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Article series taking an in-depth look at the what, how and why of developing value

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SAXON APPEAL
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www.enterprise-ireland.com/en/publications
Targeting the Emirates market for consumer products

Enterprise Ireland is coordinating a market study visit to the United Arab Emirates for consumer retail companies currently selling in the Middle East or exploring the possibility. The focus is on interior, fashion and personal-care companies, and the immediate objective is to familiarise them with the market, the large players – both retailers and distributors – and to assist clients meet potential partners.

The Cork-based beauty-care product company Human + Kind currently derives 50 per cent of its sales from the region. “We chose to focus on the Middle East for several reasons,” founder Jeroen Proos told The Market. “People there haven’t been as affected by the global economic downturn, so there is disposable income to try out new products. The biggest growth areas for natural products is the Middle East and Asia and, lastly, it is easier to build a brand in the Middle East than it is in, say, Europe or North America, where the cosmetics market is very crowded.”

The study visit takes place in Dubai on April 14 and 15. Further information is available from market adviser barbara.walsh@enterprise-ireland.com, tel +971 (4329) 8384.

Amartus attracts €1.2 million venture investment

Kernel Capital, through the Bank of Ireland Seed and Early Stage Equity Fund, has led a €1.2m investment in Dublin-based Amartus, a developer of next-generation service delivery solutions for the telecommunications industry.

Network demands from users who want to be connected 24/7 from almost any device anywhere are driving telecoms to improve their network management solutions. As consumers demand more elastic, dynamic services, Amartus’ technology enables service providers to rapidly transform their operations by fully automating the rollout and delivery of services to customer and partners.

With offices in Dublin, Poland and the US, the company’s clients include Cisco, ECI Telecom and Transition Networks. The syndicated investment comprises a €500k investment by Kernel Capital, with the remainder of the investment provided by an Angel technology investment syndicate, Enterprise Ireland and company promoters. Amartus plans to use the funds for marketing, sales and product development.

Taoiseach to lead St Patrick’s networking events in Washington

As part of the St Patrick’s week celebrations, the Taoiseach will lead an Irish state agencies lunch for Enterprise Ireland clients and their guests in Washington DC on March 18. There will also be an ambassador’s reception in the city on March 19. For further information, email marisol.borbely@enterprise-ireland.com. Other Enterprise Ireland offices around the world will also be hosting business networking events, coinciding with the St Patrick’s week celebrations. See www.enterprise-ireland.com/en/events/
Major business and R&D events during Irish presidency

On January 1, 2013, Ireland started its 7th Presidency of the Council of the European Union. As part of the Irish programme for “stability, growth and jobs”, over the coming months, Enterprise Ireland is hosting four major events for European businesses and researchers:

Driving Competitiveness, a workshop in Dublin Castle on May 29, will bring together 40+ examples from across Europe and Ireland of what companies are doing to drive competitiveness in their businesses. Email: richard.keegan@enterprise-ireland.com

EURO-SME 2013, a conference in Dublin Castle on June 11-12, will focus on SME aspects (primarily innovation, growth and jobs) relevant to the final stages of Horizon 2020 – the European Union’s new research programme, which will succeed FP7 in 2014. Email: jill.leonard@enterprise-ireland.com

The Week of Innovative Regions Europe (WIRE) conference will take place in Cork on June 5-7. The theme will be Horizon 2020 and cohesion policy, and the event aims to contribute substantially to research, innovation and regional policy development on topics such as tough choices, competitive advantage and collaborative leadership. Email: imelda.lambkin@enterprise-ireland.com

EuroNanoForum 2013, a conference at the Convention Centre, Dublin, on June 18-20, will focus on the commercialisation of nanotechnologies. Email liam.browne@enterprise-ireland.com

Irish stone, More London

Stone Developments, an Irish stone company and part of the Sisk Group, was a member of a project team that received a recent award from the UK Stone federation. The County Carlow-based company won the accolade for its role in the More London project, which is situated along the south bank of London’s River Thames.

The scheme is home to London’s iconic City Hall and the Millennium Bridge, which links the district to the nearby St. Paul’s Cathedral. A major multi-functional amenity and a hub for professional, financial and recreational facilities, its current working community exceeds 13,000 people and is predicted to grow to 18,000.

Irish blue limestone was chosen as the stone material for paving, seating, cladding and a large amphitheatre in the development, all of which were quarried and manufactured in Ireland. The overall design for the mixed-use scheme was by Foster & Partners.

Looking for the next generation of food entrepreneurs

The Irish food and drinks industry delivered a record €9 billion in exports in 2012, and Food Harvest 2020 has identified its long-term potential for smart, green growth. However, for start-up companies, the volume of the market as well as the consumer knowledge, expertise in technology and logistics and commercial know-how required can be daunting.

First piloted last year, Food Works is a programme that brings together the combined know-how and support of Bord Bia, Enterprise Ireland and Teagasc to foster the next generation of food entrepreneurs. It is geared towards those with the talent, ambition and drive to bring a new food product to the international marketplace and to grow a successful export-focused food business.

Core objectives include helping entrepreneurs to validate their idea through consumer clinics and market research; test their concepts through access to R&D expertise, pilot-scale production facilities, food incubation units and product testing and develop their business into a tried and tested, financially viable proposal.

The closing date for applications is April 29. For more information, see www.foodworksireland.ie
Network activity monitoring software firm NetFort has made a major sale to the US Navy without even having a face-to-face meeting with naval personnel.

NetFort’s LANGuardian software monitors activity on virtual and physical networks. From one screen, the product allows for real-time, and historical, monitoring of all activity on a network, what applications are being used, what files are being shared and accessed and how the overall network is performing.

A US Navy research division in Virginia found the NetFort website via a Google search for ‘file share activity monitoring’. They downloaded the free trial version of the LANGuardian, installed it on their network and were delighted with the results. After NetFort personnel in Galway gave them further product demonstrations via WebEx, the Navy chiefs decided to buy a perpetual license and the company had made another major sale.

NetFort CEO John Brosnan said: “Enterprise Ireland helped us tweak our website to make it more search engine friendly and, as a result, the US Navy found us, did their own installation, trialled the product and decided they wanted to buy it. We had a similar experience with Panasonic in Japan and the King Faisal Hospital in Saudi Arabia.”

Other major clients include Tyco, the UK Department of Transport and the Red Bull and Mercedes Formula 1 teams. “Nearly every company uses file sharing for collaborative working, either in-house or with contractors. We provide them with a full audit trail of who has accessed confidential material,” says Brosnan. “We were at one company showing them how the system worked, and it highlighted that one particular individual was doing a lot of downloads that day. The people contacted the guy’s line manager, who said ‘That’s funny, he is leaving the company tomorrow’ – it turned out that he was grabbing all their customer information before leaving to work for a competitor. It was the best demonstration possible.”

Ezetop has added China Unicom to its list of partner companies in a move that could see China become the Dublin-headquartered mobile top-up company’s lead market.

Ezetop enables people living or working abroad to instantly recharge mobile phones of friends and family back home, with the service available directly from more than 240 mobile operators across North America, Europe, the Middle East and Asia-Pacific. Some of the biggest users are Jamaicans in the UK, Cubans in the US and Pakistanis in the Middle East, but China has the potential to become ezetop’s biggest market.

“Making deals in China is all about relationships,” said ezetop’s Chinese business development manager Wen Chen. “It took me 18 months to find the right person in China Unicom and build the right relationship with him before a deal could be made.”

The recently agreed partnership has led to the development of a bespoke platform that links China Unicom Guangxi’s top-up platform with ezetop’s patented global recharge platform, providing guaranteed transaction delivery to China Unicom subscribers within seconds from anywhere in the world.

“Currently, we are working closely with China Unicom Group for planning nationwide marketing activities to promote this service. And we hope that we can get the country’s largest operator, China Mobile, to also sign up,” Chen told The Market.

“Our experience shows the importance of relationships in China. The project had stalled because of technical issues, but my contact flew to Guangxi to push the project through and make sure that it didn’t fail. One of the service’s biggest users has been foreign visitors to China. These are people who can’t read or speak Chinese, so they can’t go to a mobile phone shop in China to get a top up. Instead, they just go to our website and get a top up there.”

Employing some 200 people, ezetop’s head office is in Dublin but it has regional hubs in San Salvador, Miami, Dubai, Dhaka and Kuala Lumpur.
Fantom scores with pro-football deals in UK and German

The Dublin-based app developer Fantom has clinched a deal with Topps Trading Cards to co-develop and promote digital sticker cards for the UK Premiership and German Bundesliga beginning in the 2013/14 season.

Fantom’s online sticker album brings the traditional schoolyard game of swapping and collecting stickers on to a Facebook platform. “We have shown that there is an adult audience for these tradable cards,” says Fantom CEO Paul Healy.

The new deal is part of a wider digital initiative between the two companies across Topp’s licensed properties in sports and entertainment.

Fantom operates a software-as-a-service business model, selling an authoring system for creating digital card games that can be sold directly to brands and card companies. The company’s value offering for sports and other brands includes helping them achieve increased Facebook engagement, better mobile marketing and new revenue streams.

The Topps win follows on from wins with Impact Wrestling, the UK Science Museum, Mattel (the world’s biggest toy company) and Queens Park Rangers.

The digital stickers are placed in an electronic flipping book; it is free to play, but you pay to go faster. The new Premiership collection will offer 600 cards, with players and action shots to be collected and traded by fans. There will be rare and common cards. “As you collect teams you get game rewards and we pull you through on that journey,” Healy explains.

Fans can collect and swap stickers online of a team’s current players, managers and legends from the past. For example Derby fans can win rewards including shirts, match day tickets and stadium tours.

Fantom was established in December 2011 and launched its first product last July. An early score for the new start-up was a deal with TNA Impact Wrestling, followed by Derby County in November. “The Fantom app offers our fans something unique and different, and offers us a brand engagement solution for Facebook,” commented Faye Nixon, marketing manager at Derby. Impact Wrestling offers its fans over 50 stickers to collect, packed with statistics, biographies and action shots.

The market for collectable game cards is valued at over $2.1 billion, says Healy, but around about $1.9 billion is paper-based. The established players in this market have been slow to go digital, Healy says, and so there’s an opportunity for a new player to innovate. “We’re absolutely focused on sports and entertainment,” he explains. “We sell directly to football, rugby, cricket, baseball and major league soccer. Our plan was to experiment in Ireland, sell in the UK, and grow in the US.”

Search lands 10 new markets for CCTV analytics company

The video content analytics company Kinesense has picked up customers in more than 10 different countries after a six-month round-the-world sales blitz by sales director Tony Cahill.

Founded in 2009, the Dublin-based company has developed CCTV video search, analysis and reporting solutions for the law enforcement and security markets.

In addition to its sophisticated video-search technology, which can automatically scan hundreds of hours of footage to find the key segments required by police or security personnel, Kinesense has built up a vast, and continually updated, library of video recording formats and codecs, allowing investigators to immediately examine all relevant scene-of-crime CCTV footage no matter what device was used to record it. The suite of Kinesense products also includes a reporting tool that ensures that all video evidence presented in court is admissible.

“We drew up a priority list of countries that would offer good potential. Places where the law enforcement authorities would have both the budget to buy our products and the willingness to adopt new IT solutions,” says Cahill.

“The optimum rapid route to market for a company like Kinesense is to identify successful partners with key local credibility and experience in our target customer space, so finding the right partners was essential. We briefed the Enterprise Ireland offices in selected countries about our products and the partner criteria we were looking for. They drew up a list of prospective partners for us, and we then researched these and whittled them down to a shortlist that usually included a preferred prospect. I would then travel to each country and meet with the various prospective partners and see if we could sign an agreement and win orders. So far, since June, we have new clients in Italy, the Czech Republic, Slovakia, Turkey, Malaysia, Singapore, Indonesia, Brunei, Australia, the United Arab Emirates and Brazil.

The new series of customer wins has enabled Kinesense to recruit additional staff and work on new products, including one which speeds up custody procedures.

KINESENSE HAS DEVELOPED CCTV VIDEO SEARCH, ANALYSIS AND REPORTING SOLUTIONS FOR THE LAW ENFORCEMENT AND SECURITY MARKETS

SPRING 2013 | THE MARKET
Eblana Photonics has unearthed a new vein of opportunity with a laser diode capable of detecting methane in coal mines. A spinout company, whose original technology was developed at the Tyndall National Institute, Cork, and Trinity College Dublin, Eblana was founded in 2001 and concentrated on the broadband telecommunications market, producing the type of laser components that is used to ‘bring fibre to the home’. However, CEO Jim Somers admits that focusing on one application area, especially where your end customers are the electronic giants in the telecommunications industry, had been a bruising affair.

“We realised we had to look for additional industrial applications for our laser diodes,” he said. “One of our customers in China is a company that has a portfolio of gas-sensor products, and they have since become a partner, with our laser technology at the heart of their methane-detection device. There are a number of ways to detect methane in the air, but our technology is more robust and has a better life-span.

“It is not as big a market as telecommunications, but it is nonetheless a relatively high-volume market with unit prices that don’t suffer the same pressures as those in telecoms. One coal mine might order hundreds of units, and there are some 20,000 coal mines in China alone.

“We are now seeing growing revenues and have been able to attract additional investment. Speciality products, such as methane detection, now account for 40 per cent of our revenue, and they are the area of our business growing most rapidly. For five years, we were in continuous R&D. Now we are seeing the fruits of that labour.”

Identigen, the Dublin-headquartered company that offers food testing and tracking using forensic DNA techniques, expects further progress in the North American market later this year. DNA-testing for food has been much in the news of late, and a big push for wider adoption of the techniques by food processors and retailers looks likely.

