADY.

As such, “TO TRY AND FIND NON-EXECUTIVE DIRECTORS IS GETTING HARDER AND HARDER”, NOTES MCDONNELL. WHILE IT IS FINANCIAL SERVICES COMPANIES WHICH ARE BEING “CLOBBERED WITH REGULATION” AT PRESENT, FOLLOWING THE GLOBAL AND DOMESTIC FINANCIAL CRISIS, MCDONNELL FEARS THAT INITIATIVES SUCH AS THE CENTRAL BANK’S NEW FITNESS AND PROBITY REGIME, WILL “LEAK INTO ALL COMPANIES”.

“It will be shareholder demand, not regulator demand, which will be looking for that fitness and probity,” he says.

REGULATORY CHANGES ON THE WAY

And there are more regulatory changes on the way. Earlier this year, the draft Companies Bill 2011 was published, although it will take some time to come into law. Brady perceives the Bill to be a positive step forward from a director’s perspective, as it consolidates the existing legislation as well as codifying the obligations of a director, putting those fiduciary duties in the Bill in a pretty simple and precise way. “A director from outside Ireland can understand what obligations they have,” he notes.

McDonnell, however, sees both “pros and cons” to the Bill, noting that it “demands top quality delivery from non-executive directors”. Combined, these factors can make it more difficult for companies, emerging ones in particular, to attract candidates of the calibre they would desire.

“As a start-up, you grab them (directors) with both hands if someone you want says yes - you can’t be too selective,” McCormack notes.

When recruiting candidates, there are a number of avenues open to companies. The Institute of Directors (IoD) has a database of potential candidates, while professional services companies can recommend possibilities or carry out a formal executive search. Moreover, State agencies such as the IDA and Enterprise Ireland may also assist in the search for a director, but perhaps the most common tool is drawing on personal networks of contacts.

This was true for MindConnex when it went to look at expanding its board earlier this year. In fact, Cordner doubts that he would have been to attract directors of the calibre of McMahon and Kerley if he had been unknown to them.

However, McDonnell cautions against selecting directors in order to avoid conflict. “One shouldn’t be scared of conflict. You can’t have a supporters club only,” he says. Indeed, he suggests sometimes the best match for a director is a “critical friend – someone who is happy to share the good and the bad”.

“AS A START-UP, YOU GRAB THEM (DIRECTORS) WITH BOTH HANDS IF SOMEONE YOU WANT SAYS YES - YOU CAN’T BE TOO SELECTIVE”

DR CONOR MACCORMACK
MCOR CEO
Even before the recession, employee engagement was a management challenge that companies struggled to master, a difficult balancing act between driving individual productivity and encouraging loyalty. Start-ups in particular are often too preoccupied with their big idea to give their staff the time of day, a mindset that’s hard to change as more people chase fewer jobs.

In tough economic times, the threat of unemployment hangs over employees like the Sword of Damocles, prompting less scrupulous organisations to crack the whip and demand more from staff. Even companies with the best intentions are struggling to keep staff engaged. People are working harder, filling gaps left by colleagues who have been made redundant at the same as taking salary cuts and losing bonuses. At all levels, in all organisations, employees are feeling the strain.

This has created “ghost turnover”, a phenomenon which describes employees who have left an organisation mentally but still turn up to work because they can’t get a better job elsewhere. Psychometric assessment specialists SHL came up with the phrase and highlighted the scale of problem. Its research revealed unprecedented levels of job search activity in 2010, estimating that up to 72 per cent of employees were looking to make a career move.

Management consultant Ken McIntyre-Barn describes the cumulative effect of this as a “ticking time bomb” that will see a mass exodus of employees out of companies when the economy does turn. “I’m seeing it in the US and the UK, and a little bit in Ireland. There is an issue in employee engagement,” he warned. “There is a global race for talent as organisations look to the future to take advantage of the recovery when it does happen.”

COMMUNICATION IS CRUCIAL So how do you make sure your company doesn’t fall foul of this doomsday scenario?

“If a company has worked hard on employee engagement strategies, the worst thing they can do is change because there’s a recession,” said Claire Dunne, an independent HR consultant. “You need employees to be even more engaged when times are tough, but you will have to change your strategies because you won’t have the rewards to give them that you previously had.”

She said communication is key regardless of the industry or the state of the economy. “But it’s only part of it because if you don’t deliver on what you are communicating, you will lose the trust of people anyway,” she warned.

Billy Linehan, who runs Celtar consultancy, said American multinationals excel at this, using very formal information channels. “Companies like Microsoft and Google have very sophisticated channels for explaining their messages to their staff on a regular basis. Seeing quarterly performance updates gives employees comfort and a strong idea of where the company is heading.”

There is no reason why this approach can’t be transferred to smaller firms. Some indigenous
companies have a “we’re all in this together” attitude that propagates good relations, but it isn’t always the case. “Many small businesses are afraid to communicate what’s happening. They hesitate to share information, which leads to distrust and dissatisfaction,” said Linehan.

This culture sits uncomfortably with a Generation Y workforce that expects information to be readily available to them at all times. “Best practice is to share as much as you can because people can look up company accounts anyway,” he said. “And if they can’t make sense of the figures, they will find someone who can. They are only an email away from all the information, so you might as well share it.”

The mechanics of good communication will vary. Technology has improved openness with intranets proving useful for disseminating information internally. “Communication becomes easier when you focus it into one space where it can be updated regularly online, as opposed to printing out policies and leaving them in two or three locations,” said Claire Dunne, “but nothing beats a face-to-face meeting with senior management. There is a connection that is always missing electronically.”

Making people feel they have a valued role in the company is paramount. “If they are just another cog in the machine, they won’t have a feeling of connection or commitment to the company. They have to feel they are helping to deliver a service to a customer or helping bring a product to market,” she said.

Now more than ever, dialogue between management and staff should reinforce business objectives, according to Linehan, because there will be less time and money for other career supports such as training and formal mentoring.

“I’ve worked for tech companies that have monthly staff meetings where everyone gathers in the foyer over a takeaway pizza and in other companies where directors make a point of walking around and talking to staff and finding out what’s happening on a day-to-day basis,” he said. “Both approaches help and anyone can do them.”

There should be monthly or bi-weekly meetings for team updates with line managers and individual performance reviews at least twice a year. “These will be most effective if there is a two-way conversation where the employee gets to express their feelings about their career progress and the company,” said Linehan.

**SHARED GOALS** The endgame with all this dialogue is to ensure that the organisation and employees have a clear understanding of each other and their shared goals. “If an individual knows what their job is about and what they’re contributing in their micro way, they will be much more comfortable about the way the company measures their performance. That creates a positive atmosphere and makes it a nice place in which to work,” said Linehan.

Richard Dunne is a consultant who has run the HR function for a number of multinationals in the medical device and pharmaceutical sectors. “The glue that binds it all together is making sure a person’s opportunities within the company are tied to the overall organisational goals,” he said.

Having worked for large US firms, he has seen first-hand the benefits in having talent and performance management programmes that take employees on a career trajectory that suits both sides. “You work out a programme of development over a number of years, agreed with the employee to make sure they get what they want out of it.”

With agreed performance targets, whether it’s a 5 per cent increase in sales or a 10 per cent cut in overheads, it will be up to each department and then each individual to play their part in achieving the goals. “If people are not synchronised or working to the same goals, it’s a sure sign that communication and leadership strategies have broken down,” said Dunne. “You end up with an organisation that is constantly fire-fighting.”

As a profession, HR has often struggled to be taken seriously at board level, to the extent that its exponents were among the first to lose their jobs in the recession (after they were used to sack the very first casualties). “Companies battened down the hatches, cut back on training and mentoring, and reduced rewards and bonus schemes. With less HR activity, they didn’t need HR people to deliver it,” said Claire Dunne.

The signs are that a much underrated discipline may be resurfacing in a different guise and having a wider impact on organisations. Billy Linehan believes that every manager should have an element of HR skills as a core competency and it could be happening.

One positive from the recession, according to Richard Dunne, is that managers are spending more time talking to their staff. “They don’t have as much money available for training or incremental salary increases so they are putting more emphasis on personal coaching to help people reach their potential,” he said. “That’s got to be a good thing.”
Once known as an important pearling centre, its abundant oil and gas reserves make Qatar one of the most glittering prospects in the Middle East today. Shane Leavy reports that Irish construction is already there in force and creating sub-supply opportunities for smaller players.

**JEWEL IN THE CROWN**

Most countries given major sporting events like the Olympics build a “village” to house athletes and trainers. In Qatar, flush with oil and gas money, they decided to go a little further and build a city.

Lusail City will be some 15km north of Qatar’s capital Doha, but this is more than a suburb. Lusail is expected to eventually house 200,000 people in over 50,000 dwelling units; Qatar boasts that the finished city will be bigger in area than Beirut and bigger in population than Luxembourg City. The first and final matches of the FIFA World Cup 2022 will be played there, all on what they presently call a “rocky desert habitat.”
GROWTH AND GARBAGE Along with its buildings, Lusail’s infrastructure is being built from scratch, including an unusual public litter disposal system that will function under the streets.

“You put rubbish into a litter bin and it gets sucked underneath the street away in pipes, pneumatically, three or four kilometres into a central collection area,” explains Shane Curtin, sales and marketing director of Wexford’s Kent Stainless Ltd.

Kent was offered a contract to build stainless steel access points and vent grills for Lusail’s ambitious litter disposal system after a visit to its factory impressed the civil contractor.

“It’s eye-opening, the scale of what goes on over there,” says Curtin. “In the Middle East, they have just got money to throw at things. They’re building the biggest and the best. Price is a factor, but it’s certainly not the most important thing: it’s design and quality that are the main issues for them.”

The costs of construction to prepare for the World Cup alone is simply staggering. German financial analyst Dr Nicola Ritter estimated in September that the total cost to Qatar could be around €159 billion, including transport, stadiums and facilities. Not content with one massive sporting event, Doha has also put in a bid to host the 2020 Olympic Games.

Sports aside, Qatar is also rapidly modernising its infrastructure and trying to reform its economy away from reliance on the fuel exports.

STABLE OASIS The World Economic Forum’s Global Competitiveness Index 2011 listed Qatar as the most competitive economy in Middle East and North Africa, praising it for a high-quality institutional framework, a stable macroeconomic environment and an efficient goods market, though warning of concerns over the soundness of banks.

Transparency International’s Corruption Perceptions Index last year also rated Qatar highly, ranking it by far the least corrupt country in the Middle East, scoring better even than UK or France. Its low corruption and economic stability are matched by unusual political stability. Qatar has so far escaped the uprisings of its Arab neighbours.

“It probably is the most stable…. If you look at the average Qatari, the wealth is distributed, there’s barely any unemployment, there's no poverty in terms of the national population,” explains Enterprise Ireland’s construction contact for the Middle East, Anthony Cahill. “Domestically, and in terms of security and stable market, I don't see that changing.”

ARABIAN NIGHTS Cahill points out that cultural differences between Ireland and Qatar may not play a very significant role in working there since Irish companies often work heavily alongside other international firms, as well as Qatari customers. A knowledge of Arabic is not essential as most negotiations will be in English, though companies might benefit from producing Arabic sections on their websites or business cards.

Yet Qatar’s business environment does pose some challenges to Irish companies.

“The speed at which they require things to be made, and the flexibility they require is very different to something we see here,” Shane Curtin explains. “At home, you would see something designed and signed off within a couple of months of notice before it’s required. Over there, an awful lot of last-minute stuff is done, last-minute changes and stuff like that.”