Identigen’s DNA-based TraceBack system allows food retailers, processors and producers to track the source of their meat products right back to individual animals, if needs be. North America is a strong focus now for the company, which was founded by a group of Trinity College geneticists in 1996. A significant announcement is expected in the next few months, involving the meat processing and food retail sectors in North America, according to Dr Ronan Loftus, the commercial director and a co-founder of the company. He says Identigen has made significant inroads into the market, working with some of the largest food distribution and manufacturing companies in the world.

“We are a relatively small company, so we have to keep good dental schools, which make strong potential clients,” account manager Leah-Ann McHenry told The Market. “We decided to focus first on Chile because we already had a Spanish-language reference client in the Universidad Complutense de Madrid.

“Enterprise Ireland helped us to identify an appropriate company to act as our local representative in Chile. This was an important factor in winning the contract with the Universidad de Los Andes in Santiago. We concluded this sale in 2012 and are now in the process of implementation.”

Chile and Ireland enjoy very good relations at the moment, not least because of President Michael D Higgins, who not only shares a surname with Bernardo O’Higgins, the Irishman who led Chilean’s war of independence against the Spanish, but who also campaigned for the restoration of Chilean democracy during the Pinochet era, McHenry said. She advises Irish companies to build on this friendship and recommends attending an Irish/Chilean networking to make contacts in the market.
PixAlert has signed its first customer in Canada, a major police department with more than 2,500 desktops. This significant win could see the Canadian market bring in up to 10 per cent of PixAlert’s total turnover.

The Dublin firm specialises in security software and has developed tools for detecting inappropriate images on networks, as well as auditing systems that identify where data has been lost from an organisation’s IT systems.

The Canadian customer can’t be named for confidentiality reasons, but regional sales manager Damien O’Donnell says the scale of the deal establishes the company’s reputation in Canada.

“In the context of our overall revenues for 2012, the contract would represent a significant win – probably about 7 per cent of our international revenue,” he told The Market. “It was a multi-year deal, and, on the back of that, growth in the Canadian market has gone from 0 per cent to 7-10 per cent of turnover in the last six months, and we’re optimistic for new business in 2013.”

Targeting North America, PixAlert will look to sectors where it has been successful elsewhere, including insurance companies, banks, local government agencies and pharmaceutical firms, all of which typically need auditing or security software. O’Donnell sees the deal in Canada providing a springboard into the US market.

PixAlert works with partners in certain markets, including Australia and the UK, but in recent years the company has favoured a direct sales model. “We’re getting a lot of success from direct marketing. We do webinars, we do a lot of work on the social networking sites, and making direct contact to potential customers in the sectors we’re looking at,” said O’Donnell. PixAlert has also redesigned its website over the past 18 months, putting more focus into search engine optimisation, and O’Donnell said this work “has generated a substantial increase in enquiries from the web”.

The deal with the Canadian police department was a direct inbound sale via PixAlert’s website. “It shows that our message is getting out there, and that we’re targeting the right sectors and the right customers” O’Donnell said.
Swiss market scores high on confidence

Switzerland gets a green light for exporters, with an economy in far better shape than most of its European neighbours, according to the latest market assessment from Coface, the trade credit and export insurers.

Swiss unemployment is running at just 2.9 per cent, and modest growth of 1.2 per cent is forecast for 2013. Moreover, investment by SMEs in sectors such as chemicals and pharmaceuticals is expected to increase in 2013.

But Olivier Bel of Coface Switzerland warns that faced with four official languages and 26 autonomous cantons, exporters need do their homework. “First, understand the diversity of the market, particularly linguistic and cultural differences, when prospecting, selling, signing contracts or managing risks,” he told The Market. “Secondly, take into account buyers requirements for high-quality products and services and the fact that this is often more important than price. Third, be discrete and respect the principle of confidentiality, which is so important to businesses in Switzerland. And finally, as in many other countries, build trust and try to form long-term relationships. Once trust has been established, your customers will keep coming back.”

Pharma-engineering to target Belgium

In recent years, Belgium has emerged a global hotspot for pharmaceutical production and foreign direct investment, and Irish companies and now on the ground winning business and actively seeking to partner with Belgian counterparts. On May 25, Enterprise Ireland will host a reception and dinner in Brussels to help companies strengthen their network of contacts in Belgium. To find out more, contact paul.maguire@enterprise-ireland.com, tel +32 (02) 6739866.

Entry call for European Business Awards

Entries are now being sought from innovative and entrepreneurial Irish businesses to compete in the European Business Awards 2013/14. Irish businesses of all sizes and across all sectors can enter. Previous winners have included Kilkenny based Terry Clune of Taxback.com, who won the RSM International Entrepreneur of the Year award in 2010. The closing date is March 31, 2013. See www.businessawards europe.com/

Terry Clune Taxback and Aidan Scollard RSM Farrell Grant Sparks European Business Awards
€300k funding for North-South innovation partnerships

InterTradeIreland, the agency tasked with boosting North-South economic co-operation, has launched a new round of Innova programme funding to support collaborative innovation partnerships between companies in the North and Republic. For successful applications, up to €300k in funding is available to support the partners working together to develop new products, processes or services.

The €1.5m fund is designed to support collaborations where both companies would benefit from pooling their expertise and resources, enabling them to bring their innovations to market faster than if working alone. For further details about the Innova fund, visit www.intertradeireland.com/innova.

Finance for Growth series re-launches for CFOs

Finance for Growth (F4G), the workshop series and networking platform for chief financial offers (CFOs) in exporting Irish businesses kicks off again this February. Addressing a different topic every month at workshops in Dublin, Galway, Shannon and Cork, the 2013 series includes funding, market access, growth strategies and foreign exchange. See www.enterprise-ireland.com/en/Events/OurEvents/Finance-for-Growth/
**March Diary**

### What’s on

**Annual World Food Innovation & Technology Forum**

*March 5 & 6*

Two-day event attended by food industry technology leaders, including R&D and innovation decision-makers from global food and beverage multinationals. EI, a sponsoring partner of the event, will use the opportunity to showcase the expertise of Irish companies and Ireland’s food R&D infrastructure.

**v:** Burlington Hotel, Dublin  
**e:** David.Butler@enterprise-Ireland.com  
**t:** +353 (1) 7272886

**EU R&D in Advanced Manufacturing Technologies**

*March 8*

Event showcasing manufacturing technologies R&D activities ongoing in Europe.

**v:** Trinity College, Dublin  
**e:** ciara.clogher@enterprise-Ireland.com  
**t:** +353 (01) 7272725

**Procurement Opportunities with the United Nations**

*March 6*

A procurement workshop for potential suppliers to the UN will be followed by an opportunity for one-to-one meetings. A follow-up visit to UN New York will be organised in July for companies wishing to further engage with project and procurement officers.

**v:** East Point Business Park, Dublin 3  
**e:** evelyn.smith@enterprise-Ireland.com  
**t:** +353 (1) 7272717

**Trade Mission to Texas**

*March 5 to 10*

Enterprise Ireland trade mission to Southern USA to be led by Minister for Jobs, Enterprise & Innovation, Richard Bruton, with additional events for the telecoms and oil and gas sectors.

**v:** Dallas, Houston and Austin  
**e:** martina.forster@enterprise-Ireland.com  
**t:** +353 1 7272756

**Meet The Buyer Event - HSE Estates Design Team 1**

*March 6*

Capital project briefing and company showcase with the HSE Estates Design Teams appointed to the construction of New Mental Hospital, Intensive Care Rehabilitation Units and Childcare Special Care Units.

**v:** East Point Business Park, Dublin 3  
**e:** brianne.mccarthy@enterprise-Ireland.com  
**t:** +353 (1) 7272910

**SXSW2013**

*March 8 to 17*

Enterprise Ireland is co-ordinating an Irish presence at SXSW – a major networking and business event for the music, content and media industries. This year’s SXSW coincides with an Enterprise Ireland trade mission to Texas.

**v:** Austin, Texas  
**e:** simone.boswell@enterprise-Ireland.com  
**t:** +1 (650) 294 4083

**China International Education Exhibition Tour (CIEET)**

*March 9 to 19*

‘Education in Ireland’ will participate in this tour to raise awareness of Ireland as a quality education destination.

**v:** Beijing, Shenyang, Xi’an, Shanghai & Hefei  
**e:** gary.fallon@enterprise-Ireland.com  
**t:** +86 (10) 84488080

**St Patrick’s Day Celebration - UK**

*March 13*

Enterprise Ireland UK will host two events celebrating St Patrick’s Day, providing EI clients with an opportunity to network with existing and potential customers or partners.

**v:** London & Edinburgh  
**e:** christine.esson@enterprise-Ireland.com  
**t:** +44 (207) 4388725

**BMI/Salao do Estudante**

*March 16 to 25*

One of the largest student recruitment fairs in Brazil.

**v:** Sao Paulo, Curritaba, Rio de Janeiro  
**e:** lucia.reynolds@enterprise-Ireland.com  
**t:** +353 (1) 7272359

**Asian Development Bank - Business Opportunities Fair,**

*March 21 & 22*

Enterprise Ireland is organising an Irish delegation visit to the Asian Development Bank’s Annual Business Opportunities Fair, providing an opportunity to meet with the ADB’s country officers, sector specialists and project officers.

**v:** Manila, Philippines  
**e:** evelyn.smith@enterprise-Ireland.com  
**t:** +353 (1) 7272717
Lean Logistics: Saving Costs and Improving Effectiveness & Efficiency
March 25
Introduction to Lean Logistics - savings costs and improving effectiveness and efficiency.
Venue: East Point Business Park, Dublin 3
Email: richard.keegan@enterprise-ireland.com
Phone: +353 (1) 7272334

APRIL

Trade Mission to Turkey April 8 to 11
This trade mission, led by An Taoiseach, Eamonn Gilmore TD, offers EI client companies opportunities to increase their profile in the market and exploit new business opportunities.
Venues: Istanbul and Ankara
Emails: kevin.buckley@enterprise-ireland.com
Phone: +39 (02) 88009924

Miptv 2013 - Ireland on Screen April 8 to 11
Ireland on Screen, a joint collaborative initiative between Enterprise Ireland, the Irish Film Board and the Irish media industry, will be exhibiting at MIPTV – one of the major business events, where deals are made in the global TV, content and media industry.
Venues: Cannes
Emails: damien.mccarney@enterprise-ireland.com
Phone: +353 (1) 7272181

@asLAN.2013: Cloud & Network Future April 10 & 11
Major Spanish event for ICT professionals and companies, with a new format focussed on the ‘Cloud and Network Future’.
Venues: Madrid
Emails: raul.marigorta@enterprise-ireland.com
Phone: +34 (9) 14364088

Retail Middle East April 14 & 15
Market study visit to the UAE for consumer retail (interiors, fashion and personal care) companies exploring the possibility of or already selling in the Middle East. The immediate objective is to introduce Irish companies to the market, the large players - both retailers and distributors - and potential partners.
Venues: Dubai
Emails: barbara.walsh@enterprise-ireland.com
Phone: +971 (4329) 8384

Ensuring Sufficient Funding for your Business April 16 & 17
Part of the Finance for Growth workshop series for CFOs, exporting the pros and cons of VC, PE, venture, equity and bank finance.
Venues: Shannon (16) & Dublin (17)
Emails: tom.early@enterprise-ireland.com
Phone: +353 (1) 7272942

Beyond 2020: launching innovative green building partnerships April 24
As part of the Better Building conference, Enterprise Ireland is co-ordinating a conference on innovative ‘green’ building partnerships. In addition, an EI client / buyer networking event will take place on the evening of 24 April.
Venues: Croke Park, Dublin
Emails: rory.mcneill@enterprise-ireland.com
Phone: +33 (6) 153431243

MAY

Project Qatar May 8 to 9
10th Qatari international trade construction, building, environmental technology and materials exhibition.
Venues: Doha
Emails: georges.maalouf@enterprise-ireland.com
Phone: +974 (1) 4881383

Travel Technology Stand at Arabian Travel Market May 8 to 9
Shared Irish pavilion in the technology section of Arabian Travel Market Exhibition, the largest travel expo in the Middle East, with over 17,500 visitors last year.
Venues: Dubai
Emails: anthony.cahill@enterprise-ireland.com
Phone: +971 (4) 3760405

Workshop: HR in an SME May 14 and 15
This workshop will examine how to manage HR issues in the absence of a dedicated resource. It will also explore performance management, staff incentives and managing the culture of an organisation.
Venues: Cork (14th) and Dublin (15th)
Emails: tom.early@enterprise-ireland.com
Phone: +353 (1) 7272942

Hospital Supplies Trade Fair – Latin America May 21 to 24
Hospitalex 2013 is a leading international trade show for hospitals, laboratories, pharmacies, health clinics and medical offices in Latin America.
Venues: Sao Paulo
Emails: andrea.rangel@enterprise-ireland.com
Phone: +55 (11) 33554801

ONGOING

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

Exploring Exporting - 2 Day Workshop Ongoing
New series of two-day workshops (delivered approximately 3 weeks apart) to assist early and pre-export companies make sound business decisions on whether exporting is for them, understand how to export and how to plan for successful export entry.
Venues: Various locations in Dublin and regionally
Email: rena.cushion@enterprise-ireland.com
Phone: +353 (1) 7272695

Email details of your upcoming business events to the.market@enterprise-ireland.com

Compiled by Teresa Lyons
The Dublin-based media producer beActive has become the first Irish company to have sold drama format rights into the US. Its founder and director Triona Campbell tells Mary Sweetman about the deal and her take on the future of the broadcast industry as traditional producers come under increasing pressure.