On signing its initial order, Kent’s customer originally wanted delivery in an impossibly short two months. Even with the order stretched to around six months, Kent had to employ twenty extra workers and turn down an opportunity to work on infrastructure for London’s Olympic Games to keep its Qatari contract.
In February, The Market reported on another Irish construction company making waves in Qatar: Mercury Engineering worked on a project that harnessed solar energy to cool a prototype stadium in Doha from around 40°C to just over 20°C, helping secure Qatar's 2022 World Cup bid. Mercury also reported a short time-scale with a non-negotiable deadline: ten weeks of work with absolutely no extension as the stadium had to be complete in time for the FIFA delegation's visit.

Shane Curtin adds that the fact that Islam's day of rest is Friday, and Qatari business continues on Saturday and Sunday means that “there’s no such thing as having the weekends off anymore”.

Anthony Cahill says that Ireland’s construction presence has focused more in Saudi Arabia so far, but that Qatar and United Arab Emirates are areas of major potential. Qatar has, he estimates, fifteen to twenty Irish construction companies already operating, with more in the early stages of prospecting business. “We’re seeing a lot more traffic and a lot more enquiries about Qatar so I imagine that number would easily exceed twenty-five if not thirty within the next twelve months,” he adds. “The concentration of Irish companies in the region in general has shown a big increase over the last couple of years so the more companies look at Qatar, it does seem to offer longer term opportunities for them.”

Another Irish company involved in Qatar is Control Equipment Ltd (CEL), a switchgear and control panel manufacturer, which entered the Qatari market over two years ago. After completing three projects in Qatar, CEL has received orders for four projects in New Doha International Airport. “To enter a market already well served at local level by the major players was considered a big risk; however, there were opportunities for European supply equipment,” says managing director Vincent McDermott.

“The approval process has been the biggest obstacle to succeeding in the market. Unlike the Irish market, full technical submittals are required, followed by a long approval process before any order is confirmed. This has been an expensive process, which requires a lot of patience and perseverance. We have stuck with it and are now being rewarded. The projects are big, and, due to the long approval processes, lead-times are short.”

SCRAMBLE FOR QATAR Anthony Cahill says that Ireland’s construction presence has focused more in Saudi Arabia so far, but that Qatar and United Arab Emirates are areas of major potential. Qatar has, he estimates, fifteen to twenty Irish construction companies already operating, with more in the early stages of prospecting business.

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STRIKE THE IRON The successful World Cup bid has attracted greater attention to Qatar’s construction possibilities, and the country is experiencing a rush of interest from international companies looking to grab contracts. “Certainly from an Irish company point of view, I think the time to be in Qatar is over the next twelve months,” says Anthony Cahill, “to start building up relationships with a view to the market really kicking on within three years in terms of increased construction activity.”

Cahill adds that it’s important to make the investment in finding the right contacts and reliable business partners. Cost-of-entry in the Middle Eastern markets is high, so companies must evaluate their options in advance.

A helpful trend has been for Irish companies already doing business in Qatar to involve other companies they know back home. The agent who contacted Kent Stainless had been initially referred to them by other companies working in Qatar. The result of that connection was a contract worth “a multiple” of any other contracts Kent had worked on in recent years, and an increase of turnover in 2011 of 30 per cent.

Though warning of high costs, Vincent McDermott says CEL is going to target more infrastructure projects in Qatar in the coming years.

“Our advice to other Irish companies wishing to work in the region is to be patient,” he concludes. “It can be a long learning process and competition is very tough; however, there is a lot of work and if you really believe in your product or service, you can succeed. Be prepared to burn cash, learn about the cultures and read the specs.”
Europe’s biggest retail market

“It may seem to be stating the obvious but one of the big issues with France is its size. It is very important to take the issue of logistics seriously from the start.” So says Gilliane Quinn, the Irish businesswoman, and daughter of the former Superquinn dynasty, who has spent much of her career working in France. While negotiations with a French retailer are likely to take place in Paris, the danger, for a new market entrant, is “that you agree a price based on delivery to Paris and then realise you need to get the product to a completely different part of the country. It can suddenly become a very big issue,” she says.

France is the largest eurozone market for Irish food and drink products and one of Ireland’s biggest markets for lamb, seafood, beef and whiskey. It is also a major destination for Irish goods and services in general, with exports of both totalling some €9bn in 2010. However, a certain myopia persists among many Irish retail suppliers, with a tendency to view the Anglo-Saxon world as their natural theatre of operations. “We often see Irish companies with innovative retail solutions make great inroads into the UK and then suddenly stop,” Karen Hallez, Business Development Manager with Enterprise Ireland in France, says.

Acknowledging the differences in French retail are more than skin deep, she says: “There are significant differences to the model exporters will be used to in the UK. Pricing structures and purchasing process are different and there are differences in logistics, in how goods are warehoused and, depending on the retailer, where you have to deliver to. There are also certain basics that an Irish company would need to have in place to become a credible supplier.”

But the opportunities are immense: Carrefour is the second largest retailer in the world. And to get Irish companies air-space with key buyers, Enterprise Ireland, working with Bord Bia and the Irish Embassy in France, secured an innovative sourcing day as guests of Carrefour in the company’s merchandising centre outside Paris.

The day was historic on a number of fronts, being the first occasion that Carrefour entertained a group of suppliers on a national basis. Thirty-five Irish companies – among them, food and drink suppliers and innovators in retail technology – participated, meeting with over 25 Carrefour category buyers in a series of 30-minute ‘speed dating’-style meetings.

While the event was centred on France, Carrefour’s international operations were also firmly in the picture. “An Irish company selling to Carrefour is not just selling to France but, potentially, far beyond that too. A lot of decision-making is centralised and could then be implemented all over the world,” Hallez says.

Participants estimated the potential value of business leads generated by the day to be in excess of €3m and the ‘national day’ model has since been replicated in the UK with the Lloyds Pharmacy group, while Enterprise Ireland’s German team is looking to apply the approach there also.

France and Germany are Europe’s two biggest retail markets. Donal Nugent looks at the lead players, vital statistics and what makes them tick.

CONTINENTAL SHELVES
**FRENCH MARKET**

**KEY FIGURES AND QUIRKS**
- Private label: 25.2% in value
- Largest eurozone market for Irish food and drink
- 8D grocery shopping trips/year on average in 2007, compared to UK (204), ROI (176)
- Frozen food more acceptable than elsewhere in Europe
- Still enjoy cooking, but fewer preparing meals from scratch: only 44% on a daily basis (vs. 29% in ROI)

*Source: Bord Bia (2008)*

**MARKET SHARE**
- Hypermarkets 34%
- Supermarkets 33%
- Independent 17%
- Convenience & freezer centres 9%
- Other 7%

*Source: TNS Marketing Book (2007)*

**MAJOR PLAYERS**

**Market Share/Market Strategy**
- Carrefour Group 21.4%
- ‘all under one roof’
- E. Leclerc 17%
- price
- Casino Group 13.1%
- convenience
- Intermarché 12%
- price
- Auchan Group 11.1%
- lifestyle
- Système-U 9.1%
- consumer-focused
- Cora Group 3.2%
- ‘all under one roof’

*Source: Enterprise Ireland*

**LOGISTICS AT A GLANCE**
- Carrefour: Warehousing at the manufacturer’s cost on two sites
- Leclerc: 16 warehouses
- Casino: Warehousing at the manufacturer’s cost on one site
- Intermarché: 12 warehouses
- Auchan: Five warehouses.
- Système-U: Five warehouses
- Cora: Two warehouses (north and east)

*Source: Enterprise Ireland*

**MARKET DIFFERENCES**

The French may not have the reputation for being as price-sensitive as the Germans but, as the prevalence of hypermarkets confirms, they have a passion for a good deal. “In the food industry, one of the words that consumers in Ireland and the UK respond particularly well to is ‘new,’” Gilliane Quinn observes. “In France, in contrast, it’s the word ‘promotion’. Price is more important than novelty.” In keeping with this, the move to online shopping has intensified in recent years, taking a particularly significant leap last Christmas. The e-commerce market broke the €25bn mark in 2009 and, with more than 24m French consumers buying online, continues to grow rapidly.

The most distinctive Gallic take on online shopping is perhaps vente-privee. Set up in 2001, it is conceived as a private shopping club in which members are offered designer brands at reduced prices, satisfying the French desire for exclusivity, affordability and discretion.

“we often see Irish companies with innovative retail solutions make great inroads into the UK and then suddenly stop.”

As negotiations proceed, she stresses the importance of having French-speaking support at key meetings, both as a courtesy to the client and to pick up on the smaller details and nuances. “The French won’t mind listening to English, but they will prefer to speak in French and any written correspondence should be in French.”

Perhaps the biggest mistake anyone entering the French market can make is to assume they can blithely run their payroll from Ireland. French labour law is complex, all embracing and relentlessly enforced. Highlighting the necessity of engaging with it, Network Irlande, the Irish business association in France, held a seminar on the topic, entitled ‘getting to grips with the differences’ over the summer.

For those in need of a friendly steer, Quinn recommends Network Irlande highly. “There is a phenomenal Irish network in France, with a lot of people working under the radar,” she adds.

**PRESSURE AND OPPORTUNITY**

Sustainability and energy conservation are hugely topical in French retail at the moment. “There is a huge pressure for companies to improve their carbon footprint and do everything they can to be an ecologically friendly company,” Hallez says. “This is an area with huge opportunities for Irish companies as we have a good track record on this and Ireland is perceived to be a green place to do business.”
Private label is an ongoing opportunity for Irish food and drink companies, particularly as many are experienced in supplying the UK, the world leader in the concept. “It is, potentially, a far less onerous route than setting up a brand from scratch in a foreign market,” Hallez observes.

On the topic of labels and packaging in general, Quinn points to some subtle cultural differences worth noting. “There are certain colours that work better in France than in Ireland. The French don’t like to see food packaged in colour you can’t eat. A psychedelic green or purple is not going to go down well, for example.”

Less subtle is the fact that French consumers are among Europe’s most patriotic, meaning there is always pressure on a French retailers to source locally. “Irish suppliers need to be conscious that retailers may want to do things under the radar in many cases,” Hallez explains.

As with Germany, the bottom line is no one should enter the market without a full understanding of how it operates. “If you are serious about the French market, you do have to make some sort of investment upfront,” she concludes. “You need to get your logistics in place and you need to have maintenance and after-sales set up as well. You can’t just walk in with a great idea but not have the back-up.”

**CASE STUDY: EI ELECTRONICS**

“You have to think of the French market as the same but different,” Shane Lyons, French market manager of EI Electronics explains. “As with Ireland, it’s about building relationships with key accounts and getting recognition that, as a European company, you can react much more quickly than a supplier in the US and Asia. But it is also a much more formal business culture. You won’t be on first-name terms at the start of a business relationship and, five or six years later, you may still not be.” This sense of formality applies not only to clients, but to employees and management within a company too. A perfect example is the quick-fire email exchange typical in an Irish or UK business environment. “In France, you will be expected to observe the formalities throughout.” To do otherwise will be seen as being unprofessional, although experience has shown him that, being Irish, “you will probably get away with it, once in a while”, he laughs.

EI Electronics was originally a subsidiary of General Electrics, set up in 1960s in Shannon to supply fire and smoke alarms mostly for the US market. A management buy-out in 1988 saw the company gain a distinct identity, and it is now the largest manufacturer of smoke alarms in Europe, with some 330 employees based in Shannon and an additional 40 in international roles.