"Beat Girl", the latest digital property, is a coming-of-age story.
This February, beActive celebrated its tenth anniversary. But there were other reasons for flying champagne corks at its Dublin office. Helping realise its ambition to crack the US market, the company has just sold the North American format rights to Beat Girl, a multi-platform project, which includes a web series, a book, a movie and a television series. The deal marks the first time an Irish company has sold drama format rights into the US.

**DIGITAL PROPERTY**

Campbell describes beActive as a ‘transmedia’ company. “We had a discussion in the office, and the conclusion was that we are farmers because what we do in creating a digital property is very similar to getting a calf and fattening it up and selling off every single piece of it that you possibly can,” she told *The Market*. “We create a story-world and try to make sure that we monetise each and every avenue we can in that story-world. So it’s the mobile downloads; the ads on the YouTube channel; the licensing deals to other platforms; the ebooks; the paid-for downloads; the soundtrack. Then if it gets enough traction and becomes big enough that it goes to television, you are into licensing on the second season.”

The company’s biggest win to date – and the one it is best known for – is Sophia’s Diary. In 2008, beActive signed a deal with Sony Pictures in the US for the show. “It was the first deal of its kind, and it was significant in terms of money from them,” Campbell says. “That was the moment for us when we changed from being a small European company that was kind of doing okay into really feeling that we could turn this into a business that could become a mini European studio.”

Subsequent licensing deals coming from the project have included everything from Sophia’s Diary pyjamas and temporary tattoos to iPhone socks.

Beat Girl, the latest ‘digital property’, was created by beActive’s co-founder and CEO, Nuno Bernardo, who is an Emmy-nominated writer-producer. Filmed in Dublin last year, it is a coming-of-age story of a young girl as she is torn between her late mother’s dreams of her securing a place in the prestigious Julliard Performing Arts School in New York and becoming a world-class DJ. The original television series and film rights are being sold internationally by Content Media in London, and a music album and smartphone game based on the series are due out this spring.

**BUSINESS FOCUS**

Campbell, a graduate of drama studies from Trinity College Dublin, isn’t short on artistic credentials, having been the first non-North American producer to win the Tribeca ‘First Look’ award, gaining her a screening in New York with Robert De Niro. She readily acknowledges that it is always the story, rather than the delivery channel, that must be king and says that she invests in the best creative people she can afford, reasoning “if you pay peanuts, you get monkeys”.

But in conversation, she’s more likely to talk about business models and return on investment – a trait she attributes to her time spent working in Roger Corman’s studio in Connemara, where she started at the “bottom of the heap for three or four films” before getting to head a department. “Roger’s method of filmmaking was always that you make the movie for what you think you can sell it for, so it was very structured from the start in that he was running a business not an artistic venture.”

On leaving Connemara and after having “spent a little bit of time doing what people do traditionally here when they open a media company”, Campbell says what really began to strike her was how with traditional film-making, even low-budget film-making, one might spend over a million dollars on a prototype with no real idea of how audiences are going to react except instincts.

“The concept with beActive,” she says, “was to try to really engage with audiences online before going to that point when you are committing vast sums of your own and other people’s money.”

**TESTING THE WATERS**

Testing the waters in a lot of instances for the company means starting with a web series. “But in some cases more recently, we have been trialling stuff on e-reader sites like Movellas or Wattpad in Canada, starting off with something that is more like a traditional book and releasing a new chapter every week through the site, building up a fan-base who are offering comments and advice, so you are starting to base a community around it, which you can then crossover to the other mediums.”

“Beat Girl started off as a book,” she explains, “and we have had over 2 million reads on Wattpad. There is a web series, which includes prequels and interviews with DJs. We have had 1.5 million views on YouTube.
And we have made a movie version, shot in Dublin with a first-time Irish director, and that has been confirmed as going into cinema in Ireland, the UK and Portugal during May.

“What we have now done, which nobody else has done in terms of an Irish drama format, is that we have sold the format rights to Ben Silverman's company, Electus. Ben was behind the adaption of shows like Ugly Betty and was the founder of Reveille before he left to head up NBC Universal and is now back doing his own stuff at Electus. So we are forging ahead, trying to get this remade as a long-running series for the US market.”

AUDIENCE NUMBERS THE FUTURE
Campbell muses at how much the industry has changed in the relatively short time since she first began working in it – how 16/35 mm film has been replaced by recording onto a digital chip, which goes straight into an editing machine. And how while her generation grew up anxiously waiting around every day for the teen programmes slot to start, many kids today have no concept of what a TV schedule is. They consume media on Sky+ or YouTube, without looking to see what’s on. They go there knowing what they want and just expecting it to be there.

So when you ask her what she thinks the future holds for producers, she admits that she really wishes she knew. “We are in a time of change within this industry. YouTube is becoming more and more of a broadcaster, looking for high-quality content that is of a professional standard. Its revenues are growing exponentially, whereas traditional broadcasters are finding themselves under more and more budget cuts and constraints, and it’s the younger, more innovative, really tight-to-the-bone companies in terms of costs that are surviving.”

“When we did the adaption of Sophia’s Diary in the UK, it was with Bebo and Sony Pictures. With Bebo, we tracked up 33 million views online with that one show, and then we sold to Channel Five. This time, we are racking up views [for Beat Girl] on what essentially is becoming our own channel on YouTube, and with no PR or publicity or big funding behind it, we are already at over 4 million views.”

“I honestly think this is the way forward,” she says. “Your audience now is your currency. Whenever you go into a negotiation, it’s not enough to say that you made a programme for somebody else, and that it did phenomenally well. You need to be bringing that audience with you into the next project and really growing that community.”

As to her long-term vision for the company, it’s about more than just getting a production onto TV and leaving it there, Campbell insists. “It really has to be about having it successfully going in more than one territory and being able to see that the fan-base and community around that is growing exponentially,” she says. “It’s great when you do five seasons of a run in one country. But it’s even better when you are in ten territories. We are the first company to have had a drama format successfully go into China. We have done so well in Europe, and we have re-versioned in countless countries...in Vietnam...in South America. If I’m honest, we want to crack the States; that’s why the deal with Electus is so important. It is the start of us making inroads into what was been our mission for the last 12 months. We are lucky to have found a partner that quickly and to have found someone who is the former head of NBC.”
Trade missions have become a well-travelled path for many Irish companies looking to make initial inroads to new markets, but one Dublin-based company has turned that model on its head.

The Digital Marketing Institute, which specialises in digital marketing education, prefers to do the heavy lifting in negotiating deals months ahead of those events, then uses the media attention and business profile generated by the presence of ministers and ambassadors to help bring the final contracts over the line.

“A lot of people see trade missions as ways to find business. Our mantra was, we see it as closing business. We had done all the legwork beforehand with the local partner in place. Then we rolled in all the senior people to sign it and give it the big stamp of approval,” said Ian Dodson, CEO of the Digital Marketing Institute.

The Enterprise Ireland trade mission to South Africa last November was a case in point: DMI announced it had concluded a partnership with the Vega School of Brand Leadership. The school has campus locations in Johannesburg, Pretoria, Cape Town and Durban, where it will deliver DMI’s Professional Diploma in Digital Marketing programme.

DMI will also partner with local training partners Blue Magnet Training, Brandschool and Digital Academy South Africa to deliver the Professional Diploma in Digital Marketing programme.

DMI entered into a strategic alliance with Asia’s largest IT trainer, NIIT India, to offer digital marketing education and professional certification in the country. DMI expects to educate 25,000 students in India over the next three years, and the deal is expected to net the company another €3 million in sales over that time.

A dinner hosted during the trade mission to India helped to seal the alliance with NIIT, added Dodson. “It’s actually through the Enterprise Ireland offices and the embassies internationally that we were able to pull these deals together. When we went into these regions – Ireland, UK, South Africa, Middle East India and South East Asia, our initial point of entry was through the local Enterprise Ireland office and the local embassy. They put us in touch with local market entry consultants. That local presence, that local knowledge and capability literally saved us a year of banging on the wrong doors and asking the wrong questions.”

Another deal announced recently but months in the making saw DMI sign a €2 million deal for Specialist Knowledge Centre of Malaysia to deliver DMI’s digital education and professional certification programmes both within Malaysia and across the entire ASEAN region.

With a promising sales pipeline, DMI expects current staff numbers to rise from 19 to 30 by mid-year.

The company has spent four years developing its digital marketing certification to an international standard, said Dodson. “We are almost two businesses: an Irish training company in Ireland, but Ireland also becomes the factory where we build things to export them. We still validate, prove and test all our products in this country. They’re education products, but they’re still products.”

Raising awareness in new markets comes naturally to the company given the line of business it’s in. “The one thing we do best is digital marketing,” said Dodson. “We go direct to the end student and drive them to the partner network. So the level of support is crucial and people shouldn’t underestimate that. Don’t just give the partners a product but support them in the rollout.”

DMI expects the South African market will generate revenues of more than €3 million for the Dublin firm by 2015.
The Kingdom of Saudi Arabia is set to be one of the biggest spenders in the world for the foreseeable future – on everything from infrastructure to health, education and environmental protection. Cian Molloy asks Irish companies already in this market about some of the keys to success.

Cian Molloy asks Irish companies already in this market about some of the keys to success.

The experience of one Irish company, CES Energy, gives some idea of the level of involvement required. MD Tom Marren spent one week every month for three years visiting Saudi Arabia and, although the company is now well established with local representatives permanently based in the country, he still travels over from Ireland several times a year. “It’s a major investment,” he says. “So if you’re going into the Middle East, don’t tour around. Your best use of resources is to concentrate on one country, and that might as well be Saudi because it is the biggest market there, and it’s where the scale of activity is greatest.”

Following is a quote from the text:

“If you don’t have someone based here permanently, you will need to be coming out once every four to six weeks. Having a good business development manager on the ground is the best way to ensure success, and that will cost you €150-200k a year, including salary.”

Cian Molloy asks Irish companies already in this market about some of the keys to success.
KEYS TO THE KINGDOM
CES Energy has secured three significant contracts for its tri-generation (electricity, water heating and water chilling) solution: a 25-year supply contract for the HQ building, the tallest tower block in Jeddah; a contract for a 33.5MW tri-generation solution for Serafi Mega City and a contract to supply all power for the new King Abdullah Port. However, these wins were scored through joint-ventures (JVs) with Saudi companies. Notably, the port contract involves a JV with the Petroleum Chemicals and Mining Company (PCMC), part of the Saudi Binladin Group, the country’s largest civil engineering contractor, but this relationship could not have been brokered if CES Energy hadn’t already got a pre-existing JV with another Saudi company, Marren says.

Building a relationship generally takes time, agrees Jason Larkin, general manager with Woodfit Acoustics, which is based in Athlone. “We didn’t realise how lucky we were when we won our first major contract, which was to fit out 30 auditoriums at the Princess Noura University in 2010,” Larkin explains. “We quickly realised we had a fluke, and it really takes two years to start winning business. We’ve done about 15 projects in Saudi since, none of them as big as the Princess Noura. But when the Ministry of Higher Education is tendering, they commission four auditoriums at a time. In terms of the sheer scale of the opportunity, it’s easily the best market in the Middle East.”

That said, Larkin points out there are a few things that new entrants should consider. “This is a country where haggling is the norm, and you have to be ready for that. They are the best traders in the world and will expect you to negotiate. But if you have priced for cost only, then you won’t have any negotiation room.”

In addition, projects can be slowed down by external factors. “Events like the Arab Spring in Egypt, Libya and Syria slowed things down. Projects that were to start last year aren’t going to start until later this year, and you have to be prepared for that.”

Don’t try this alone
In most overseas markets, having a good local partner can be a major boon. But in Saudi, it’s absolutely essential. “You might get things done without a partner,” Larkin adds, “but it will take 10 times longer, and having a local partner can make the difference between getting paid and not getting paid. You hear some horror stories, particularly from consultancies, who will hand over the information requested by a client and then be left waiting for payment.”

For the solar-energy company Meehan Greene Technologies (MGT), “having someone local is a must to do things like source cable and switchgear. Without a fixer, even getting concrete delivered could be a struggle,” says founder Dermot Greene.

MGT was founded in 2010 specifically to develop solar power generation facilities in Saudi Arabia. Greene believes that KSA is set to become one of the world’s largest and most dynamic global solar-energy markets. The company has exclusive distribution rights for a concentrated photovoltaic power-generation system, and, having already completed one 1MW installation, is now taking part in a 5MW pilot-study.

Greene, who has worked extensively in the Middle East and who is partnering with Saudis with whom he has had a very long-term relationship, points out companies should be aware of the region’s system of clan loyalties. “If you partner with someone in Saudi, he will expect that you partner with his cousin when you move to Kuwait or another neighbouring country.”

Another factor to consider is size. “We were warned to avoid signing up with a large corporation that might tie us in with them exclusively, but then put us on the shelf and use us only when they especially needed to,” says Ian Fewer of architects Fewer Harrington. “Our Saudi partner is a company that is about the same size as us, that is keen to work with us to our mutual advantage and that wants us to grow together.”
THINK BIGGER

While not eliminating the need for a local partner, teaming up with other Irish engineering companies, Thomas Garland, Nevin Construction and MacArdle McSweeney. They have formed a JV, Pivotal Design Build International, to target Saudi.

“There were two good reasons for teaming up and forming Pivotal DBI,” says Fewer. “Four years ago, we realised that getting established would be a long-haul, and we were better off pooling our resources. But more importantly, we learned that clients in the Middle East liked a one-stop shop, where one entity dealt with the whole shooting match in a construction project from beginning to end.