The company has been looking at the French market since 1999 but, in an industry that is essentially regulation driven, a real market is only now emerging. Smoke alarms are not currently obligatory in France but will be from 2015 onwards. EI Electronics has been directly lobbying and advocating for this change since 2004. “Our role, at the moment, is to create awareness, to encourage retailers to stock product and to encourage government authorities to promote smoke alarms,” Lyons explains. In all, some 800 people die annually in France through fire-related deaths, compared to less than 300 in the UK.

While it faces some domestic competitors, EI Electronics will be strongly pushing the message that it is the leader in Europe in terms of technology as it gears up for the market spike of 2015. A key concern will be to ensure maximum availability and awareness at the right time. “Getting the right distributor will always be an issue,” Lyons says. “You need a partner who will dedicate time to your product and work with you to ensure your product is at the forefront of their marketing and promotional work.” The company expects a doubling of sales every year over the next four years and, as smoke alarms have a 10-year life span, a longer-term replacement market will also, eventually, emerge. In terms of pricing and competitiveness, Lyons notes that “smoke alarms have not been affected by recession in France, but this is because the market hasn’t taken off yet”.

“**In France, you will be expected to observe the formalities throughout.**”
It may be the largest economy in Europe and on the surest footing to recovery, but Germany rarely springs to mind as a ‘land of opportunity’ among Irish exporters. The price-conscious German consumer is no urban myth and, while it currently enjoys robust growth, the German economy largely tread water over the last two decades, with the hangover from unification a long and protracted one. Wages, inflation and the cost of living are low – Germany’s food prices are estimated to be 15 per cent lower than anywhere else in Europe and, while the economy grew by 3.6 per cent last year, retail sales rose by just 1.65 per cent.

Perhaps the most startling evidence of what has been called a ‘brutal’ retail environment is its size. In spite of having 15m more people, the German retail market (worth €351.7bn in 2008) is some 10 per cent smaller than France’s (worth €406bn in the same year). The structure of the market reflects these lean pickings. The clothing sector is dominated by multinationals, the department store sector is under intense pressure and both independent retailers and, surprisingly, discounters are battling to hold market share.

Tough it may be, but Germany is a market Irish exporters cannot afford to ignore. “Five of the top seven European retailers are German, which means important buying and strategic decisions are made here,” Dagmar Gering, German Market Advisor with Enterprise Ireland, says. “If a company succeeds in Germany, then it is most likely that it will succeed in other markets too.”

On the high-street, the bail-out hasn’t soured relationships. German consumers are price conscious but they are much more favourably disposed towards Irish products than might be imagined.

THE PRICE IS RIGHT
German consumers are cautious by nature and less than half are currently confident about the security of their income. Continuation of the economic growth experienced in 2010, then, is unlikely to engender a boom-time mentality any time soon. Nevertheless, their purchasing power is real and no market, even one as price sensitive as Germany, is a monolith. The key is ‘quality at the right price’. The German consumer has an appreciation of quality and will be prepared to pay a price differential for it.

The story of Kerrygold butter is a perfect example of a niche opportunity successfully targeted. Kerrygold has sold as a premium product since the 1970s, benefiting from consistent marketing that links its high-quality image to the unspoilt Irish countryside. While a number of key Irish brands, notably Baileys, Tullamore Dew and Guinness, have achieved success on broadly similar platforms, recent research from Amárach Consulting suggests far greater opportunities may exist.

Amárach found that products coming from Ireland are regarded as positive by 30 per cent of German consumers. This may sound low but is well in line with other key European food exporters – the figure for France was 34 per cent and Holland 27 per cent. It also contrasts sharply with that of Great Britain, at just 16 per cent. A further positive finding was that 73 per cent of German consumers would welcome the introduction of more Irish products to the German market and are particularly interested in dairy, beverages, whiskey, tea and beer (see panel on page 34).

The research cautions that Irish companies need a clear understanding of the retail and wholesale environment in Germany before entering the market. Margins of 1-2 per cent are typical at retail level, much lower than in Ireland, and Germany sees itself as a leader in sustainability so suppliers can expect exacting requirements in terms of packaging and recycleability. With the cost of transport and logistics factored in, the Amárach report concludes that “premium, high quality” branding is the optimum route for Irish food and drink suppliers.

Many Irish food and drink companies already have experience of Germany retail culture through domestic listings with discounters Aldi and Lidl. While they are growing strongly in Ireland, the current stagnancy of the hard discounters in Germany has been one of the surprises of the recession as consumers under pressure had been expected to trade down en masse.
GERMAN MARKET

KEY FIGURES AND QUIRKS
- Size of retail market €351.7bn (2008)
- Private label: 35% in value (versus 40% in UK)
- Consumers value German test reports, certifications and expert opinion
- Willing to pay extra for specialisation and personal accountability
- Retail demand for new technology and convenience/innovation

Source: Amárach Consulting

GERMAN MARKET SHARE
- Discount stores 38%
- Independent 20%
- Department stores and hypermarkets 23%
- Supermarkets 11%

Source: Trade Dimensions (2011)

MAJOR PLAYERS
Turnover/Market Strategy
- Edeka €44.2bn
4,500 independent affiliated retailers
- Rewe €37bn
discount, supermarket, conv. store, hypermarket and cash & carry
- Metro Group €30bn
cash & carry, hypermarket, electronics, dept. stores
- Lidl (Schwarz Group) €28.4bn
discounter and hypermarket
- Aldi €26bn
discounter

Source: Trade Dimensions (2011)

IRISH PRODUCTS AND PERCENTAGE OF GERMAN CONSUMERS INTERESTED IN MORE OPTIONS
- Butter 32%
- Cheese 26%
- Whiskey 23%
- Tea 20%
- Beer 20%
- Jams/Preserves 17%
- Lamb 16%
- Chocolate 16%
- Beef 15%
- Bacon 14%
- Biscuits 14%
- Music 12%
- Clothing 11%
- Sweets/confectionary x%

Source: Amárach

Some 73 per cent of German consumers would welcome the introduction of more Irish products to the German market.

In September 2011, the now international clothing store opened its fourth store in Germany. Local media trumpeted the arrival of “affordable fashion from Ireland” as queues formed outside it on its opening day. While it is too early to predict the overall impact of Primark on the market, or assess the opportunity for Irish suppliers, its early success contrasts markedly with the failure of retail heavyweights such as Wal-Mart and Marks & Spencers to break the German market in the past.

INNOVATION German retailing has traditionally been slow to embrace new ideas but this is changing fast. Competition from online shopping, in particular, has meant “innovation has now become a key factor to ensure survival in this competitive market environment,” Dagmar says.

Metro was one of the first retailers in Europe to use radio frequency identification (RFID) technology in its stock management and the industry, as a whole, is now more open than ever to next-generation retail technologies.

Having recently been taken over by the UK, Germany boasts Europe’s second largest e-commerce market with 49m active internet users and some 200 e-commerce websites, of
Irish Dog Foods has been working with retailers in Ireland and the UK for the last 20 years and is considered an industry leader in the supply of natural, fermented and all-meat dog snacks. The company originally began supplying Aldi in Ireland and the UK four years ago, before extending into continental Europe on the strength of this. A major international contract with Lidl confirmed the company’s arrival onto the German retailing scene and Irish Dog Food now supplies 14 different markets in Europe through the German discounter route.

“Our success has been based around bringing innovative new products to the pet market,” General Manager Liam Queally explains. “The pet food market in Germany had been traditionally price-driven but the success of a number of pet store chains showed that consumers were willing to spend more on their pets. To enter that market, the discounters recognised they needed something new and innovative, which created the opportunity for us. Once you are working with the two big discounters in Germany, all the other retails will pay attention to you.”

The company, which expects turnover of some €50m this year, does most of its manufacturing in Ireland but recently acquired two facilities in the UK, which will help support its drive to innovation. “We are not looking to get into the mass market,” Queally says. “German retailers are keen and hungry for new ideas and our plan is to concentrate on the niche areas where we see an opportunity.”

Since entering the German market, all the news has been good. Working with Enterprise Ireland, the company is developing a range of new offerings and getting a very positive response. In the last six months alone, distribution with four new retail chains has been agreed. “The German market is very open to trying new products. Our success has been based on products that deliver margins to the supermarket and something new to the consumer,” Queally says.

New suppliers will often find themselves on a trial basis for the first year or two, he adds, and a common strategy is to trial the product in a few regions before rolling it out nationwide. In terms of negotiations, he describes German business culture as “very straightforward, probably more so than most other European markets. You will get your meetings and, if have something to offer and can meet their price, they will work with you.”
While contactless payment methods may have their sceptics, Conor Delvin writes that they have become a predominant emerging payment channel in parts of Asia and Europe.

Cash could be a thing of the past as near field communication (NFC) is set to hit Irish shores, providing convenience and simplicity in the consumer market.

NFC payment technology—the ability to pay for goods by swiping a smartphone or bank card at POS terminals—will potentially become the standard for consumers paying for everyday goods as it eliminates the need for carrying small change and coins.

After the recent release of a Barclays report on contactless payment, Dan Wass, head of current accounts and contactless banking at Barclays said, “Consumers are increasingly less willing to carry large amounts of change around with them and many believe that coins will become obsolete in the future.”

According to the report, two-thirds of people find carrying cash inconvenient because of the weight of coins, and 41 per cent of shoppers have walked away from small value purchases in the past because they didn't have enough cash on them.

“It is clear that shoppers are now looking for alternative methods of payment—such as contactless—which will allow them to avoid spending time fumbling for change in a queue and will take up less space in their wallet,” added Wass.

Contactless payment methods have become a predominant emerging payment channel in parts of Asia and Europe. Notably, the Balearic Islands—comprising Mallorca, Menorca, Ibiza and Formentera—host the largest multi-city deployment of contactless payment system.
in Europe. The islands’ 130,000 resident Visa cardholders received the new contactless cards to use at over 5,000 POS terminals.

Contactless payment will predominantly be used by NFC enabled cards as consumers are more familiar with paying with bank cards, but with the rise in sales of NFC enabled smartphones – currently accounting for 28 per cent of smartphones globally – consumers will eventually migrate to using their phone as an everyday payment channel.

With any new financial/technological innovation comes a slight hesitancy or reservation concerning fraud and safety – 44 per cent of the UK contactless consumers expressed concerns about security, but, with the issuers providing the same protection as one would get with a standard credit or debit card, consumers concerns should ease with appropriate advertising and education.

“The contactless cards are subject to the same level of consumer protection as all Visa cards”, said Mark Austin, head of Contactless Visa at Visa Europe, “which means that if you are a victim of fraud, you can get your money back. The cards also have built-in security functionality, which means they can only be used a certain number of times before a pin is required”.

With the UK’s success in adopting contactless payments – 60,000 retailers providing NFC POS terminals already – retailers and issuers may find a similar and positive transition in Ireland.

Bank of Ireland is set to become the first issuer of contactless cards in Ireland. The new cards, released in the coming months, will allow customers to pay for purchases of €15 or under in less than a second by simply holding their payment card over a reader at a retail outlet.

“This new technology has been firmly embraced in Europe with over 20 million cards in circulation and we are delighted to be the first in Ireland to issue Visa Debit cards with contactless payment capability,” said Quentin Teggin, BOI’s head of consumer segments.

“Contactless technology is a key development in promoting electronic payment methods for low value transactions. The consumer and retailer appetite is evidenced by the fact that Visa Europe recently announced that Visa contactless card numbers in issue in the UK are predicted to increase from 13 to 20 million by the end of 2011.”

When contactless payment options become available in this country, the consumer landscape is set to change, as Ireland currently has the highest per capita usage of ATMs in Europe, and, in 2010, consumers withdrew in the region of €5,000 per capita from ATMs.