“So far, we’ve been involved with the Dr Soliman Fakeeh Hospital, a €200m project and the largest private hospital in Saudi, and a €3.2bn mixed-use project. And we’re tendering for more work. Our Saudi income has ensured that we’ve been able to keep staff employed in Waterford and Dublin.”

Fehily Timoney, an Irish specialist in clean-tech and sustainable engineering solutions, has also decided that partnering to achieve scale makes sense given the size of the Saudi opportunity.

The company started investigating opportunities in the Middle East in 2008 and quickly identified Saudi Arabia as the territory offering best prospects, explains MD Eamon Timoney, who is now based in Al Khobar on the eastern coast.

“It took us until 2010 to become a registered consulting engineering company that could bid for Saudi government contracts. We identified the Jeddah Environmental Assessment and the Jeddah Environmental and Social Master Plan as offering us good opportunities.

“We already have work examining the environmental aspects of a storm-water drainage programme in Jeddah and are doing a seepage survey at three wastewater facilities. We are now pre-qualified for National Water Company tenders, but we have realised that although there are plenty of projects, we need to scale up in order to take them on.”

The solution has been to enter into several joint-ventures with Ramboll, Europe's fourth largest engineering consultancy. “We are now in a position to tender for bigger contracts,” Timoney says.

Looking ahead, it seems ‘big’ will be the common factor that unites Saudi opportunities for the foreseeable future. The current (ninth) five-year national development plan (NDP) will see $385 billion being spent on infrastructure improvements and development goals, translating to a 65 per cent increase on spending in the previous NDP. On top of this, the Saudi Arabian General Investment Authority has announced that a further US$500bn is to be spent on energy projects, ports, logistics and education. Four whole new cities are being created, a new railway network is being developed and Saudi’s ports capacity is being substantially increased.

While the infrastructure spend has grabbed the majority of headlines and has been a key focus for Irish companies in the market to date, it’s only part of the story. This year, KSA will spend €40.8bn on education, €20bn on health and social affairs, €1.4bn on water and agriculture-related infrastructure, €3bn on transport and telecommunications and €7.2bn on municipality services such as roads, bridges, drainage and flood control, and environmental projects. The market right now gives Irish companies an opportunity to be involved in projects of a scale that are almost unimaginable back home.
Coding? It’s child’s play

James Whelton is on the Forbes ‘30 under 30’ list of social entrepreneurs, and he is increasingly rubbing shoulders with the giants of the global tech world. He tells Lucille Redmond about the ethos of CoderDojo, the programming club ‘franchise’ that is making learning to code a craze among kids in 22 countries.

Finding a way to get school kids engaged and passionate about coding has been an elusive goal for the creative minds employed by some of the world’s biggest software businesses and government think tanks. But for an idealistic 20-year-old from Cork, it’s pretty much been child’s play.

James Whelton had not yet done his Leaving Cert when he thought of CoderDojo, the programming clubs that are becoming a craze among children around the world.

CoderDojo started last June, and already there are 60 clubs in Ireland and 180 worldwide, with an average of 40 children in each club, with the numbers growing fast and waiting lists for places.

“We have a live coding approach: a person up front with a code editor running, doing it piece by piece, people in class doing it along at the same time, with four or five mentors helping them,” Whelton explains. “It’s interactive – people can ask ‘what colour, what should we do with this button...’.”

CoderDojo came out of James’ own school experience. “I was a very bored child,” he says. He wasn’t a sports or academic star in Presentation Brothers College in Cork, but he loved computers. He got into making web pages when he was nine. He browsed through 50 computer books in Eason’s in Cork, next door to his father’s office, until he found HTML For Dummies.

“I started making small animations, using Paint in Windows to put them in sequences. My first was ‘Fighter Guys’, about four guys on an adventure. They got in fights, and they had supernatural powers.” Using his family’s dialup connection, he made his first website.

By the time he was 18, he was so good that he won that year’s Junior Spiders Award. He already started a computer club in school, teaching 40 children twice a week, and kids from other schools were asking to join.

On the day he should have sat his Leaving Certificate mock maths exam, Whelton was an invited speaker at the 2011 Dublin Web Summit. There, he had the most fateful meeting of his life – with entrepreneur, investor and general good guy Bill Liao, founder of WeForest and venture partner at SOSVentures, and special diplomatic envoy for St Kitts and Nevis for sustainable development.
and the environment.

James was already thinking about a network of clubs where kids could learn to code, with a new way of teaching. Bill and James sat down for a couple of sessions to talk over the plan. “Bill suggested the name CoderDojo, and talked about logistics – how to get spaces to run the clubs, insurance, what we should teach.”

The clubs started in Cork and took off like a rocket, with new Dojos opening in Limerick, Dublin and onward, teaching in an open, mentored style. “It’s important from an educational point of view, since this kind of coding is not taught in schools: the best way to learn is physically, with other children.”

From a societal point of view, Whelton says, people need to be technically literate enough to understand the implications of the laws now being formulated, and their effects on our privacy and on internet freedom.

“And from an economic point of view, there are a lot of jobs in technology. As people occupy technology jobs, more jobs are created and more companies founded. Ireland is not producing candidates fast enough for these technology roles – or if we are, we need another year after leaving college to get up to the required level.

“It’s interesting to think that if we have a generation of technologically adept young people, and they choose a career like medicine, with that know-how they can come up with ideas that may potentially revolutionise medicine or improve it using technology.”

Among the 60 CoderDojos in Ireland (at the time of writing – there may be more by the time you read this) are seven each in Dublin and Cork, dojos in Wexford, Wicklow, Waterford, Limerick, Galway – and so on, including even one on Arranmore Island off Donegal, some teaching up to 110 children.

There are now Dojos in 22 countries, including Germany, Uganda, France, Sweden, Britain, Netherlands, Japan, Armenia, Bulgaria, Australia and the United States. They are separate but share experience. “They are teaching different programming languages, and contributing articles to CoderDojo central about what they’ve learned, for others to avail of.”

CoderDojos are open to anyone under 18; the bulk of members are aged around 12. The mentors’ individual skill sets vary, but typically they teach HTML, CSS and Javascript for front-end web development. “Some have got into PHP, Python, Java, Ruby, even 3D printing and microcontrollers as well, which is pretty cool. We thought about this at the start: we wanted it to be scalable: having fun creating things with computers, rather than computer science level degree knowledge, and so we opted to have no prescribed language.”

Dublin dojo sensei Ben Chapman suggested that any child under 12 must bring a parent – which had a positive side-effect: it worked particularly well in building the community.

“Word spread through Twitter, and we promoted CoderDojo online. Locally, children went home or back to school and showed the website or app they made. Each Dojo creates its own Twitter account and tweets local news, so every Saturday people are tweeting things that are happening and others are finding out.”

This is how Japan came in – James tweeted a picture of a CoderDojo in session, a friend in Japan retweeted it, and Japanese tweeters took it on and within hours they were setting up a dojo. It’s spreading like wildfire in Japan.

Already, CoderDojo’s children are showing their talent. Thirteen-year-old Harry Moran’s game PizzaBot beat Angry Birds in the Irish App Store – he has now released his second game, Robo Run. Fifteen-year-old Maciej Goszczycki won the Coolest Project Award in the last CoderDojo nationwide project, held in Intel – creating his own software language, ODA, for programming robots.

“We have nine-year-olds who are really good at programming javascript. When I meet 18-year-olds, I expect them to have at least one app store success.” Fifteen-year-olds who were learners last year are returning as mentors.

One leap CoderDojo has made is in fostering talent in girls as well as boys. “Typically, only 9 per cent of coders are female, but with CoderDojo 20 to 30 per cent of our coders are female; in New York and LA we see attendance rates of 50 per cent.”

Currently, CoderDojo has no real financial model, though it has sponsors: EngineYard gives web hosting, Enterprise Ireland gives practical help and introductions; BT and AIB sometimes lend monitors so kids can learn coding, and local dojos have local sponsors – for instance, the San Francisco dojo is run from Twitter’s office.

“There’s no money involved, no CoderDojo bank account – we try to keep cash, money, out of it as much as possible. There’s no plan for commercialisation,” Whelton says.
SINGLE VISION
You may have never heard of ASEAN, the 10-country Association of South East Asian Nations. But if it pulls off a masterplan to create a single market by 2015, the ASEAN Economic Community (AEC) will be the fifth most powerful trading bloc on the planet. We take a broad look at some of the lead economies, emerging opportunities and Irish experiences doing business in the region. Interviews by Donal Nugent

As the acronym for a region representing close to 600 million customers and a combined GDP of about US$1.8 trillion, ASEAN doesn't usually trip off the tongue when Irish companies talk about their international market strategies. But perhaps that's no surprise.

For a geopolitical entity that can trace its roots back to the 1960s, one of the most striking characteristic of ASEAN (the Association of South East Asian Nations) is its relative inertia in the decades that followed. However, that situation is now changing fast, and the drive to create a fully-fledged economic community may soon bear fruit.

By the end of 2015, the ASEAN Economic Community (AEC) is set to unite a population larger than that of the European Union, linking economies as diverse as Singapore, with the fifth highest GDP globally, and Laos, one of the world's poorest countries.

**ASEAN WHO'S WHO**

Although the acronym may not be familiar to Irish business interests, several of ASEAN's members are. Singapore – a major lifescience and international services hub – and Malaysia – a key education market for Irish colleges – are by far the wealthiest on a per capita basis. Indonesia, the fourth most populous nation in the world, has the biggest economy in volume terms. And with its young and growing middle class, it's a clear target for any globally minded business where pure demographics count.

Several decades of Glasnost-style reform have made Vietnam a magnet for foreign direct investment – second only to China in the Asian region. The Philippine capital, Manila, is HQ-central for Irish companies bidding for a part in the multi-billion euro regional infrastructure and development projects funded by the Asian Development Bank. And Thailand, an important international holiday destination, is a potential hotspot for technology and services providers targeting the hospitality and tourism industries.

"ASEAN is one of fastest evolving regions anywhere in the world right now," says Smruti Inamdar, Manager for ASEAN Region with Enterprise Ireland. "The AEC will mean free movement of goods, services, investment, skilled labour and a freer flow of capital. Now is a golden time for Irish companies to get in on the ground floor and to be ready to trade among the 10 countries in 2015."

The connectivity plan for 2015 talks about physical, institutional and individual connectivity. Physical connectivity will involve infrastructure development in land, sea and air transportation, as well as the energy sector and the development of a Special Economic Zone. For example, 47 seaports are to be built across ASEAN by 2015, according to the masterplan.

Institutional connectivity will be more about government-to-government relationships, including an ASEAN single window and customs integration. Meanwhile, individual connectivity will be about promoting cooperation in terms of cultural, educational, and tourism activities.

Moves are also afoot for trade harmonisation in the wider Asia-Pacific region. In August last year, the ‘ASEAN+6’ bloc emerged when ASEAN along with Japan, China, South Korea, India, Australia and New Zealand agreed a three-year timetable to create a vast new free trade area that will see goods and services flow across the Asia-Pacific region more freely than ever before.

**IRISH INTERESTS**

Enterprise Ireland's activities for ASEAN are managed from its regional office in Singapore and, in the last few years, it has been supporting a significant increase in activity among client companies there. However, Smruti Inamdar believes the region is still seen by too many Irish companies as either too difficult or “off the beaten track”.

The AEC will mean free movement of goods, services, investment, skilled labour and a freer flow of capital.
These are unique markets with unique demographics.

It goes without saying that the lessons for first-timers revolve around being prepared but, while its markets are extremely diverse, at least one underlying fact unites them all. “Relationship building is essential to doing business in ASEAN,” Inamdar says. “Initial face-to-face meetings and, longer term, a presence on the ground are essential. The sales cycle is usually longer than in the West and a typical question you will be asked is “who else has purchased this service or product?” ASEAN business cultures are generally risk averse – companies are not willing to be the guinea pig for an unknown entity.”

While there are undoubtedly good opportunities, she stresses that the ASEAN countries vary enormously from one to the other in terms of ease of doing business (see table), the nature of the opportunities and the operating culture. Companies need to be well prepared, do their market research and not expect any easy wins.

**EYES ON THE PRIZE**

One of a growing number of Irish companies in the market, Camba.tv offers a cloud-based system for remote security monitoring. The company had its roots in an art project created by CEO Marco Herbst while living in Berlin. Recognising the broader commercial opportunity, he teamed up with former business partner Vinnie Quinn. (Previously, the two had created the website jobs.ie, which they sold to businessman Denis O’Brien in 2005.)

Ease of use is Camba.tv’s selling point, and its software means it can work with virtually any camera anywhere in the world. The company’s entry into ASEAN came fortuitously, when it was approached by Malaysian telecoms provider Digistar. Having secured a licence to provide centralised monitoring systems in the Malaysian market, Digistar was looking for the right middleware to enable it to roll out its service.

“The reason the ASEAN region is working for us is simply because there is a lot of investment going on there by the telcos,” Herbst says. Direct experience of the region has confirmed “how important partnership is. Had I not known it, I might have been tempted to go over and sell directly. Digistar’s ability to manage the expectations of their customers, to take them through every step of the process and their knowledge of the culture and the decision-making process was pivotal to our success.”

The relative speed at which the two companies moved from initial contact to implementation is also a reflection of the potency of the right product offering at the right time. “Our software is designed for a very specialised task that didn’t exist five years ago. Only now do you have companies who are managing literally thousands of camera connections for thousands of companies and who need to be sure those connections are working.”