Irish consumers and businesses also remain one of the highest users of cheques, “so the move to contactless is aligned to the Government’s National Payments Plan to reduce cash and paper based transactions and promote electronic transactions,” added Teggin.

Speaking to The Market, Colm Lyon, founder and CEO of Realex Payments - a leading European online payment gateway based in Dublin – predicted that a major factor in consumer adoption of NFC in Ireland will be in ticketing situations, including the travel infrastructure, an example seen with the decision of Transport For London to open up the underground to all NFC cards.

“Consumers have adopted NFC faster in countries where chip and pin have not been implemented (e.g. Canada). In countries where chip and pin has been implemented, I think the consumer adoption of tapping a card may be a harder sell, but it will be adopted in time,” he said. “While NFC is designed for lower value payments, it will be interesting to see if people are more inclined to use NFC cards rather than cash. Whatever way you look at the future, NFC will play an important role in enabling payments.”
Brian O’Grady looks at three Irish companies that are helping third level colleges worldwide bring efficiencies and cost-effectiveness to their IT operations.
Selling into a global sector that annually accounts for an average of 1.13 per cent of GDP in EU countries and which shares similar needs across thousands of sites throughout every country in the world might seem an attractive prospect in an economy skirting around another recession. Add in the fact that this sector is so well networked that success in one region quickly spills into another and that it is currently undergoing a radical cost-reduction drive. So if you’ve got a solution that could help drive efficiencies, it could be an attractive market.

Enrolling in the software market for higher education institutions may not be a career option for everyone, but several Irish software businesses are currently excelling as the whole sector comes under increasing pressure to up its grades.

“The speed of change throughout higher education has accelerated considerably in the last three years,” says Adrienne Traynor, a director at Dublin-based CampusIT. “Universities have become much more customer-focused and more competition-aware. They may have to look a little more commercially at the world they operate in and become more efficient at delivering a better service.” Last month, CampusIT announced that it is now serving more than 400,000 students across Europe with its cloud computing technology, having built a solid and growing customer base in the UK. The company has been developing web-based enterprise systems for higher education for over a decade, with a mission “to automate student interactions and eliminate expensive back-office processes”.

“If you can solve the higher education content management problems for the world’s biggest websites with a lot of complex structure and technical and software problems, then you’ve proven yourself for most sectors,” says David Miller, CTO at content management providers TerminalFour, which now has 75 academic clients across Ireland, the UK, Canada and the Middle East plus 12 colleges – and growing – in the US. From the inroads it has made into the academic market there, TerminalFour is now providing services to three insurance firms and two banks, says Miller, and is targeting the Australian market with the same approach.
A number of economic factors are currently converging to create a favourable climate. Cuts in government spending worldwide are demanding improved efficiencies – something exacerbated in the UK market by fee increases that will now see students paying an average of £9,000 per year. This is heightening competition as colleges compete for students, which, in turn, is forcing institutions to upgrade their information services for the Net-generation students who are demanding sophisticated, state-of-art information services. While web-based delivery systems are now widely accepted as being well-suited to delivering to the multi-user networks that campuses require, the arrival of cloud computing is adding another burst in demand by providing opportunities for better accessible services, while also reducing overheads by reducing the need for data storage. Add to all this the emergence of more flexible teaching delivery methods and the need to generate more flexible courses for a changing education and jobs market, and you have with a massive global market that shares much the same requirements the world over.

“There are a couple of things happening now in the sector,” says Adrienne Traynor at CampusIT. “We’ve got plenty of evidence of how online processes improve the student experience, and we can see how radically they improve the quality of the data in the universities, which is now so important to how colleges plan and run their businesses.”

Moves in analytics and performance data has provided Akari Software in Cork with a market niche for its web-based curriculum management software, which, among other things, enables education providers to plan, structure, cost and publish courses. “If you were in a non-academic environment, you’d talk about managing the product – which would mean asking ‘how do I cost it?’; ‘how do I deliver it?’; ‘what are the staff and resources we’ll require?’”, explains Eugene O’Leary, Akari’s CEO. “Our software allows education providers to build new courses in a more structured way and allows them to cost what they’re delivering so they can adjust as they go, do scenario planning and make full use of the data and resources they already have.”

**HIGH WALLS** The higher education market is, to according the firms interviewed here, a difficult one to break into. “They are large organisations that have a rigorous procurement process: they’re going to be looking for a lot of stability in the company they’re purchasing from,” says Traynor. “They are careful buyers and they’re very careful about the partnership they’re buying into as they expect it to last for about ten years. So as a small indigenous Irish company trying to sell into UK universities, we felt getting a partner was important.”

That partner was the Royal College of Surgeons, which became an equity holder in the business, and provided Campus IT with the credentials to become a credible supplier in the UK’s further education market.

“It’s very different to commercial sectors,” agrees Paraic Hegarty, CTO at Akari Software. “In some ways, it’s very public sector oriented and governed by those procurement rules, and it’s also got a tension between academic and administrative staff – and you need to understand how that operates to know what you’re talking about with customers.”

He cites the importance of Akari’s founder being involved in so many European network organisations over the past ten years as being vital to winning new clients in Austria, the UK and New Zealand in addition to its stable of nine Irish colleges.

“It’s more a process of building relationships rather than just going in there with mailshots and selling the product,” he explains. “In some ways, it’s easier as there’s more willingness to experiment and share the experience, whereas typical corporates like banks might be a lot more cautious.” Decisions
to purchase tend to be a slow burn, and Akari provides the example of a client recently summoning in the company “urgently” to purchase the software a full eighteen months after a sales presentation.

All three companies emphasise the importance of playing active roles in academic networks, attending and sponsoring industry events and finding local partners.

**TIGHTENING PURSES** The upside of the higher education market, however, is that once a product, provider or service is proven to deliver, users are keen to pass on the good news to colleagues. “They’re superb customers – they’re hard to get – but once you do, they tend to be very loyal and long term and stick with you,” says Traynor. And because so many academic networks exist, communication channels can lead to clients materialising in unexpected places. David Miller at TerminalFour talks of the school in Anchorage, Alaska, that has created hundreds of websites using the company’s content management software, but has only recently had its first face-to-face meeting with the Dublin company.

TerminalFour’s 75 clients in the education sector now include Manchester University (Europe’s largest), Oxford University and the University of Virginia along with corporate clients that include Aer Lingus and Specsavers. Miller describes the sweet-spot of TerminalFour’s offering as catering for organisations with a large number of content authors who are not necessarily too proficient technically. University College Dublin (UCD) has, for example, 125 websites and 4,500 people who write and alter copy. “Because of the economic situation, people are tightening their belts and having to do a lot more with less, so instead of having a whole bunch of people writing content in the communications department, they can have more people writing across the whole organisation,” he says.

Although spending in the sector may have been reduced, Miller points out, firms like his that help improve efficiencies are somewhat protected. “Although people are cutting expenditure, they’re channeling their spend,” he explains.

Delivering improved efficiencies has also been driving the market for CampusIT. In June this year, the company raised €1.2m from private investors and Enterprise Ireland, which, among other things, will fund the recruitment of 14 new staff.

The firm’s success in building a profile in the education market, especially in the UK, has enabled it to extend its services into on-campus communications with students. Cloud computing is a timely arrival to a market being subjected to change at so many levels, according to Traynor, as it cuts costs by reducing the need for on-site servers and provides high-speed wireless access perfectly suited to campuses and multi-location sites. Additionally, Traynor claims, cloud delivery means a faster implementation and provides a 24/7 managed network service at costs colleges can afford. Since the company had already made its enterprise software web-based, the transition to cloud delivery was considerably easier, but still required a strategic commitment the firm made five years ago. “We had a genuine belief in it. It never felt like a high-risk strategy because it made so much practical sense.” Concerns over security have been dispelled in the generally cautious higher education market. “We can provide two clouds from two completely different locations, which provides a better security back-up than if your server went down,” Traynor says.

“One of the things you find when you’re smaller player in a market like this is that you have to think harder and be more agile,” she adds, “because that’s what you bring to the party.”
South Africa’s steady growth and transition to a services-based economy is demanding a massive up-skilling of the workforce. Several Irish e-learning companies are already on the ground and sizing up the market.

Skills mismatch

South Africa’s economic future looks brighter than most. A report from Bank of America Merrill Lynch, published this September, named the country – along with Turkey and Saudi Arabia – as the three front-runners set to see the most promising growth in Europe, Middle East and Africa (EMEA) over the next 10 years. For South Africa, continued infrastructural spend and stronger than expected consumer spending, spurred by a rising tide for low-income families, are seen as key drivers.

**STeady growth** “We think the thrust of [South African] government policy – on jobs, infrastructure and service delivery – will provide the backdrop for positive consumer growth that is less driven by the middle class and more by lower income households migrating up the income ladder. Government infrastructural spending will also be a key boost to growth over the next several years,” the bank said, predicting growth for Africa’s richest state averaging at around 4.2 per cent for the next decade.

In fact, if the country gets its act right, Bank of America Merrill Lynch says average growth could hit 6 per cent. The key **BUT**, however, is that South Africa must address structural issues, including a skills mismatch, inflexible labour markets and onerous product market regulation.

**Skills mismatch** The mismatch in skills has arisen with weakened demand for unskilled labour as industries such as mining, agriculture and manufacturing have declined over the past two decades and the economy has re-orientated towards a more services-based footing.

The problem is compounded by low levels of educational attainment. Only 35 per cent of South Africans over the age of 20 have a secondary school pass, according to the SA Institute of Race Relations, and there are only 26 PhD graduates per million of the population, compared with 264 in Australia and 187 in South Korea.

So could ICT play a role in the delivery of skills and improved educational services? Certainly, recent investments have increased the odds. Today, South Africa’s telecommunications network, which is 90 per cent digital, is the most advanced in Africa – aided by a government investment of R300 million into broadcasting and telecommunications ahead of the 2010 Soccer World Cup.
Terry Nealon is executive vice president of international markets with Houghton Mifflin Harcourt (HMH), the global education and e-learning company, active in 120 countries.

“I’ve been in this business for a long time, and I’ve never seen as much interest in e-learning as I’ve seen now,” he told The Market. “It’s a crest of the wave that we should be riding, as developing countries try to make the jump to first world standards.”

HMH, which has based its global R&D centre in Ireland, is one of three companies working with Enterprise Ireland’s e-learning business accelerator for the region. The online post-graduate specialist Hibernia College and Dublin-headquartered Mindleaders Thirdforce are also participating in the Business Accelerator programme, which links client companies with an expert who has experience and contacts in the region.

In this case, the industry expert is Johannesburg-based Hazel Mathoora, who worked in the elearning industry and then as an elearning specialist with the Development Bank of Southern Africa (DBSA) before going private.

“We’ve got a lot more bandwidth than we had even a year ago. This is changing the platform and allowing media-rich content to come through the internet,” Mathoora said, adding that while other countries have also benefited from improved connectivity, South Africa’s location and lead position in Africa gives the market added appeal. It has one of the most sophisticated business environments in Africa, and is the regional economic powerhouse in sub-Saharan Africa, accounting for 30 per cent of total GDP.

**BASE TO TARGET THE CONTINENT**

The view of South Africa as a base to target expanding elearning markets elsewhere in sub-Saharan Africa is shared by a number of Irish companies.

“Enterprise Ireland came to us and said that they believed the opportunity for e-learning was ripe for South Africa and Africa as a whole,” said Susan Moore, EMEA head of sales for Mindleaders Thirdforce, which currently has over 2,500 customers in 30 countries across the commercial, care, hospitality, government and education industries.

“Phase one is to focus on South Africa and get a strong channel partner in place there,” said Moore. This is crucial as it opens the door to other countries, like Ghana and Nigeria, which have similar challenges and opportunities.

South Africa has one of the highest rates of public investment in education in the world – at 5.3 per cent of gross domestic product (GDP) or about 20 per cent of total government expenditure.
“I’ve been in this business for a long time, and I’ve never seen as much interest in e-learning as I’ve seen now.”

TERRY NEALON
EXECUTIVE VICE PRESIDENT OF INTERNATIONAL MARKETS WITH HOUGHTON MIFFLIN HARCOURT

SOUTH AFRICAN TRADE MISSION

Jan O’Sullivan TD, Minister of State with responsibility for Trade and Development, will lead a Trade Mission to Johannesburg and Cape Town on November 6 to 11, with the focus on e-learning, telecommunications and financial services markets.

For further information, email fred.klinkenberg@enterprise-ireland.com or tel. +353 1 7272921.

“Looking at Nigeria, the education minister there has just put forward a press release talking about e-learning as a solution, so that’s promising,” she added.

Two other Irish companies independently targeting South Africa are ECDL – certifiers of the ECDL and ICDL computer training programmes – and SkillSoft.

SkillSoft provides off-the-shelf content to help businesses improve their employees’ skills. The company has been developing business in South Africa, but Kevin Young, general manager of SkillSoft EMEA, added that demand is very much international.

“The technology is becoming a pervasive enabler; the economic shift supports the use of learning via technology,” he said. “I don’t see organisations rushing back to classrooms any time soon. I think they’re starting to see the benefit of a mixture of both.”

“We continue to invest in markets we see as ready for growth. We’re investing very heavily in content, sales, support and infrastructure, and, as an organisation, we believe there’s growth across all the regions, including Africa.”

BUSINESS LEADS THE WAY

Up until now, businesses seeking to upskill their employees have been driving the uptake of e-learning in South Africa, but moves are underway for the government and education sectors to catch up.

“South Africa has quite a niche when it comes to e-learning; it’s not been done in the public sector at all. But it’s very vibrant in the corporate sector,” said Mathoora. “There are pockets of it happening in different sectors, so there is no unified solution, but that is changing, and the government is talking about solving it on a policy level.”

In terms of the school and college market, South Africa has one of the highest rates of public investment in education in the world – at 5.3 per cent of gross domestic product (GDP) or about 20 per cent of total government expenditure.

The country has made great strides in bringing electricity to schools, with 85 per cent penetration in 2009. However, a paper on ICT in Teaching and Learning in South Africa, by UK-based ICT Development Associates, reports that only 2,449 (10 per cent) of schools had adequately equipped computer centres for classroom teaching and learning. And only a slightly higher percentage had internet connectivity – about half of which were linked to the e-Schools network.

The study, which was submitted to the African Development Bank this June, documents several significant examples of government investment underway. For example, the Teacher Laptop Initiative (TLI) managed by the Education Labour Relations Council, was officially launched in May 2009. In addition, the Departments of Communication, Health and Education have invested in developing content for the Mindset Network43 (www.mindset.co.za), which is responsible for content dissemination to the school and health sectors, and the Department of Basic Education has developed and maintains the Thutong portal (www.thutong.doe.gov.za) for the education sector.

ELSEWHERE IN THE CONTINENT

Elsewhere in the continent, even though Web 2.0 is still in its infancy, growth is staggering, attendees at this year’s e-Learning Africa 2011 were told. While the overall penetration rate of Facebook in Africa is only 2.6 per cent (or 27,414,240 users, according to Internetworldstats, March 2011), many countries have doubled the number of users in the last few months.

Irish attendees at the conference, which took place in Tanzania this July, also heard that compared to Web 2.0, mobile learning has been a hot topic for several years, because mobile phone penetration now far exceeds infrastructure development in Africa, making it possible for mobile learning to be made available to everyone.

Another theme was the need to localise content and integrate local customs and culture. Michael Trucano, the World Bank’s Senior ICT and Education Policy Specialist, reminded the audience that successful learning cannot be achieved by “air-dropping pre-packaged material”.

This perspective is shared by HMH’s Tony Nealon, who told The Market that there is no point in any company – even one the size of HMH – thinking they could ignore local issues. While HMH would take the best international practice, he said, the company found it was crucial to develop a relationship with a local partner to help understand the country’s individual nuances.

“It doesn’t need to be a global education company, it needs to be a South African education company,” he said. “The job to be done might be very similar, but the challenges locally might be very different.”
Spain, like Ireland, has its economic worries, but the Spanish pharmaceutical industry is still very much open for business. Anna Stephens reports from Madrid, with interviews by Dermot Corrigan.
While Spain may not be on the radar for Irish companies in the same way as the world’s major drug production nerve centres, its pharmaceutical industry is, by market share, the fifth largest in Europe. And with total revenues of over €14 billion per annum, it is alive, kicking and clearly not to be sniffed (or sneezed) at.

The vast majority of the 260+ pharmaceutical manufacturers in Spain are concentrated around two major hubs – Barcelona and Madrid - and directly employ almost 40,000 people. As well as strong local companies, major multinationals in the sector include familiar names such as Pfizer, Sanofi-Aventis, Novartis, Amgen, Bristol-Myers Squibb, GlaxoSmithKline and Roche. With Ireland’s proven track record in the global pharmaceutical market, companies can come to the Iberian Peninsula with excellent reference customers, many of whom have sister plants in Spain.

**R&D AN INCREASINGLY DOMINANT FORCE**

R&D is an increasingly dominant force in Spain, explains Victor Sánchez, president of Europe Operations at the international pharmaceutical consultancy firm Pharma BioServ. Pharmaceutical R&D investment for 2010 topped over €1 billion, accounting for 19 per cent of total Spanish R&D spend for the year. Almost 1,150 clinical trials are ongoing in Spain today in various areas, including oncology, neuro-diseases and stem cell research.

The State’s commitment to this sector is strong, as evidenced by the €11 million invested in the CAIBER initiative, a Spanish government-funded network to develop clinical studies. Moreover, the Minister of Health has pledged to invest €327 million in the pharmaceutical industry through 2011 to drive R&D and exports and attract investment.

“There are many big firms and hospitals doing clinical studies,” Sánchez notes. “Irish companies can offer materials, supplies and co-operation to expand studies or support existing ones”.

A key difference between Spain and Ireland is the presence of several large home-grown drug manufacturers such as Almirall, Ferrer and Esteve. All three local companies are family-owned, with an impressive international presence and R&D track record, leading innovation both in Spain and abroad. A recent example is Almirall’s launch of Savitex, the first drug to treat spasticity in multiple sclerosis patients.

Smaller, up-and-coming indigenous companies also continue to deliver cutting-edge innovation. For example, Madrid-based PharmaMar and its antitumoral drug Yondelis have garnered interest across the world.

“Spain has increasing potential for pharmaceuticals discovery, research and development,” Sánchez says. “We also have several small- and medium-sized companies, creating very successful biological drugs, advanced therapies and following new paths of product development. A lot of national companies already have an important market presence internationally.”

**GENERICSB LOOK TO ADD VALUE**

Then there are the generics manufacturers such as Laboratorios Cinfa, which also specialises in OTC products. In November 2010, generics accounted for only about 7.5 per cent of the market value, but according to Sánchez, this has potential to grow to over 40 per cent, due to the “drive by the State to reduce pharmacy costs and the coming ‘patent cliff’ over the next two years”. While this will benefit generics manufacturers, the pharmaceutical industry as a whole will be hit by a reduction in prices, which, due to strict regulations, are already on average 15 per cent lower than in Ireland.

However, Dr Hing Kin Chan of Merrion Pharmaceuticals sees reasons to be optimistic. Chief business officer with the Dublin drug-delivery-technology company, Chan travelled to Spain in March this year to evaluate market prospects at an event in Barcelona organised by Enterprise Ireland’s Madrid office, which saw 80 meetings take place between 15 Irish and over 20 Spanish pharmaceutical companies.

“Spanish companies try to add value to their products in a very genericised market through innovation,” he said. “Irish companies with their strong formulation and technology background could find a lot of opportunities in co-developing or licensing such technologies and helping Spanish companies differentiate in this highly competitive market.”

Chan adds that he found the networking event a useful introduction to the market. “Most Spanish-based pharma companies are hungry for innovative technology and products, but Irish companies do not always have ready access to these companies.”

Dr Chan is not alone in spotting the silver lining in the strength of generics. Ian Jones, CEO of Innopharma Labs,
another Irish company present at the Barcelona event, highlights the opportunities for technology companies to supply the generic manufacturing industry. Jones, who believes that process controlling technologies such as Innopharma Lab’s own PAT imaging technology could bring significant value to Spanish manufacturers, argues that “all facilities have a responsibility to manufacture high quality products in a lean and cost-effective manner”, seeing a role for Irish companies, with their lean experience and strong value proposition, in supporting Spanish companies.

NICHE OPPORTUNITIES Patrick Falvey, a sales executive with Celtic Catalysts, was also in Barcelona for the networking event. The UCD-based spin-out has developed technologies to optimise drug-production reactions and processes.

“Our core technology has no clear competitor in the Spanish market,” he said. “We can add a significant amount of value for manufacturing solutions to Spanish pharmaceutical companies.”

Commercialisation is another area of potential, according to Pharma BioServ’s Sánchez. “Spain has a huge number of bioclusters and academic institutions working in a lot of therapeutic areas. However, these companies do not necessarily have good entrepreneurship skills. The opportunity for Irish companies is to help them convert their ideas into profitable businesses.”

AN IRISH HELPER IN SPAIN Enterprise Ireland’s Iberian office, based in Madrid, sees the pharmaceutical sector as an area of opportunity for Irish companies looking to grow their business abroad. “Companies in the Iberian peninsula aren’t always aware of the strong supply capability in Ireland and the pedigree of our clients. We are looking to change that,” says John Roche, Manager of Enterprise Ireland’s Madrid office.

With an extensive contact base in most of the key indigenous pharma companies, and a strong understanding of the distribution channels in Spain, EI Madrid can provide a wide number of services to client companies, he says, including networking events, in-market introductions, market study visits, trade exhibition support, press events, market research and inward buyer visits to Ireland.

The March event resulted in a strong pipeline of sales leads, including a since-completed deal secured by Prodieco with Laboratorios Dr. Esteve. Other success stories in recent months include a significant contract signed by Millmount Healthcare with Pensa Pharma, part of the Laboratorios Dr. Esteve Group and a deal between Cork-based Prosys Containment and Sampling Technology and Spanish API producer Farmhispania.

As a follow-up, EI Madrid plans to bring a number of influential Spanish and Portuguese buyers to Ireland for a targeted event aimed at showcasing Irish biopharma capabilities on November 8, 2011.

For further information, including details about the Spanish buyer visit to Ireland this November, contact John Roche, Manager for Iberia, at john.roche@enterprise-ireland.com
Enterprise Ireland clients may obtain market research information from the Information Centre, free of charge, by a simple phone call or email. Alternatively, clients can visit the centre or regional offices, by appointment, to view publications such as those listed above.

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

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

Market intelligence
By Enterprise Ireland’s Information Services Team

ICT/SOFTWARE

Cloud Broker — A New Business Model Paradigm - Deriving More Business And Economic Models From Cloud Computing
Forrester
August 2011
This report defines the current and future business models around cloud computing and outlines why the cloud broker model represents the most promising, but also the most ambitious, cloud approach. It shows why it offers IT and telecom service providers — but also other vendors — the timely and unique opportunity to overcome the rapid commoditisation of their existing services business and build a sustainable, more margin-rich service delivery model. Vendor strategists need to start today to make themselves familiar with the implications and challenges at hand, as the first providers will take cloud broker offerings to market within the next 12 months.