An open line of communication between the two companies was established from the beginning, but Herbst notes that one cultural issue that can prove a challenge for Irish companies embedding themselves in ASEAN markets is understanding the feedback loop. “You are unlikely to hear direct criticism if things aren’t going right, so it really can be important to ask twice to make sure things are as they should be.”

**UNIQUE DEMOGRAPHICS**

Glandore Systems is a Cork-based software company, employing over 150 people in Vietnam. The company’s flagship product, vSource, helps companies research and identify suitable candidates over the internet, and includes Skype, Yelp, Twitter and Yammer among its clients. Managing Director James Galvin has been based in Ho Chi Minh City since the company set up there six years ago.

“We came here on a trial basis, beginning with five people in an internet cafe. We picked up some good clients and started growing the business from there.”

At the time, Glandore was finding it difficult to expand its software development team in Cork,
and locating to Vietnam has turned out to be a very good long-term decision for the company, Galvin says. With a young population and heavy investment in education, the country is set have about one million IT engineers by 2020.

He points out that any perceived ideas of isolation are completely ungrounded. “Ho Chi Minh City is very well connected by airports; it takes us around four hours by airplane to reach over 50% of the global population. The last time I flew to Singapore, it took about one hour and cost $80.”

There are, nevertheless, challenges to getting set up, and local knowledge is a prerequisite. “It was difficult, at first, to get used to the bureaucracy and the way of doing things,” Galvin reflects. “However, we were lucky to have built a great team early on, and our staff guided us through the challenges.”

While Galvin speaks Vietnamese and uses it to break the ice in business meetings, “English is fairly widely spoken and it is not difficult to communicate.”

In the space of six years, the pace of progress in the country has been impressive, he says. “We started out in an area where the infrastructure was quite poor, and there were frequent power cuts. Even as recently as 2010, it was quite embarrassing to have to explain to visitors that the toilet didn’t really flush properly!”

Since moving to Quang Trung Software City, the company enjoys a much more stable infrastructure and has become deeply embedded in the local tech community.

While entering the ASEAN market can be complex, and “you need a different strategy for each country”, Galvin points out that set up costs are low and “the cost of failure isn’t as high as it would be in the West”. In addition to its value as a talent pool, a young, emerging middle class (the average age in Vietnam is 27) means a consumer market that can only go in one direction.

“These are unique markets with unique demographics. You have to think carefully about how you will sell here, and, clearly not everything works, but if you feel your product can do well here, then you should be out there,” Galvin advises.

FINDING SUCCESS

Another Irish technology company targeting ASEAN, Sonru offers an online interview solution that replaces the first round of phone or on-site job interviews, allowing recruiters to reduce costs and hire times substantially. Founded in 2007 by Edward Hendrick, the company was listed as one of that year’s top 100 technology start-ups globally and has a client list that includes Volvo, Apple, Schroders Bank and Qatar Airways.

CEO of Sonru for Asia Pacific Luke Falvey describes the company’s success as linked to its offering of “a disruptive ‘new world’ technology, enabling immediate and tangible efficiencies”.

Joining the board in 2011, he was the natural choice to head up operations in Singapore as part of an aggressive expansion strategy.

Having garnered years of experience in the Asia Pacific region, initially with Diageo and Gallaher-JTI, and more recently through his consultancy firm Insight Strategy Ltd, Falvey is in no doubt that local advice and trusted knowledge is essential for Irish companies.

“Singapore is a relatively easy country to set up in and, sometimes, people fly out here thinking it will be a great place to make a quick buck. That never happens. The first thing you need is a trusted adviser who will tell you the lay of the land – if you don’t have that in place, you may get it wrong.”

Falvey also argues that, rather than “identifying markets”, Irish businesses need to think in terms of creating opportunity. “You need an enormous amount of patience while you are creating that opportunity, and you have to have access to the right data and be very focused,” he adds. If there is any commonality underlying the ASEAN countries, it is that “people do business with people they trust and respect here. You need to build that relationship first.”

Like others, Sonru has found the partnership route to be critical to gaining traction: “Partners come with clients and the resources to sell to them and to support them. We see our partners as an extension of our own sales team,” he explains.

With hundreds of billions of dollars being spent on infrastructure projects across the region, there are abundant opportunities for companies who have a unique product or service, he believes.

“If you are not afraid to come to ASEAN and to work with local partners; if you are willing to source the right information; and to invest the time and working capital needed, you will find success.”

For further information about doing business in ASEAN, contact Smruti Inamdar, Manager of ASEAN, E: eisingapore@enterprise-ireland.com, Tel: +65 6733-2180.
Singapore
- Ranked as one of the top countries worldwide in terms of ease of doing business, Singapore is a popular base for Western companies targeting Asia.
- Already a major centre for pharmaceuticals, aerospace MRO and international financial services, Singapore aims to become Asia’s main hub for biotechnology by 2015.
- Singapore aims to double the value added by the ICT industry to $17bn by 2015. Almost three-quarters of all mobile subscribers are 3G.
- The clean energy industry is expected to contribute $1.7bn to GDP by 2015.

Malaysia
- As a former British colony, Malaysia has a predominantly English-speaking business culture and a familiar commercial and legal framework.
- The government’s New Economic Policy (NEP) is supporting a number of major infrastructure projects across Malaysia, including the Iskandar project – a high-tech park focused on technology, medical tourism and leisure activities.
- A Memorandum of Understanding on Higher Education signed in September 2012 signalled Malaysian intent to increase the number of students undertaking postgraduate studies in Ireland. There are also opportunities in training and upskilling Malaysia’s workforce.
- By 2017, demand for power is expected to reach critical levels.
- The oil & gas sector, a major contributor to the economy, offers possible exploration opportunities.
- The Malaysian banking sector is experiencing extensive consolidation, providing opportunities for financial software providers.
**Indonesia**
- The 4th most populous country in the world, Indonesia has a growing affluent middle-class. Jakarta is among the top 50 economies in the world.
- Challenges to doing business in Indonesia include restrictive labour laws, a laborious regulatory framework and protectionist policies to restrict imports. However, the ASEAN Economic Community should improve the overall business climate.
- Indonesia has huge energy reserves and is one of the world’s major producers of palm oil, cocoa, tin, nickel and bauxite.
- As part of the ASEAN Connectivity 2015 masterplan, 47 seaports will be built across ASEAN by 2015, with 16 ports located in Indonesia. The Indonesian aviation sector includes 29 international and 204 domestic airports.
- There are opportunities in the areas of: high-quality education development; financial software, technology and associated training and high-quality healthcare, medical products and services.

**Vietnam**
- Vietnam is a rapidly growing emerging market and has become a second destination (after China) for foreign direct investment in Asia.
- Six new universities are to be established in the Mekong Delta to accommodate the country’s young and growing population.
- A new space technology research centre in Hanoi is being funded with $350m from Japan.
- A $147.2m urban development fund for 2013-2018 will target roads, water and wastewater plants and urban management.

**Thailand**
- Thailand is one of the largest growth markets in Asia, having diversified from a primarily agricultural base. Government policies are generally pro-investment.
- Wages and operation costs are low, and Thailand has attracted a large number of manufacturing plants in sectors such as automotives and pharmaceuticals.
- Thailand is one of the main destinations for tourism in ASEAN.
- The Thai Government is allocating $10bn to improving water management and infrastructure to deal with severe flooding.

**Philippines**
- A fast growing economy with an expanding middle class and a highly westernised culture, the Philippines is one of the most competitive FDI destinations in the region.
- The Asian Development Bank headquarters are located in Manila.
- There are potential opportunities for Irish companies supplying goods and services to the following sectors: plastics & packaging; automotive, aerospace & aviation; electronics, mining; manufacturing and agriculture.

Country summaries by the Enterprise Ireland ASEAN team.

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**At a glance: the six lead ASEAN economies**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION</th>
<th>GDP BY 2016*</th>
<th>EASE OF DOING BUSINESS</th>
<th>LANGUAGES OF BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>5m</td>
<td>US$318b</td>
<td>1st</td>
<td>English &amp; Chinese</td>
</tr>
<tr>
<td>Malaysia</td>
<td>29m</td>
<td>US$362b</td>
<td>12th</td>
<td>English &amp; Bahasa Malay</td>
</tr>
<tr>
<td>Indonesia</td>
<td>246m</td>
<td>US$1,777b</td>
<td>128th</td>
<td>English &amp; Bahasa Indonesian</td>
</tr>
<tr>
<td>Vietnam</td>
<td>92m</td>
<td>US$230b</td>
<td>99th</td>
<td>Vietnamese &amp; English</td>
</tr>
<tr>
<td>Thailand</td>
<td>67m</td>
<td>US$4843b</td>
<td>18th</td>
<td>Thai &amp; English</td>
</tr>
<tr>
<td>Philippines</td>
<td>103m</td>
<td>US$531b</td>
<td>138th</td>
<td>Filipino &amp; English</td>
</tr>
</tbody>
</table>

Source: CIA World Factbook, IMF - ASEAN nations estimated GDP by 2016 and www.doingbusiness.org/rankings

Singapore is a relatively easy country to set up in, but the first thing you need is a trusted adviser.
What does it take to compete in Europe’s biggest economy? The winners of special, once-off ‘Irish exporter to Germany’ awards, celebrating 50 years of Ireland’s official trade-support presence in the market, share their stories. Interviews by Gordon Smith.

SAXON APPEAL

TRAILER-MAKER EDGES IN FRONT OF LOCAL COMPETITION

Dennison Trailers ‘Best Emerging Exporter’ talks about first steps into the German market.

“Research, research and research,” is how Dennison Trailers CEO Aidan Kinsella sums up his initial approach to the German market. Looking to reduce an over-dependence on the sterling (UK) market, the trailer manufacturer earmarked Germany and spent 12 months testing the ground, listening and gaining valuable feedback. “This also introduced our name in the target region,” Kinsella says.

Two and a half years later, the Naas-based company has seen its German business grow by 200 per cent between 2011 and 2012. This year, it hopes to reach €1 million in sales to Germany. This rapid growth, which garnered a ‘best emerging exporter 2012’ prize, is the fruit of carefully focusing on the market and adjusting products to fit customer needs.

The work started with several weeks of desk-based research spread over several months, buying reports and speaking to Enterprise Ireland and others familiar with the industry. Kinsella and other senior staff spend 25 days of the first year in Germany meeting potential customers. In addition, they appointed a German market ‘business accelerator’ – Wolfgang Seuthe, an experienced, locally-based consultant, established in the sector being targeted by Dennison.

“We were entering unknown territory with just our knowledge of the Irish and UK market and some preconceived ideas. We gave our business accelerator a programme with the stated aims of the products we intended selling there, the price information we required and so on,” says Kinsella.

Once issues such as legislation and the required product specification were identified, phase two was about finding target haulage companies to trial the products.

Initially targeting northern German ports, the business accelerator used a combination of databases and local contacts to gain test sites. “The level of feedback from these customers was phenomenal. They were very open, honest and gave constructive criticism where needed. The learning curve was steep but it was a very worthwhile journey,” says Kinsella.

Many Irish SMEs can be intimidated by a large market like Germany’s, but size worked in Dennison’s favour. Early research showed that rival German trailer firms had limited flexibility due to the large scale of their operations. The Kildare company produces units in smaller numbers, which, Kinsella says, gives it an important edge over competitors. That, and close attention to ensuring ease-of-use, meant every German customer that bought from Dennison in 2011 renewed orders in 2012.
“When you are selling in a market, it needs to be done in the native language”

**Forks to be reckoned with**

For the ‘Best Overall Exporter’ Combilift, Germany has been an €100m opportunity.

For many Irish firms, selling into Germany comes at a later stage in market development, but Combilift of Monaghan saw the opportunity right from the beginning. The maker of forklifts, side loaders and reach trucks has traded there since 1999, a year after the company was founded.

MD Martin McVicar says the market beckoned for three reasons: Germany’s industrial heritage, the prevalence of major blue chip firms and a large base of SMEs.

Winner of the Best Overall Exporter to Germany award, Combilift’s total sales to the market exceeded €100 million over the past 13 years. Its customer base includes blue-chip German concerns Liebherr, Volkswagen, Mercedes-Benz, BMW, Schenker, Veka and Bauhaus.

“During 2012, we secured orders from Thyssen Krupp to a value of €1 million to supply forklifts into its German operations as well as its operations throughout Europe,” says McVicar. He expects continued strong demand for Combilift in Germany over the coming years, noting: “We met our predicted growth target of 22 per cent in Germany in 2012.”

Continued growth for a foreign manufacturer is no mean feat in a country that is a byword for engineering excellence. “Two of the top three worldwide forklift manufacturers are German, so Combilift’s success in this ‘away’ market against these, as well as other more direct competitors, is a major achievement,” McVicar says.

Combilift started in industrial areas like the Ruhr before extending its reach. Now it has a nationwide network of 16 dealerships. McVicar says this is needed because of Germany’s size and the locals’ preference to deal with sales organisations within their region.

This cultural preference extends to language. Combilift directly employs four staff to assist the dealerships: two regional sales managers, a national account manager and a technical service engineer, with local parts supply out of Düsseldorf.

Those employees are all bilingual as is the company’s marketing and PR agent.

“When you are selling in a market, it needs to be done in the native language,” says McVicar. Dealers deal locally with customers through German, while speaking English with Combilift’s management and engineers when defining specific solutions for customers.

Germany’s many trade fairs have helped build the brand, where the Monaghan-based firm unashamedly plays the green card. Guinness flows at the Combilift stands, where its ‘dancing forklifts’ display team also attracts attention.

“Ireland and the Irish people have enjoyed a very defined and positive image in Germany, which has helped us carve an identity, which in turn promotes the brand,” says McVicar.