Why Smartphones Will Become One of Travel’s Two Most Important Touchpoints
Forrester
July 2011
Mobile is an ideal channel for travellers. Ingredient technologies within smartphones, like GPS, cameras, and sensors, and the apps they empower, will change how travellers and brands interact and engage with each other. Forrester also believes that smartphones will spur the development of new distance-based yield management models.

The Future of Content Delivery
Business Insights
July 2011
This report examines the digital content delivery market in terms of video, music, gaming and eBooks in terms of trends and drivers and also by country. In addition, it examines the content delivery strategies and profiles the leading vendors in the CDN and digital rights management segments.

The Digital Music Market Outlook
Business Insights
July 2011
This report examines developments across the rapidly evolving digital music industry. It analyses the evolving value chain and business models; provides market sizing and forecasting by segments, paid users and geography; underlines key players strategies and industry stakeholders’ initiatives to curb piracy; and provides actionable insight on how to best approach this fast-changing market.

Forrester
July 2011
The software market is poised to enjoy its best growth in a decade, and small software companies face great growth opportunities as their larger competitors struggle to adapt to a new world of cloud and smart computing. This report provides the small software company CEO with guidance and tools to succeed as chief vendor strategist for his or her firm in pursuing this growth opportunity while navigating the challenges and pitfalls that stand in the way.
 FOOD, RETAIL AND CONSUMER PRODUCTS

Functional Food and Drink UK
Mintel
September 2011
By 2016, the UK functional food and drink market is forecast to be worth £1,067 million, breaking the billion pound barrier and up by 32 per cent on 2011. This report examines how manufacturers can combat consumer scepticism toward functional foods, how the European Food Safety Authority’s stricter requirements affect the operators in the functional market, how manufacturers can better engage the growing ageing population and the opportunities offered by the 16-24 year old demographic.

Lightweighting in Food and Drinks Packaging
- developments and trends in the lightweighting of food and drinks packaging as a strategy for sustainability
Business Insights
September 2011
This report highlights key innovations pursued by brand owners and packaging companies to reduce the amount and weight of packaging used in food and drinks products.

Off-Trade Alcoholic Drinking Habits - Exploiting new consumer behaviours in the retail market
Datamonitor
September 2011
This report examines the off-trade alcoholic beverage sector at country and category levels, and it provides actionable insight into how manufacturers can adapt to this changing backdrop and trade on value-added selling points, rather than price.

Apparel in Brazil
Euromonitor
September 2011
Forecast for the Brazilian consumer market indicate positive prospects for large clothing and apparel retailers. Average disposable income is predicted to grow by 53 per cent in real terms between 2010 and 2020, with consumer expenditure increasing at a similar pace. Top clothing and apparel retailers increasingly tailor their operations to cater to the growing number of middle class and lower middle class women who have seen their disposable incomes grow in recent years.

Male Grooming - Europe
Mintel
August 2011
The male grooming category in the Big 5 European countries combined, UK, France, Spain, Italy and Germany, was valued at €6.6 billion in 2010. Since 2005, the market has grown by just 8 per cent, as men show as increasing interest in personal appearance and image but price promotions put a brake on growth in retail sales terms. Over 2010-14, the market is set to grow by a further 8 per cent to €7.2 billion.

Innovation Trends in Personal Care: Uncovering Future Opportunities
Datamonitor
August 2011
Datamonitor’s research shows that in order to achieve a competitive market positioning, it is crucial that personal care brands are aware of the implications of consumers’ anti-aging, personalisation, ethical, convenience, “at-home”, and sensory needs for new product development.

CLEANTECH, LIFE SCIENCE, CONSTRUCTION & INDUSTRIAL

Global Smart Grid Market: In pursuit of a digital grid.
Frost & Sullivan
August 2011
Investments for smart grid technologies are expected to flourish through to 2017. This study explores and forecasts the global smart grid market by geographic region and by key technology categories and discusses key opportunities and challenges experienced in each region as well as providing an analysis of the competitive environment and market share leaders.

European Cancer Market Outlook
Frost & Sullivan
June 2011
Analysing the European cancer drugs therapeutics market from 2010 to 2017, this report explores market drivers, restraints and challenges faced by industry participants; discusses market revenue forecasts in Europe and pipeline analysis; provides an overview of key cancer indications and treatment options; offers strategic recommendations for market players and provides decision-support databases.

The UK Panel Builders Market 2011 – 2015
AMA Research
2011
This report reviews the market size and trends for the UK panel builders sector from 2005 to 2015. It examines the market structure and looks at the factors influencing growth and the end-use applications and provides a SWOT examination of the market.

The US Market for Assistive Technologies
BCC
July 2011
The US market for assistive technologies is projected to grow to nearly $55 billion by 2016, a compound annual growth rate (CAGR) of 6 per cent between 2011 and 2016. This report looks at the various assistive technology products that are now on the market or that are likely to enter the market and suggest opportunities for assistive technology products.

Smart Home, Smart Grid, Smart City
Business Insights
July 2011
This report reviews the scale of forecasts for smart grid and associated technology and identifies where much of the real spending is being carried out now. It also identifies some of the key traps that business thinking can fall into and offers insights into alternative strategic approaches.

Transparent Electronics
BCC Research
2010
BCC forecasts an extremely promising future for the use of organic material in transparent electronics. This sector was valued at $2.1 billion in 2010 and is expected to increase at a nearly 60 per cent CAGR to $20.3 billion in 2015. The inorganic material sector was worth an estimated $74 billion in 2010 and is expected to grow to $103 billion in 2015, a CAGR of 6.7 per cent.

European Building Automation Systems
Frost & Sullivan
August 2011
This report concludes that the way forward for the BAS industry will involve installing technically more advanced systems in a manner that is economically viable and that not only optimises energy consumption, but also maximises comfort and facilitates maintenance.
Trade regulations, information and negotiations

An update on customs compliance, trade regulations and negotiations

Commission warns of bogus VAT correspondence

In a warning to business, the European Commission says that it has been made aware that companies in different Member States have been receiving proposals offering to obtain a valid VAT number against an advance payment. These proposals have the appearance of an official EU document.

The Commission reminds businesses that only tax administrations have the right to issue a VAT number and advises that they should check with the tax administration concerned if they are suspicious of unsolicited messages on obtaining a VAT number.

FDA issues final rule on prior notice of imported food

The US Food and Drug Administration (FDA) has announced that the discretionary enforcement period of the Interim Final Rule on “Information Required in Prior Notice of Imported Food,” ended on September 6, 2011. The Interim Final Rule, which became effective on July 3, 2011, is a requirement of the FDA Food Safety Modernisation Act (FSMA).

The FDA issued the Interim Final Rule to require a person submitting prior notice of imported food, including food for animals, to report an additional element of information; the name of any country to which the article has been refused entry. For additional information, see www.gpo.gov/fdsys/pkg/FR-2011-05-05/pdf/2011-10955.pdf

FDA proposes guidelines on benefit-risk determinations for medical devices

For the first time, the US Food and Drug Administration has provided draft guidance clarifying how benefit-risk determinations are made during pre-market review of certain medical devices.

In its review of PMAs, the FDA uses safety data and effectiveness data. The safety data addresses risk, and the manufacturer’s ability to mitigate that risk. The effectiveness data considers benefits, as well as other information, to determine whether the probable benefits outweigh the probable risks associated with use of the device.

However, safety and effectiveness data alone may not provide a complete picture of the benefits and risks, so the FDA medical device reviewers look at other factors such as the severity of the disease the product diagnoses or treats and whether or not alternative tests or treatments are available.

Device reviewers also may consider whether the device is new or a first-of-a-kind technology, particularly if the device treats a disease that has no other treatment.

The guidance also proposes that medical device reviewers use a worksheet to document how they make benefit-risk determinations. In certain cases, this document could be made public post-approval, making the FDA’s decision making process even more transparent.
Vietnam prohibits importation of certain goods by air transport

The Government of Vietnam has issued new regulations that prohibit the importation of wine, alcoholic beverages, cosmetics and mobile phones via air transportation. The only exceptions provided in the new regulations allowing such commodities to be imported via air are as follows:

- Goods entering or leaving Vietnam temporarily before their re-export or re-import
- Cosmetics up to a maximum quantity of 10 units, imported for experimental purposes (subject to the prior issue of an import licence by the Ministry of Health); and all those cosmetics covered by HS codes 3306 and 3307.
- Materials imported for direct production or processing (including goods imported under guarantee, maintenance, repair, service and renewal terms) and destined for subsequent re-exportation.
- Goods imported for use and demonstration at exhibitions.

All other commodities concerned can only be imported through one of three nominated seaports – Hai Phong, Danang or Ho Chi Minh City.

New EU rules come into force to strengthen toy safety

This July, the provisions of the EC’s new Toys Directive came into force with responsibilities for all parties involved in the production, selling and control of toys on the EU market. Under the directive, Member States will have to ensure that market surveillance authorities perform adequate checks both at the EU external borders and within the Union itself to ensure the immediate confiscation of dangerous toys.

In addition, before placing a new toy on the market, importers and distributors will have to identify the hazards and the potential exposure to children via a safety assessment. Meanwhile, manufacturers are obliged to ensure traceability of the toy by indicating the name, address and number of the item.

US imposes lead content limit in children’s products

The US Consumer Product Safety Commission (CPSC) has announced that as of August 14, 2011, manufacturers, importers, retailers and distributors of children’s products must comply with a new 100 ppm federal limit for total lead content.

The new total lead content limit is called for in the Consumer Product Safety Improvement Act (CPSIA). Through the CPSIA, new levels for lead content were set for products designed or primarily intended for children 12 and younger.

The new 100 ppm lead content limit does not apply to inaccessible (internal) parts of children’s products and certain component parts of children’s electronic devices, like electronic connectors and plugs, including headphone plugs. CPSC will not enforce the CPSIA’s independent third party testing requirement for total lead content until December 31, 2011, due to a stay of enforcement that is already in place. However, this does not apply to children’s metal jewellery, which currently must undergo independent third party testing.


US proposes changes to its Control Under the United States Munitions List (USML)

The US Commerce Department’s Bureau of Industry and Security (BIS) has released a notice of proposed rulemaking regarding its plans for implementing the Export Control Reform Initiative. The rule proposes a structure to the Commerce Control List (CCL) that will facilitate the transfer of items currently controlled under the United States Munitions List (USML) to the Commerce Control List (CCL), to make them more “positive,” “aligned” and “tiered.” The proposals also includes a method for applying the new licence exception Strategic Trade Authorisation (STA), to USML items that are transferred to the CCL and a new holding Export Control Classification Number (ECCN) to handle new technology and items transferred from the USML that warrant a significant level of control to be temporarily placed until the proper CCL classification can be determined. See [www.gpo.gov/fdsys/pkg/FR-2011-07-15/html/2011-17846.htm](http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/html/2011-17846.htm)

WTO confirms Philippines discriminates against distilled spirits from the EU

A WTO panel report circulated last month confirms that the excise tax applied on distilled spirits in the Philippines discriminates against imported spirits and is therefore in violation of the principle of non-discrimination enshrined in the General Agreement on Tariffs and Trade (GATT).

The taxes applied on imported distilled spirits are ten to 50 times higher than those applied on spirits manufactured in the Philippines. It was estimated that, from 2004 to 2007, EU exports of spirits to the Philippines had more than halved (from around €37 million to €18 million) due to the Excise Tax Regime, notably since a new legislation introduced in 2004 aggravated the tax discrimination.

The EU had raised the issue with the Philippines repeatedly over the past years without success, and WTO consultations held with the Philippines in Manila in October 2009 failed to lead to a satisfactory solution.
Lucille Redmond delves into the harsh reality of Harvard Business School, and finds that two other books promising the knowledge without the pain, while useful as business primers, fail to deliver.

No pain, not much gain

A Masters in Business Administration is an essential qualification for anyone seeking success in the corporate world, teaching finance, accounting, operations, marketing and organisational behaviour. Or is it? Philip Delves Broughton, author of What They Teach You at Harvard Business School: My Two Years Inside the Cauldron of Capitalism, is not a popular person with the business schools. It's not what he wrote in the bestseller (first published in the US as Ahead of the Curve), an insider's exposé of the business course, at Harvard Business School.

It's what he wrote afterwards, in The Times that really got business people's back up: “The swollen class of jargon-spewing, value-destroying financiers and consultants have done more than any other group of people to create the economic misery we find ourselves in.”

Delves Broughton was the Daily Telegraph's Paris bureau chief when he decided to prepare himself for the life he wanted by signing up for a Harvard MBA. His book is a straight-talking and very funny description of the course, and Delves Broughton's own performance in it. The quintessential journalist, he was a square peg there. Its past pupils included the presidents of the US and the World Bank, the CEOs of General Electric, Goldman Sachs and Procter and Gamble, and held 20 per cent of the top three jobs at the Fortune 500 companies. “It was daunting and thrilling to join such a powerful lineage,” he writes. The course, for the 200 students who had no business background, started with 'Math Camp' to bring everyone up to the same level of expertise on company and corporate finances. Then they would be joined by the other students.

Delves Broughton was joining an elite. The 895 men and women who were his classmates in 2004 to 2006 were chosen from 7,100 applications: a 12.6 per cent acceptance rate. “Simply by being accepted by HBS, we had entered an uberclass.”

Harvard Business School poached its ‘case-based’ method from Harvard Law School; Delves Broughton is devastatingly funny about how it works. For their first project, the class were given the task of seeing which of two peasants was a source of greater profit to the baron who employed them. “Is the baron the equity holder or a lender?” the students ask.

“You forgot to depreciate the oxen... 20lb of fertiliser are worth two bushels of wheat, an ox valued at 40 bushels with 10 years' worth of work in him works for a year...” In the first year, they studied finance, accounting, marketing, operations, organisational behaviour, negotiations, strategy, leadership, corporate accountability and the course known as 'Biggie': business, government and international
economics. They were graded on a ‘forced curve’ based on the students’ performance against each other. “If everyone gets 95 per cent on a test and you get 94 per cent, too bad. You will be at the bottom of the curve,” writes Delves Broughton.

His book is a roller-coaster. At the end, he meets up with former classmates, to see how they feel now about the Harvard Business School experience. One, an investment banker about to head for Africa, calls it “a factory for unhappy people”. Others praise the school for teaching them strategy and a new way to think and work. Of his 2006 class, 42 per cent went into financial services, 21 per cent into consulting, with small numbers in technology, pharma, consumer products, non-profit, government and other areas. Eighty per cent of the class took jobs in the US, earning an average of around $138,000. And Delves Broughton? “I was happy I went. Business was no longer a closed world to me. I had the brand on my résumé, and access to the network of alumni. I had learned the language of business, the modes of thinking.”

In a postscript to the new edition, however, written after the beginning of the financial crash, he writes of one of his teachers: “Hosting a panel on the future of free market capitalism, [Michael Porter] asked again and again why business leaders had lost the trust of their fellow citizens.”

Delves Broughton ends the book on the crushing effect on classmates who went to work in financial services: murderous hours, bonuses a fraction of what they anticipated, negative-equity mortgages on homes in cities they scarcely like, a life of antidepressants. By contrast, those who followed their hearts are doing well by doing good, like the man who is running the agricultural arm of an Indian conglomerate and another who’s having a ball promoting entrepreneurship.

And Delves Broughton himself? He’s edging towards the life he planned in his first year at Harvard Business School, working from home amid his family, writing and spending three or four months a year on business development projects.

The book is structured in a series of straight-talking essays on human and system aspects of business. Take his section on marketing - the receptivity of your desired customers is a key factor, he writes. Skilled marketers won’t try to sell Harley Davidson motorbikes on Oprah (not much watched by burly men in leather jackets); they’ll target the ‘probable purchasers’ - middle-aged men with disposable incomes who like to cruise around looking cool at the weekend.

In his finance section, he leads readers through types of financing - venture capital, a public stock offering, angel capital, personal, secured or unsecured loans - and how they (basically) work. There’s a lovely section on working with others, in which Kaufman shows how ‘attribution error’ can cause leaching of trust (you make a deal with a contractor, whose supplier breaks down: you distrust the contractor when the job goes wrong). And a good section on techniques for working alone.

Kaufman’s basic manual isn’t an MBA between soft covers by any means, but for someone beginning to put a nose into business, it’s a good read that will spark ideas and clear up the jargon, and is chock-full of fun and fascination.
Lufthansa offers mobile check-in at Dublin Airport

Lufthansa is now offering mobile phone check-in for departures from Dublin airport. Passengers can check in using their mobile phone 23 hours before departure, select their preferred seat from the interactive seat map and avail of this service with or without checked luggage. A 2D barcode will be sent via an SMS or an email and will be scanned at security and the boarding gates.

New direct Dublin-Dubai route

Emirates Airlines is to provide a new daily direct flight from Dublin to Dubai from January 9, 2012. The service should also provide additional options for Irish travellers going to other destinations in the Middle-East or Asia, as Dubai connects to over 140 destinations worldwide. Flights will leave Dubai at 07.00am and arrive in Dublin at 11.30am. The return flight leaves Dublin at 12.55pm and gets into Dubai at 12.25am the next day.

Aer Arann unveils Kerry-Dublin flight schedule

Aer Arann has announced details of its new services between Kerry and Dublin, which start on November 3, 2011. The first flight will leave Kerry every morning from Monday to Saturday at 7.30am, arriving in Dublin at 8.30am, while on Sundays, the morning flight from Kerry will depart at 9am arriving at 10am. The evening flight to Kerry will depart Dublin at 7pm, arriving in Kerry at 7.55pm seven days a week. There will also be a mid-morning service from Dublin to Kerry at 11.10am every day and a lunchtime service from Kerry to Dublin at 12.30pm every day. Flights from Kerry-Dublin start at €39.99 one-way, including taxes. The cost of return-flights on the Kerry-Dublin route will start at €69.98, including taxes.

Government to consider selling minority stake in Aer Lingus

Transport Minister Leo Varadkar has indicated that the Government might sell its 25% stake in Aer Lingus. Minister Varadkar stated that whilst in the past it might have been important to keep this stake, there seems little reason for this in the future.

Over a third of people travel without insurance

A survey of 4,000 Ryanair passengers found that over a third travel without travel insurance, while half of those surveyed (46%) held annual or multi-trip insurance and one in five (19%) purchased single trip cover. Some 82% with insurance did not know if their policy offered ski, business travel or sports cover. Meanwhile, 90% of those who travelled without insurance were unaware that medical repatriation flights from Europe could cost them over €18,000, should they become seriously ill when abroad.

Have a pop at ear pain during takeoff and landing

EarPlanes is a new device designed to be inserted in the ear to reduce the discomfort some travellers experience during take-off and landing. The pressure-regulating silicone earplugs were developed by Cirrus Healthcare Products LLC, in conjunction with the House Ear Institute in Los Angeles, and are said to have been tested by US Navy aviators at the Miramar Naval Air Station in San Diego. They are intended for people with sensitive ears or those who must fly even though suffering with a cold, allergy or sinus condition. They are available from pharmacies including McCabes (€7.99) and Boots as well as online.
Known literally as “the big tree”, Doha is the capital city of the state of Qatar, as well as being the economic centre. As such, it is home to the headquarters of the country’s largest oil and gas companies, including Qatar Petroleum and Qatargas. While the economy is founded on the revenue made from its oil and natural gas reserves and industries, the government is attempting to develop an economy less dependent on such commodities. As a result of this diversification, the city is experiencing a large boom, notably in real estate, construction, and corporate/commercial businesses. Tourism is on the increase, too, with its unexpected win to host the 2022 FIFA World Cup and its bid for the 2020 Olympics, adding to the buzz.

**DOHA**

By Tony Clayton-Lea

**FROM THE AIRPORT TO THE CITY:**
Due to open next year is the New Doha International Airport; in the meantime, the (old) Doha International Airport is coping with increasing traffic as best it can. From the airport, take a metered Karwa taxi to your hotel. The five-mile journey to West Bay should take around 30 minutes, and cost no more than QR 25-40 (€6-€10).

**SLEEP:**
**1st Choice:** The Four Seasons, The Corniche, occupies a perfect spot in West Bay with its very own beach and curved marina. In keeping with the brand, you can expect the highest standard of service and facilities.
www.fourseasons.com/doha

**2nd Choice:** The brand new Oryx Rotana, close to the airport on Al Matar Street, has a terrific swimming pool and slight lower rates than the Four Seasons. Latterly, this has become Doha’s premier business meeting place.
www.rotana.com

**EAT:**
**Lunch:** For lunch with a difference, try some exotic barfood at the chic poolside Wahm, at the W Hotel. Try its selection of Turkish and Lebanese morsels of tasty Middle Eastern food ideal for sharing) served in stylish seated areas.
www.starwoodhotels.com

**Dinner:** At Doha’s new cultural village, Katara, take your pick from several beachside restaurants. Doha’s large Indian population celebrates its culinary traditions with some fantastic eateries, one of which is the Saffron Lounge, which boasts Michelin Star chef Vineet Bhatia as its primary consultant.
www.saffronlounge.net

**THREE THINGS TO DO IF YOU HAVE A FEW HOURS TO SPARE:**
**Culture:** Built on an island, and connected to the Corniche by a bridge, the Museum of Islamic Art is Doha’s most iconic landmark. Designed by Chinese-American Leoh Min Pei (the same architect who designed the Louvre Pyramid), the museum displays a selection of Islamic artefacts, many of which are historically significant. Of note to the Irish visitor, Dublin-headquartered Mercury Engineering played a significant role in its construction.
www.mia.org.qa

**Relaxing:** Doha’s main market is Souk Waqif. Although it was rebuilt in 2004, the area still retains its network of narrow streets that are host to tiny stalls selling spices, herbs, perfumes and other traditional Qatari products.

**Shopping:** The city’s newest piece of real estate is a man-made island called The Pearl. Full of designer shops, high-end restaurants and luxury apartments, this is an ideal place to pull up a seat, order a coffee at Bert’s Café (at Porto Arabia), and watch jet-skis, yachts and sailing boats pass by.

The city is experiencing a large boom, notably in real estate, construction, and corporate/commercial businesses.
Steve Jobs stepped down as CEO of Apple on August 24, just weeks after his company surpassed Exxon Mobil to become the most valuable corporation in the world. Yet for all his success as a business executive, Jobs’ most enduring legacy is not as a corporate but as a cultural visionary.

From the iPod to the iPhone to the iPad, Apple products have installed themselves in the battle gear of the contemporary creative class, serving as a virtual synonym for networked independence and stylish non-conformity. Steve Jobs is perhaps the most successful brand manager in history, and he did it, paradoxically, by embracing the precise corporate values to which the Apple brand identity is ostensibly opposed.