Relationships with business magazine editors also help maintain Combilift’s profile. McVicar regularly contributes to features in publications covering handling, storage and logistics as well as sector-specific titles focused on timber, steel or manufacturing.

Combilift’s German business has helped it to make onward sales to other countries where its customers also operate facilities and want to replicate the handling and storage procedures they use at home. One example is Schüco, a maker of windows, doors and solar panels, which specified Combilift when setting up in the UAE six years ago.
The web may make the world a truly global marketplace, but Ennis-based CupPrint supports a German-language website with a local partner to ensure the service meets customer expectations.

Since starting in Germany two and a half years ago, CupPrint Germany has won more than 1,000 new customers, opening a brand new market for the company. Sales for 2013 are set to grow by at least 25 per cent, says managing director Terry Fox. “The German market will account for 30 per cent of CupPrint’s cup sales this year, and we will be into our second year of profit from start-up just over three years ago.”

Key to this growth has been a German-language website, which helped the company to win the Best German Online Presence in the Irish Exporter to Germany awards.

CupPrint claims to be Europe’s fastest paper cup manufacturer, turning around bespoke branded paper cups for customers and delivering them to any location in Europe within 15 days. The company also sets itself apart by offering low order quantities – as few as 1,000 pieces when rivals typically offer minimum print runs of 50,000.

Freie-Produktioner, which has offices in Düsseldorf, Hamburg and Münster, discovered CupPrint online, and, having tried and liked the product, asked to become the exclusive German partner. Then focused mainly on the UK and Ireland, CupPrint agreed to a 12-month exclusivity deal with Freie-Produktioner trading as CupPrint Germany.

The business grew such that Germany soon became the company’s largest market, and Fox says the partner was essential to this growth, providing vital local knowledge. More than just a reseller, CupPrint Germany is the in-country marketing and sales force.

Its team works closely with the Irish HQ. Fox says that together they act as one sales, production, and despatch outfit. “CupPrint Germany are marketing experts, and CupPrint Ireland are production experts, and through a combination of good contacts and online marketing, the business has grown very rapidly,” he says.

“CupPrint Germany markets our products in a method and language that the German market relates to. Because they are a German company selling to other German companies, they are able to allay fears about quality, delivery time and payment terms.”

The two firms share a production tracking system, which operates in real-time and is visible to all staff in both countries. This tracks every production from order to the delivery. Any special information about the production can be added live to the system.

CupPrint Germany oversaw development of the German-language website, which has since become the template for the company’s English-language European site. Fox believes it’s important that the German site has a.de address to ensure a local feel.

Between 50 and 60 per cent of pricing queries through the site convert into orders, adds Fox. “That means our website is very easy to understand and correctly positioned in the market.”
NOBODY DOES IT BUTTER

Forty years and an annual multi-million euro marketing budget has seen the Irish Dairy Board, the ‘Outstanding Achievement’ winner, triumph with retail brand Kerrygold.

By any definition, leading a market category with double the share over your closest rival, while selling a premium product to famously price-sensitive consumers, is a coup. The Irish Dairy Board’s outstanding achievement award for sales in Germany with the Kerrygold brand, recognised its success, which was 40 years in the making.

“We developed from zero to 40,000 tons of butter, and we are the clear number one brand with a market share of 15.3 per cent. We are also price leader – we are also the most expensive butter, and this is most unusual,” comments IDB Deutschland managing director Gisbert Kuegler.

Now shipping 170 million packs to retailers throughout Germany, Kuegler estimates the average German consumes at least two packs of Kerrygold butter every year.

Developing a successful consumer brand in an overseas market is notoriously difficult. It’s a rock that many Irish SMEs have perished on, as it requires deep pockets. In Germany, IDB spends between €10 million and €12 million each year to maintain brand awareness, and close to 90 per cent of its budget goes on TV adverts. But the investment, which had allowed Irish butter to break out of retailers’ ‘own-brand’ territory, has reaped rewards.

“It is clear that the Germans are very price-sensitive, and price is always the number one argument to buy and consume anything... but they are only price sensitive if there is no brand behind the product. They are prepared to pay more for quality,” Kuegler says.

The strength of Kerrygold’s brand means retailers want to stock the product, so IDB has a lean sales team as part of its 110-strong workforce in Germany. It would need far more sales reps to build awareness if it was selling an unbranded commodity product, Kuegler says.

Kerrygold butter sales in Germany have grown steadily between 1 and 5 per cent in recent years, and, with an expanded product range, IDB is optimistic about the prospects for future growth. In 2009, it launched Kerrygold Extra, a blend of butter and vegetable oil that’s fast finding favour with German consumers. “We expect in a couple of years this product will be 25 per cent of our turnover,” says Kuegler.

IDB has also launched cheese, and this category grew by 60 per cent during 2012, with growth rates of 25-30 per cent expected in the years ahead. Next on the cards could be a Kerrygold milk brand.

CELEBRATING 50 YEARS

Organised by Enterprise Ireland and the German-Irish Chamber of Industry and Commerce, the ‘Irish Exporter to Germany’ awards were launched to mark the 50th anniversary of the opening of Ireland’s first trade office in Frankfurt in 1962. Exports by indigenous-owned Irish companies have seen unprecedented growth in this market in recent years. Sales to Germany by companies supported grew by 22 per cent in 2010 and per cent in 2011.

DERDRE MCPARTLIN, ENTERPRISE IRELAND’S MANAGER FOR GERMANY, AUSTRIA AND SWITZERLAND, PICTURED WITH HELMUT CLISSMAN, COUNCILLOR IN THE GERMAN-IRISH CHAMBER OF INDUSTRY AND COMMERCE AND PART OF IRELAND’S FIRST TRADE PRESENCE IN GERMANY (FRANKFURT), IN 1962.
POSITIONING AND STRATEGIC FOCUS AREN’T LUXURIES

Your company might survive without a clear strategy on its place in the market, but only just. To avoid being one of the ‘walking dead’ and truly soar, business managers need to take time out to understanding where they should be going writes Margaret Heffernan.

The late Alex d’Arbeloff, founder of Teradyne, an electronics equipment supplier, introduced me to the term the “walking dead.” At the time, I was working for a company he had invested in, one that he put into this category. He explained it like this: A “walking dead” company is one that brings in enough revenue to keep going but never enough to take off.

Since then, I’ve come to understand how companies end up in this awful predicament. In a desire to stay afloat, they chase revenue, any revenue. That means they end up taking on work that isn’t particularly strategic. They often under-price it just to close the deal quickly. In a cash crunch, they often hurry, which means they don't listen as well as they should, or invest enough time understanding client needs. That means the work often goes over budget and way over schedule, so the cash crunch continues. To get out of it, the company takes on yet more non-strategic work and the cycle continues.

Walking dead companies think that the problem is cash. But actually the real problem is time. They can’t afford the time to think, to define, adopt, and stick to a strategy. The cash-time trap means they’re always busy but, on a deep level, not productive because they aren't making real progress. Meanwhile, everyone is running as fast as they can; the smart people can see the company isn’t getting anywhere.

I’ve known many companies like this and worked for a few. It isn't fun and escape plans aren’t obvious. Cut costs and you can’t deliver services or products. Try to take time and cashflow sinks you. Meanwhile it’s hard to score triumphs significant enough to land more investment. VCs have seen a lot of walking dead companies and they can spot them a mile away.

The walking dead are a salutary reminder that positioning and strategic focus aren’t luxuries but necessities. You have to know what you offer, to whom, and why they value it. Never deviate unless or until you change direction decisively. Don’t take on almost-but-not-quite-strategic work. Don’t deliver work that is just okay. Don’t over-promise and hope your customers won’t notice when you under-deliver. Don’t, even for a day, start thinking about “getting away with it.” Each small step of course brings you closer to twilight.

Margaret Heffernan is an entrepreneur, chief executive and author. 2011 saw the publication of her third book, Willful Blindness, which was shortlisted for the Financial Times/Goldman Sachs Best Business Book award.
Continuing our series on the marketing strategies employed by some of Ireland’s most successful exporters, the articles that follow explore how to create a credible and measurable value proposition and its importance in your company’s positioning for new market entry.
Cindy Barnes and Helen Blake of the business consultancy Futurecurve share their process for aligning your product offering and how you deliver it to what potential customers really want and value.
Many companies face a fundamental problem: there is a sizeable and growing gap between what they offer and what their customers actually value. This value gap can lead to lost sales, lower profits, commoditisation, failure to innovate and the wrong organisational structure potentially employing the wrong people. It can even threaten the company’s very survival.

Part of the difficulty is that many companies misunderstand precisely what a value proposition is. They fail to understand how their customers perceive value and how to identify unmet customer needs. This problem can be coupled with outmoded business models, which haven't kept pace with changing market expectations.

A VALUE PROPOSITION MAY NOT BE WHAT YOU THINK

In many organisations, a value proposition is mistakenly seen as one of the following:

- a new name for a marketing story or statement
- a unique selling point
- another word for ‘product’ or ‘service’ or ‘offering’
- a corporate positioning statement
- an elevator pitch
- a set of communication messages
- a list of benefits
- some sort of magic sales ‘silver bullet’

A value proposition is none of these things in isolation, but some of these things can come from your value proposition.

SO WHAT IS IT?

What is a true value proposition? At Futurecurve, we define it as the sum of the offerings and experiences delivered to your customers, during all their interactions with your organisation. In general, the offerings are the WHAT you sell and deliver, and the experience is the HOW you do it.

Put very simply, value is all the good points that customers perceive – the positive functionality, attributes etc – minus all the bad points. However, as human beings are hardwired to avoid loss, the negative factors tend weigh far more heavily in the target customers mind than the positive. So if you were to capture the essence of value in an equation it could be summarised as: Value = Benefits - Costs².

GETTING TO THE CORE OF IMPLICIT WANTS AND UNMET NEEDS

Most organisations think of value in purely rational terms: what does the product do? How much does it cost? How does it work?

Companies may have many benefits they could legitimately claim. However, customer research will have identified that only three or four of these add significant and real value to customers.

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**FUTURECURVE’S VALUE PYRAMID™ OF OFFERINGS**

<table>
<thead>
<tr>
<th>Transactional Sales</th>
<th>Consultative Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers don’t know what they want but may know the desired outcome and the salesperson’s role is to CO-CREATE value together with the customer.</td>
<td></td>
</tr>
<tr>
<td>Solution</td>
<td></td>
</tr>
<tr>
<td>Components combined or bundled to fulfill a specific operational function.</td>
<td></td>
</tr>
<tr>
<td>Component</td>
<td></td>
</tr>
<tr>
<td>Individual commodities for sale, often priced for usage, utility pricing or day/hour rates.</td>
<td></td>
</tr>
<tr>
<td>Offer</td>
<td></td>
</tr>
<tr>
<td>Solutions that drive business processes. Often groupings of offers that provide a solution to a problem. Must be able to measure the improvement made by implementing the solution.</td>
<td></td>
</tr>
<tr>
<td>Co-created Value</td>
<td></td>
</tr>
<tr>
<td>A customised solution, co-created with the client.</td>
<td></td>
</tr>
</tbody>
</table>

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CUSTOMERS

Customers do know what they want and the salesperson’s role is to COMMUNICATE value.

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However, the key to successful value research is understanding the difference between what people say they want – their EXPLICIT wants, such as lower prices - and what they are IMPLICITLY asking for.

Getting to the bottom of the implicit hierarchy of why customers do business with you and making it explicit is at the heart of developing your company’s value proposition. In fact, the only way truly to understand the value you deliver is to put yourself in your customers’ shoes and also to bring the customer into the creation of your value proposition. This doesn’t come easily to many organisations, which are accustomed to looking inwards rather than outwards. The inherent assumption is that everyone views the world in the same way that you do and will feel and act in the same way – they don’t!

Creating a Credible Value Proposition

In summary, creating an effective value proposition requires senior sponsorship, a strong business case and the right process. At Futurecurve, we have developed a six-step process (the Value Proposition Builder) to help organisations go about this in a structured, rigorous way – from understanding their market right through to developing proof that their value proposition works.

Market

This first stage involves analysing your target markets in detail. This includes drilling down to specific organisations, buyers, influencers, original equipment manufacturers (OEMs), resellers and end-customers. The objective is to understand the cultural and political nuances of your markets and the risks associated with buying from you.

Value Experience

Next come detailed, qualitative interviews with your customers and other groups that you need to understand, such as suppliers, OEMs, resellers and your staff.

As earlier stated, this analysis goes beyond the purely rational to understanding your customers’ emotional and social or political responses. By gaining this more complete understanding, you can map your customers’ existing behaviour and start to predict their future behaviour.

Offerings

The third stage maps your product and service offerings against the value they deliver to your customers. See Futurecurve’s Value Pyramid™ of Offerings diagram on the previous page. This analysis places each of your offerings into one of four categories, enabling you to manage, position and sell your offerings to maximum effect.

It helps you to

- Analyse the value that your offerings bring to your customers
- Map your offerings against the type of buyer and price
- Ensure you adopt the correct go-to-market approach – consultative and relational or transactional
- Innovate, often at no additional cost, and discover under-served markets
- Create real differentiation

Prioritising Benefits

This step involves a process of refining and prioritising benefits. Businesses often get stuck here because they want to include all of their key benefits, without understanding that only their customers will know what is of real value to them. Companies may have many benefits they could legitimately claim. However, customer research will have identified that only three or four of these add significant and real value to customers.

Another reason for prioritising benefits is that behavioural economics has shown us that giving too much choice merely slows purchasing decisions. Being clear, direct and succinct wins the day.

Alternatives and Differentiation

This stage compares your value against your competitors’ value – a departure from most competitor research, which generally compares products and services. Other alternatives and substitutes are also compared, including the ‘do nothing’ and ‘we’ll do it ourselves’ customer responses. Value propositions are compelling when they demonstrate why your customers should choose you over other options.
The clinching element of a powerful value proposition is the proof that it works. The final stage is to design the evidence tools you need, such as case studies, testimonials, fact sheets and genuine total cost of ownership (TCO) and return on investment (ROI) models. Your proof needs to be backed up by clear examples, to show your customers how this could apply to them. The proof stage of creating your value proposition is also a very powerful de-risking element for your customers. It shows them why they should choose you over any other option, how they can build their internal business case and justify their investment in using you and, more importantly, the return on solving their problem. This last stage leads into the start of creating powerful messaging.

**VALUE PROPOSITION: CHECKLIST TO EVALUATE YOUR COMPANY’S PERFORMANCE**

**Tell me your customer value proposition?**
Why is the opportunity to do business with you valuable to the potential customer? What problem do you solve?

**Is this view of the company’s customer value proposition something shared between everybody in the company?**
Can everyone in your company understand the value that is being delivered, as perceived by the customer?

**To what extent have customers directly informed the process of developing your customer value proposition?**

**How often is the value proposition reviewed?**

**What is the measurable value of your offer to your customer?**
(ROI, business case, quantified output)

**What objective proof can you provide of the value you deliver?**
(qualitative or quantitative)

**Can you demonstrate that your product/service has uniquely differentiated benefits (i.e. above the expected benefits) versus your competition in the marketplace?**

**Complete the question**
This customer will buy from me and not my competitor because...

Source: Enterprise Ireland’s ‘Marketing and Sales Strategy Review’ Framework Handbook for Development and Market Advisors

**UPCOMING WORKSHOPS**

**FROM VALUE PROPOSITIONS TO SALES PROPOSITIONS**
Once you have created your company value proposition, you can use it as the basis for your sales propositions. This saves huge amounts of effort. It saves the time and resources of sales people, marketing staff, internal communications and product people, who otherwise are each creating multiple ‘truths’ for multiple purposes.

As well as helping your sales and marketing people to be more effective, it also significantly reduces marketing agency spend by ensuring that you have the right, customer-validated and researched content from the start.

**12 March: A workshop delivered by Paul O’Dea of Select Strategies will explore how to prepare for successful new market entry, using the ‘business battlecard’ (see article on page 4)**

**18 April: Cindy Barnes and Helen Blake of FutureCurve will lead a workshop guiding companies through the process of developing a compelling value proposition**

Both events are part of Enterprise Ireland’s ‘Excel at Export Selling’ workshop services and will take place in East Point Business Park, Dublin 3. For further information, see www.enterprise-ireland.com/en/Events/OurEvents/Excel-at-Export-Selling-Series/-
CASE STUDY: FREEFLOW, COUNTY KERRY

DEVELOPING A VALUE PROPOSITION IN PRACTICE
Based in Tralee, County Kerry, FreeFlow works with branded electronics multinationals to assist them in remarketing their retail, returned or obsolete stock by selling it to alternative markets globally. FreeFlow’s solution ensures that the manufacturers’ brand and primary channels are protected. The company currently has over 50 major clients, including Microsoft, Apple, Cisco and Netgear.

FreeFlow recently completed a significant exercise aimed at refreshing its brand and redefining its value proposition. This case study is based on a conversation with the CEO, Alan Scrope.

WHAT WAS THE BACKGROUND TO RE-EVALUATING FREEFLOW’S VALUE PROPOSITION?
When I set up the company in 2001, it was very much a new concept, so we had a value proposition challenge and a market education challenge. As the business grew over the years, a lot of the branding agencies we dealt with struggled to understand our solution.

We were never comfortable with the positioning of FreeFlow. All of the business was being generated from word-of-mouth and from our own networking rather than receiving inbound enquiries from the web or direct sales enquiries into the office.

We wanted to achieve a substantial increase in inbound market leads and also to create improved market awareness of FreeFlow. What really spurred us on was that over 70 per cent of our business was done in the US. We wanted to diversify our markets by targeting extensive growth in Asia and in Europe.

So with a view to increasing market awareness, we identified an agency in London to work with us, based on a recommendation from one of our clients. Their starting point was to interview our customers and to look at our competitors to determine what was unique about FreeFlow. Then, once we had defined and agreed on a differentiated value proposition, all our branding and communications would logically flow from that. So it wasn’t just a visual refresh; it was a complete re-examination of how we presented ourselves and what FreeFlow did.

STEP ONE: UNDERSTANDING THE MARKET
As a first step, we needed to understand what mattered to the decision-makers we were targeting.

For example, a VP of Sales has requirements that are different to those of a VP of Supply Chain or of Finance. In our case, we found that:

- Finance wants to know about the recovery you can deliver in terms of selling excess inventory. They want to make sure they can get as much money back as possible; they don’t want to take a write-down on the inventory.

- Sales want to hear that you can move the inventory for them in a manner that won’t impact on their primary markets.

- The supply chain executives normally manage the warehouse where the inventory is sitting, so they are concerned about it being moved in a timely and expeditious manner.

Having a clear view of precisely who we were selling to was of huge benefit for us in terms of identifying the messages that they would want to hear.
What we ourselves thought our clients loved about us was actually completely different to what clients said they loved about Freeflow.

**Step Two: Looking at Your Competitors**

Once you have identified your market and the stakeholders you are targeting, you have to look at your competition. That’s exactly what our agency did for us. They assessed the other main market players and looked at how they were selling their solutions, and how they were using their websites and their associated digital activities.

This revealed that our competitors were focused very much on branded goods; they were selling on the basis of improving value and were focusing their messages around the scale of their businesses, the reach that they had, their ability to sell into buyers across the globe and the whole services piece. In addition, their digital activity had a strong focus on educating the client.

**Step Three: Asking the Customers**

The agency also spoke to our clients. They arranged half-hour sessions with the key stakeholder in each company to pose the question: what is it about FreeFlow that you like? This was one of the best pieces of research we commissioned in terms of insight. By using an agency rather than asking the question ourselves, we found that clients were far more willing to be open about the good and the bad.

What we ourselves thought they valued about us was actually completely different than what our clients said. The agency found that there was limited knowledge about the whole alternative channel that we, and our competitors, were offering, and there was a strong perception of complexity about engaging with it.

What the clients said they valued most about us was that we were a one-stop shop, and they absolutely saw us as their ‘big brother’ in terms of advising them on how to engage with this alternative channel. They also talked about us being the only global company with the ability to consult with them on markets outside America and the fact that we handle everything for them, from end-to-end, under one roof.

From the client conversations, we concluded that we could go two ways in terms of how we positioned ourselves. One was that we could improve the value for the client in terms of their overall operations and that we could act as their one-stop-shop, taking care of everything from taking the inventory, to selling it, to managing the cash and taking care of all the pain that they would otherwise have to deal with themselves. The second approach was that we could automate their processes and make it easier for them to operate their business.

The agency’s recommendation was that ‘value’ or ‘ease-of-access’ were the key messages FreeFlow should promote.

**What was the Outcome?**

They presented the two positions with equal weighting; then it was up to us at FreeFlow to sit down as a management team and have an internal debate.

Ultimately, we went down the value route. Our tagline is: Value Realised. Value can be defined in monetary terms, in improving the market reach, in automating the process and improving the overall benefits for the company.

This value proposition now drives our elevator pitch and the messaging that we put on our website. We have executed the whole look and feel right through the business.
POSITIONING YOUR TROOPS AND ORGANISATION TO WIN

Developing a value proposition is one thing. Being able to prove and substantiate the value you offer to potential customers in a measurable way is another matter. But Paul O’Dea, CEO of the consultancy Select Strategies, argues that this is one of three essential market-entry battlegrounds for companies positioning themselves to win.
When Napoleon Bonaparte, the French military and political leader, said “Victory belongs to the most persevering”, he might have been talking about the contrasting fortunes of companies entering new markets. The statistics are stark – for every successful market entry, about four fails.

So what are the ‘battles’ in market entry and how can you beat the odds? In my experience, there are three key battlegrounds where companies wage war, as outlined in the three questions below:

1. What are you committed to doing?
2. Who are your selected customers?
3. Where is your measurable value?

### Avoiding your Waterloo – Market Entry Insights in Brief

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<td>How detailed are our cost estimates? How do we ensure we can afford to compete and win?</td>
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WHO ARE YOUR SWEET SPOT CUSTOMERS?

Anyone who’s ever played golf knows about the ‘sweet spot’. It’s that favoured spot on the clubface – hit the sweet spot and it feels good, you’re in control of the ball and that birdie is yours for the taking. If you don’t hit that spot, it doesn’t feel right, you spend your time hacking in the rough, and, before you know it, you’re in a bad patch.

In business terms, the sweet spot is where your target customers’ needs fit with what’s special about your product or service. To make growth happen, finding your sweet spot is important. When entering a new market, it is critical.

Many companies entering a new market seek to build on success in their home or initial markets. One of the biggest errors such companies make (big ones as well as small) is to assume that the factors that ensured their success in the initial market will translate to the new market. Business lore is awash with tales of companies who sought to expand into new markets and made one critical mistake – they assumed that the customer profile was the same.

If you rush to enter the market, before making the right sweet-spot decisions, you will waste time and valuable resources on the wrong customers. Like a golfer continually hacking out in the rough, you will expend a lot of energy but make little or no progress.

Don’t underestimate the preparation needed. No company has products or services that appeal to all. Concentrate on those customers whose needs match the unique value you offer. Winning companies know their sweet spot customers intimately, and they continuously deliver better value than the competition.

WHAT IS YOUR MEASURABLE VALUE?

Can you answer and back up the question “How much do you make or save me?” If not, you are not measuring or proving your value. Buyers have no time for unsubstantiated declarations of value. This is even more the case for a new player to the market.

Selling in an existing market is a challenge, but when you move to a new market, the challenge intensifies. If you are not managing your value, you can be sure that someone else is – probably to your detriment! Is it the customers’ procurement department? Or competitors, or even partners, who want to sideline you for their own advantage? Do customers rate your value as highly as you do? How do they rate your value relative to your competitors?

Before you enter a new market examine carefully the customers you are targeting. What are their key pain points? What needs do they have – particularly those not being met by existing players?

As a new entrant, you will have risk written all over you. Many buyers of innovative offerings are still suffering from buyer’s remorse. Their risk index is high; they want to see tangible proof before signing another purchase order.

Existing satisfied customers can be a treasure trove of information and proof of value. Get the value you have delivered for your customers documented in well-crafted case studies. Handpick customers that others will be interested in reading about. By articulating your value in well-written case studies, you shift the focus from trying to sell the product to posing the question “Would you like to achieve the value of between $x and $y, provided by our product, as our existing customer X has done?”

Crucially on entering a new market, such measured value can de-risk the purchase for the buyer, and give you a firm footing on which to compete.
As Donegal company McMahon Stone rebuilds its export markets after a ten-year near absence, CEO Michael McMahon tells Mary Sweetman about the journey.

Like so many companies that tied their fortunes closely to the Irish construction boom, for McMahon Stone, the last four years have been about restructuring internally and looking outside the domestic economy to find a niche. The family business, based on the edge of Ireland, in west Donegal, is one of the country’s largest suppliers of natural stone to the home-building, landscape and architectural sectors.

Post-boom, the business was forced to half its workforce. However, some of its products are unique, both in colour and properties, and there is growing demand outside Ireland. Having turned fortunes around, recent export deals give Michael McMahon, the sales and marketing director and son of the original business founder, hope that the workforce can return to peak levels.

Road to Recovery
Having spent the first two years after the Irish property crash reinvigorating the UK market, reconnecting with customers that had been important to the business in 1980s and 1990s, the big break came in 2010. “We did an exhibition in Nuremberg, Germany, where we got to meet the right people and have some good discussions with stone dealers and distributors. Probably the most important person we met at that exhibition was an Italian dealer,” McMahon says.

Based on that meeting, the company developed a new kind of cladding product, and, after an initial order, its business and reputation has grown to extent that it now ships five containers a month to Italy. Other important markets to have evolved from introductions at the same trade show include Germany and Japan.

Knowing what the customer values
Returning to the international stage has been a learning curve for McMahon. One thing he observes is that what customers value can vary enormously from country to country and may not always be what you’d expect. “You have to be competitive on price and quality no matter where you sell, but after that, how you market it really depends on the country,” he explains.

“The Italian customer is interested in the long-term value, because he doesn’t want to invest in marketing a product that’s not going to be here in a few years’ time. For them, it’s very much about your reserves and your quality and procedures. A company in Italy is likely to be a third- or fourth-generation stone business, so they like dealing with other family-owned companies. They like the fact that they are meeting the owners, and that we are involved in the day-to-day running of the company.”

Meanwhile, providence and roots are important to the Japanese and German customer. “When they come to visit the quarry, they like the local environment, and the level of handwork in the product and our relationship...
with our workforce. Stone is seen to be a permanent product, so they like the history. Some of our customers will tell the story of where the stone came from and use some visual images of the surrounding area in their marketing. We have also found they are interested in the fact that it is an Irish product, not an Asian product. The carbon-footprint is lower, and they don't have to worry about something like labour exploitation coming back to bite them.”

Contrary to views back home about how Ireland may be perceived internationally, McMonagle says that the Germans, more so than anyone in Europe right now, have a warm welcome for Irish businesses. “We are a good news story to them — the fact that we are trying to pay back our debts. All the German companies we are dealing with are very interested in the story of Ireland's economic performance and the fact that we need to export our way out of this. They respect companies that are doing something to change,” he explains.