Think back to the famous ‘1984’ commercial that trumpet-blasted the arrival of the Macintosh computer. Before legions of drone-like workers arranged in orderly rows, Big Brother appears on a giant viewscreen, addressing the crowd: ‘Today, we celebrate the glorious anniversary of the Information Purification Directives. We have created, for the first time in all history, a garden of pure ideology. Where each worker may bloom secure from the pests of contradictory and confusing truths. Our Unification of Thoughts is more powerful a weapon than any fleet or army on Earth. We are one people, with one will, one resolve, one cause. Our enemies shall talk themselves to death and we will bury them with their own confusion. We shall prevail!’

Everything in the ad is black and white, except for a blond woman wearing bright red shorts, who runs toward the viewscreen pursued by riot police. She screams, then throws an enormous sledgehammer through the screen, which explodes in a flash of light. A pitch for the new Macintosh computer scrolls into view. Thanks to the Apple Computer Corporation, we are assured, the year 1984 will not be like the book 1984. The spot was directed by Ridley Scott, and was honoured by Advertising Age as the best commercial of the decade.

While the ‘1984’ ad ran only once, during Super Bowl XVIII, it nailed Apple’s ideological colours to the mast. Ever since, the brand has stood as the definitive statement of the rebel sell: the individualised resistance of political authoritarianism and cultural conformity through the adoption of non-standard consumer goods.

Here’s a pop quiz: what company is being represented as ‘Big Brother’ in the ‘1984’ ad? Most people, when you ask them, answer Microsoft. Except the real target of the ad is actually IBM.

Since then, a succession of companies have cycled through the typical lifespan from spunky young startup to lumbering corporate behemoth – Microsoft, Google and now Facebook – and each time, they have found themselves criticised for all manner of monopolistic and even Orwellian activities.

But it is worth emphasising that the existence of standards in the computer industry is, by and large, the consequence of choices that people have voluntarily made. Network effects, where a device, application, or operating system gets increasingly useful as more and more people adopt it, are extremely powerful, and merely underscore the fact that not all uniformity is a bad thing.

Yet there is one thing that the ‘1984’ commercial glosses over, which is the fact that there is no ‘Information Purification Directive’ in our society. Or at least there wasn’t until Steve Jobs came along. More than any other company in the industry, Apple exerts a tremendous amount of control over its customers’ user experience. From the tethering of the iPod to a specific iTunes account to the way Apple jealously guards applications (and hence, content) for the iPhone, the Apple ecosystem has become its own ‘garden of pure ideology.’

And therein lies the paradox of Apple under Steve Jobs, and the key to his company’s unbelievable success. For the past quarter century, Apple has retained its credibility as the flagship brand of techno-cultural cool, even as it treats its customers with a darkly paternalistic attitude that some have dubbed ‘iFascism.’

Why does Apple get away with it? One answer is to say, as many have, that under Steve Jobs, the Apple user community has become something near to a cult, with its infantilised members tolerating all manner of indignities in the blind service of the leader’s vision. But that misses the central point, which is that Apple products make their users feel freer than they do when they are using other operating systems, other computers or other devices. As The Economist pointed out in an editorial a few years ago, the most salient feature of Apple products is that they work.

Arthur C. Clarke famously wrote that any sufficiently advanced technology is indistinguishable from magic. This, then, is the deeply ironic magic that Steve Jobs has conjured: through rigid centralisation of design and strict control over the user-experience, Apple has enabled a deeper freedom for its customers – the freedom that comes from a technology that enhances the scope of choice and opportunity in our lives, while layering itself, simply, almost invisibly, upon the operating system of our world.
### Enterprise Ireland International Network

#### Head Office

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<th>TELEPHONE</th>
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<tbody>
<tr>
<td>Dublin</td>
<td>+(353) 1 727 2000</td>
<td>–</td>
<td>The Plaza, Eastpoint Business Park, Dublin 3, Ireland</td>
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#### Northern Europe

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<tbody>
<tr>
<td>Amsterdam</td>
<td>+(31 20) 676 3141</td>
<td>+(31 20) 671 8995</td>
<td>World Trade Center, Strawinskylaan 1351, 1077 XX Amsterdam, Netherlands</td>
</tr>
<tr>
<td>Brussels</td>
<td>+(32 2) 673 9886</td>
<td>+(32 2) 672 1066</td>
<td>Park View, Chaussée d’Etterbeek, 180 Etterbeeksesteenweg, Bruxelles 1040, Brussels, Belgium</td>
</tr>
<tr>
<td>Glasgow</td>
<td>+(44 141) 332 3015</td>
<td>+(44 141) 332 0254</td>
<td>10 Claremont Terrace, Glasgow G3 7XR, Scotland</td>
</tr>
<tr>
<td>London</td>
<td>+(44 20) 7438 8700</td>
<td>+(44 20) 7438 8749</td>
<td>2nd Floor, Shaftesbury House, 151 Shaftesbury Avenue, London WC2H 8AL, England</td>
</tr>
<tr>
<td>Paris</td>
<td>+(33 1) 5343 1200</td>
<td>+(33 1) 4742 8478</td>
<td>33 rue de Mornesnil, 75008 Paris, France</td>
</tr>
<tr>
<td>Stockholm</td>
<td>+(46 8) 459 21 60</td>
<td>+(46 8) 681 75 95</td>
<td>Box 5737, Sibyllegatan 49, 114 87 Stockholm, Sweden</td>
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#### Germany, Central and Eastern Europe and the Balkans

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<tr>
<td>Budapest</td>
<td>+(36 1) 301 4950</td>
<td>+(36 1) 301 4955</td>
<td>Bank Centre, Szabadadal tér 7, Budapest 1054, Hungary</td>
</tr>
<tr>
<td>Düsseldorf</td>
<td>+(49 211) 470 5900</td>
<td>+(49 211) 470 5932</td>
<td>Rolandstrasse 44, 40476 Düsseldorf, Germany</td>
</tr>
<tr>
<td>Moscow</td>
<td>+(7495) 937 5943</td>
<td>+(7495) 680 5362</td>
<td>c/o Commercial Section, Embassy of Ireland, Grokholski Pereulok 5, Moscow, Russia</td>
</tr>
<tr>
<td>Prague</td>
<td>+(420) 257 199 621</td>
<td>+(420) 257 592 224</td>
<td>Trieste 13, 118 00 Prague 1, Czech Republic</td>
</tr>
<tr>
<td>Warsaw</td>
<td>+(48 22) 583 1200</td>
<td>+(48 22) 646 5015</td>
<td>Ulica Mysia 5, 00-496 Warsaw, Poland</td>
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#### Southern Europe, Middle East and Africa

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<tr>
<td>Dubai</td>
<td>+(971 4) 329 8384</td>
<td>+(971 4) 329 8372</td>
<td>4th Floor, Number One Sheikh Zayed Road, PO Box 115425 Dubai, United Arab Emirates</td>
</tr>
<tr>
<td>Madrid</td>
<td>+(34 91) 436 4086</td>
<td>+(34 91) 435 6603</td>
<td>Casa de Irlanda, Paseo de la Castellana 46 – 3, 28046 Madrid, Spain</td>
</tr>
<tr>
<td>Milan</td>
<td>+(39 02) 880 0991</td>
<td>+(39 02) 889 0243</td>
<td>Via S. Maria Segreta 6; 20123 Milan, Italy</td>
</tr>
<tr>
<td>Riyadh</td>
<td>+(966 1) 488 1383</td>
<td>+(966 1) 488 1094</td>
<td>c/o Embassy of Ireland, PO Box 84349, Riyadh 11893, Saudi Arabia</td>
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#### The Americas

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<th>REGION/OFFICE</th>
<th>TELEPHONE</th>
<th>FACSIMILE</th>
<th>ADDRESS</th>
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</thead>
<tbody>
<tr>
<td>Boston</td>
<td>+(1 617) 292 3001</td>
<td>+(1 617) 292 3002</td>
<td>50 Milk Street, 20th Floor, Boston, MA 02109, USA</td>
</tr>
<tr>
<td>Mexico City</td>
<td>+(52 55) 5250 0311</td>
<td>–</td>
<td>Mariano Escobedo 752, 12th Floor, Col. Neusa Anzuers, Mexico DF CP 11500</td>
</tr>
<tr>
<td>New York</td>
<td>+(1 212) 371 8600</td>
<td>+(1 212) 371 6398</td>
<td>Ireland House, 345 Park Avenue, 17th Floor, New York, NY 10154-0037, USA</td>
</tr>
<tr>
<td>Sao Paulo</td>
<td>+(55 11) 2847 4518</td>
<td>+(55 11) 2847 4550</td>
<td>Avenida Paulista, 2300 - andar Pilotis, Cerqueira Cesar, Sao Paulo, 01310-300, Brazil</td>
</tr>
<tr>
<td>Silicon Valley</td>
<td>+(650) 204 4081</td>
<td>–</td>
<td>800W El Camino Real, Suite 420, Mountain View, CA 94040, USA</td>
</tr>
<tr>
<td>Toronto</td>
<td>+(1 416) 934 5033</td>
<td>+(1 416) 928 6681</td>
<td>2 Bloor Street W, Suite 1501, Toronto, Ontario, M4W 3E2, Canada</td>
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#### Asia-Pacific

<table>
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<tr>
<td>Beijing</td>
<td>+(86 10) 8448 8080</td>
<td>+(86 10) 8448 4282</td>
<td>Commercial Section, Embassy of Ireland, CS12A Office Building, Beijing Lufthansa Ctr., No. 50 Liangmaqiao Road, Chaoyang District, Beijing 100125, China</td>
</tr>
<tr>
<td>Guangzhou</td>
<td>+(86 20) 8666 2450</td>
<td>+(86 20) 8666 2171</td>
<td>Room 501, Commercial Tower of China Hotel, Lihu Road, Guangzhou, 510015, China</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>+(852) 2845 1118</td>
<td>+(852) 2845 9240</td>
<td>2107 Tower 2 Lippo Center Admiralty, Hong Kong</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>+(60 3) 2164 0616</td>
<td>+(60 3) 2164 0618</td>
<td>Ireland House, 5th Floor South Block, The Amp Walk, 218 Jalan Ampang, 50450 Kuala Lumpur, Malaysia</td>
</tr>
<tr>
<td>New Delhi</td>
<td>+(91 11) 424 03 178</td>
<td>+(91 11) 424 03 177</td>
<td>Commercial Section, Embassy of Ireland, 230 Jor Bagh, New Delhi 110 003, India</td>
</tr>
<tr>
<td>Seoul</td>
<td>+(82 2) 755 7467 8</td>
<td>+(82 2) 757 3969</td>
<td>Ireland House, 13th Floor Leema B/D, 146-1 Susong-Dong, Jongno-Ku, Seoul 110-755, Korea</td>
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<tr>
<td>Shanghai</td>
<td>+(86 21) 6279 7088</td>
<td>+(86 21) 6279 7066</td>
<td>Commercial Section, Consulate General of Ireland, Suite 700A, Shanghai Centre, 1378 Nanjing Road West, Shanghai 200040, China</td>
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<tr>
<td>Singapore</td>
<td>+(65) 6733 2180</td>
<td>+(65) 6733 0291</td>
<td>Ireland House, 541 Orchard Road #08-00, Liat Towers, Singapore 238881</td>
</tr>
<tr>
<td>Sydney</td>
<td>+(61 2) 927 88505</td>
<td>+(61 2) 926 49569</td>
<td>508 B, 1 Market Street, Sydney 2000, NSW, Australia</td>
</tr>
<tr>
<td>Tokyo</td>
<td>+(81 3) 3263 0611</td>
<td>+(81 3) 3263 0614</td>
<td>Ireland House, 2-10-7 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan</td>
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For any other markets not mentioned, contact Market Development Dublin.
For further contact information, visit www.enterprise-ireland.com/contact