RESTRUCTURING
For McMonagle Stone, that change has been radical. Staffing levels have declined – from almost 200 at the peak of 2007 to less than 100 now — through voluntary redundancies in middle management and some nonnationals opting to return home. Labour rates have also been renegotiated.

“The workforce that we have now has been very good to us,” McMonagle says. “They have really put their shoulder to the wheel and been innovative. You can make some changes yourself, but you can't change a lot of work practices without having your employees on board.”

The restructuring has brought the company closer in price to its Brazilian competitors, and other forces in the global economy have worked in its favour too. Now more conscious of cash flow and risk, potential customers have become more wary of paying the months in advance that it takes to ship stone from South America. Product can be dispatched from Donegal to continental Europe within a fortnight, and it’s seen as a safer option, McMonagle says.

READY TO EXPORT
Positioning for export hasn’t been without costs, however. “We have had marketing materials and exhibitions costs, as well as travel, time tied-up in meetings and some personal sacrifices like being away from your family a week at a time,” McMonagle says. There have also been new machinery purchases, and one of the biggest investments was the hire of a new sales rep for the UK market.

Britain, he explains, is being treated as part of the local market, with the same full range of sectors – domestic, landscape and architectural — being targeted; whereas the company is adopting a tighter approach elsewhere, focusing just on the residential market and working through stone dealer merchants and distributors rather than spreading resources too thinly by going it alone.

“They [the distributors] have a good understanding of how the product works, where it should be sold, and the appeal and value it has marketing-wise,” McMonagle explains. “We are trying to sell into them as much as we can and build up a team of agents to grow the business, albeit that it might require a bit of time spent by ourselves in these countries, sticking to some of their customers and explaining the virtues of the product.”

“At the start,” he adds, “we probably were too general. We went with the approach that we would try to grab any business. But we soon realised that we would never be able to compete on price with the Brazilians or the Chinese. So the best piece of advice I got was to find your niche and to hone it, improving your quality and costs all of the time. If people see you as different, they can market you differently.”

Another change in philosophy has been around the importance of marketing: a permanent hire has now joined the company's part-time marketing resource. Projects include adapting the company website for an international audience, opening an online shop geared towards the British and Irish market and a refocus on packaging. “We used to pack the product on strapped pallets,” McMonagle explains. “Now all the crates are bespoke built. Because our material is higher value, the packaging has to look well, so the customer knows they are getting a quality product.”

For the immediate future, the focus will be on growing the market slowly, perhaps investing in more machinery to develop new products that customers are now seeking, and adding some new countries to the company's growing export destination list.
Istanbul, the commercial heart of Turkey, is a bustling youthful metropolis of 15 million. “Out on the streets, there’s a real youthful feel to it,” says Kevin Buckley, Enterprise Ireland manager with responsibility for Turkey. Half of Turkey’s people are under 30, and around 44% of Turks use the internet, up from 14% in 2006. Turkey’s population is over 80 million, and the market – just four hours away with direct flights ten times a week from Dublin – is open for business.

Turkey weathered a severe financial crisis in 2001, emerging more streamlined after swallowing the financial and fiscal reforms dished out in an IMF program. An era of robust expansion followed, slowing only last year when government eased on the breaks.

ESBI, Kingspan, CRH, the PM Group and the mobile branding specialists Brandtone are among the Irish companies with a base in Turkey, while MacFab, Kells Stainless, Dublin Aerospace and EirGen Pharma serve the market via distributors.

But Buckley says the country remains relatively untouched by Irish exporters. “They have been skipping over it, flying to places like China. Yet the Turkish market would be far more familiar in cultural terms,” he says.

Aiming to give companies a chance to take a closer look at the opportunities and meet with potential partners and buyers – or cement their existing business relationships in Turkey – Enterprise Ireland is leading a trade mission to Istanbul and Ankara this April.

FAST-TRACK MODERNISATION
The sophistication of the market can be surprising to first-time visitors. In fact, Istanbul is one of the world’s megacities, says Buckley. “In the financial services area, the top four banks here spent $2 billion on IT in the last five years, so they are light-years ahead of most countries. They have made the jump from antiquated IT systems to some of the most sophisticated in the world.”

The country’s fast-track route to modernisation offers opportunities to Irish SMEs. A comprehensive telecommunications network is being rolled out, for example. There are 67 million cell phone users in Turkey, which has provided an ideal target market. Openet, an Irish company selling telecoms software to Turkcell, the largest phone operator in the country.

Another growth market – and possible niche for the Irish software sector – is IT for the tourism niche. Turkey attracted 31.4 million tourists in 2011, moving up the rankings to the second most popular travel destination among Germans and fourth from the top in the world-package-tour market after France, China and Spain. Turkish investment in tourism and travel infrastructure has been projected at $24 billion over the period 2011 to 2013, and Turkish Airlines – one of the country’s 12 carriers – is, in particular, pursuing a rapid expansion strategy.
Turkey is also an emerging hotspot in the ‘travel for healthcare’ market. Total healthcare expenditure is expected to double between 2006 and 2015 to $62.7 billion. Moreover, Turkey is actively positioning itself as a health tourism market. “They want to offer world class clinics and have people flying in from around the globe to have operations and recuperate here,” says Buckley. This presents openings for Irish companies in the medical device, laboratory equipment, healthcare and allied IT sectors. In an analyst briefing in January, Frost & Sullivan said that Turkey offered huge opportunities in an unsaturated market for health services. However, it warned that often pricing is a key clincher.

RULES AND TRADITIONS
As home of the Byzantine Empire, rules and regulations are a fact of life in Turkey, but, equally, personal relationships are an essential part of the business culture. Having had difficulties with regulators, animal feeds business Red Mills found its problems vanish after an informal discussion with authorities. “The biggest problem we found in Turkey was that they were just as much afraid of us. There can be paranoia there on both sides,” notes Michael Connolly, Export Manager with Red Mills. Putting boots on the ground and getting to know prospective business clients or partners is a must.

The personal touch proved critical to Chameleon, an Irish company that exports paint equipment to Turkey. Chameleon’s entry to the market was straightforward and relatively speedy, as it dealt with Turkish branches of major paint companies such as Jotun Paints and AkzoNobel, owner of the Dulux paint brand. But deals with indigenous players took longer.

Managing director Padraic Timon says that he had indigenous Turkish companies in his sights for the last five to six years, but scored successes only in the last two years. Prospective buyers tended to hold meetings, order trial machines, then go cold, before picking up interest again. “It seems to be a matter of building up confidence,” says Timon. “Culturally I didn’t find it difficult, but it takes a lot of time and perseverance.”

Patience paid off, though. One Turkish paint company Betek has recently contracted with Chameleon to equip 100 new shops, and more contracts are now being discussed for markets outside Turkey. Chameleon brought decision-makers over to its facilities in Galway, which helped get deals across the finish line. “It helps to see the faces at the other end of the email address, and they enjoyed coming to Ireland,” Timon explains. “One issue is that it’s a price sensitive market,” he adds. “Turks will negotiate hard on price. The margins are smaller in Turkey than elsewhere, but the volume should compensate for that.”
Turkey is actively positioning itself as a health tourism market.

**AIM HIGH**
Turkish culture and business is hierarchical. Status matters. The attitude of top brass matters. Consequently, you can waste a lot of time talking to people who not at the deal-making level, Buckley says. In this respect, he promises that the forthcoming trade mission will allow companies to engage with senior management within prospective buying organisations.

The government delegation will include the Tánaiste. “You can't overestimate the prestige this can bring,” he says. “Business partners like to be involved in these kinds of events, and it allows companies to get noticed at senior management level.”

Finding a distributor or partner rather than flying solo is a regular theme in terms of advice from Irish exporters. It can help facilitate what can be a costly and time-consuming first sale in Turkey, says Openet’s Paul Saunders, vice-president of sales for EMEA.

Michael Connolly agrees. Although Red Mills’s exports have done very well over the last few years, the market has not reached close to its potential for the company – yet. Connolly says part of this longer game has been about establishing a personal understanding with their distributor. Confidence-building takes time.

“We are more comfortable now, and our distributor trusts us more,” he explains. Once this happens, a gentleman’s agreement rather than contracts is often the way deals are done. Connolly recently got an invite to a family wedding of the distributor, which will be a lavish affair in Istanbul.

**PLACE IN THE WORLD**
Turkey’s largest export market is Germany, but the Middle East is also very important, and the country looks both east and west in business. “They are very active in northern Iraq. They know these places and are not scared of doing business there,” says Buckley, who points out that Turkey can be a transit point for business to Arab countries and the ‘Stan’ former Soviet republics.

However, this is a country with a very clear view of its own place in the world. Travelling from the airport, visitors to Turkey may be struck by the number of national flags and emblems.

“They don’t see themselves as either being western or Arabic,” Buckley warns. “Just modern and Turkish.” They are intensely proud of the Turkish language, traditions, culture and technological achievements, he adds. “They like to talk, and they like their music. They like to get to know people, which is quite an Irish trait. That can be to our benefit. If you’ve got a good solution, and it will add to their bottom line, you will get a good audience here.”

The Enterprise Ireland trade mission runs from the April 8 to 11. Contact Kevin Buckley for further details at +393487835500 or email kevin.buckley@enterprise-ireland.com.
Turkey is a land of contrasts. You can pay €20 for a sandwich in salubrious eateries in Istanbul and a euro a few streets away. Istanbul and Ankara, the political and commercial foci, respectively, are in the west. The east of the country is generally poorer and less well educated, with more manufacturing. Income inequality can be stark; just 20% of the country accounts for half of national income.

Turkey’s GDP grew by 9% in 2010 and 8.5% in 2011, though slowing to 3% last year, largely as a result of government measures. Continued growth saw inflation hit 9% last year, and the war in Syria is, of course, a worry to Turkey. However, the country is optimistic about progress and international investors appear to be retaining confidence in the market.

The country has seen a substantial rise in spending capacity and significant investment from the Middle East. Further economic and judicial reforms are expected to boost Turkey’s attractiveness to foreign investors.

Jim O’Neill, the Goldman Sachs economist who came up with the ‘BRIC’ acronym, has put Turkey in a second group called MIST, pointing to these countries as some of the next notable emerging markets.
SHOOTING FOR THE STARS
Far from being a final frontier, three Irish companies have won recently announced contracts with the European Space Agency. Anthony King reports.

Three Irish companies – Enbio, TechWorks Marine and Treemetrics – are flying high, having announced deals with the European Space Agency. For Enbio, the award will allow it to optimise a protective surface treatment that acts as a sunscreen for satellites in space. A new manufacturing facility will be set up at University College Dublin to produce unique black surfaces for ESA spacecraft.

**SUN PROTECTION**

Enbio is also currently collaborating with Astrium, the prime contractor for the Solar Orbiter satellite mission to the Sun. This challenging ESA science mission is aimed at studying Earth’s nearest star and is due for launch in 2017. Enbio’s SolarBlack is a candidate technology for a number of applications on this particular satellite, including its critical heat shield.

“This equipment contract from ESA essentially provides the global satellite industry access to Enbio’s next-generation thermo-optical surfaces, an area that has not fundamentally changed since the Cold War,” said Nigel Cobbe, VP at Enbio. “This extremely challenging application of our technology will set the new gold standard for such surfaces, and it is Enbio’s vision to be, in turn, the gold standard for black, white and all surfaces in between for the space industry.”

The Enbio CoBlast process replaces a metal’s oxide layer, typically aluminium and titanium, with a thin surface, which fuses to the underlying metal in a single, environmentally friendly process step, requiring no chemicals or thermal input.

**WOOD FOR THE TREES**

Treemetrics’ €800,000 award from the space agency is to facilitate the global roll-out of the company’s satellite mapping for the forestry industry, a sort of Google Earth for forestry. This technology seeks to replace traditional callipers and measuring tape with 3-D laser scanners so as to accurately measure shape, size and straightness of standing trees.

“This project will allow us make available our software analyses, which relies on satellite images,” said Enda Keane, CEO of Treemetrics. “It will be available as a web application, so a forester will be able to go onto our platform, access images of their forest and see how many trees they have, whether they are fully productive and whether they are healthy.” The project is called SATForM 3-D, for SATellite Forestry Monitoring in 3D.

The satellite imagery can tell forestry organisations if trees have fallen over or been stolen or illegally logged from the forest. It can even spot nutrient deficiency or disease. “We are excited about the impact we can have on the world of forestry, and it baffles us why companies haven’t done it in the past. But we are foresters in a technology company,” Keane told The Market.

With 30% of the world’s land area forested, the potential market is significant. Already Treemetrics provides forestry measurement solutions for multinational lumber companies as well as private and state forestry companies in Ireland, the UK, Finland, Australia and Kentucky in the US. Keane has had enquiries from potential customers in New Zealand, Canada, Scandinavia, Asia and South America.

**EYE IN THE SKY**

Another significant winner, TechWorks Marine is to develop a set of satellite earth observation products for wastewater treatment and desalinisation plants. The new project will focus on wastewater treatment plants in Ireland, notably in Donegal Bay, and will help minimise any environmental impacts. For example, its sensor technology can monitor for harmful algal blooms.

“In terms of our company growth, this contract has enabled us to recruit new staff with specific Earth Observation expertise and we plan to further grow this team in the coming months,” commented Charlotte O’Kelly, MD at Techworks Marine. In total, more than 80 Irish companies have secured ESA contracts since 2002, worth in excess of €80 million.
Ian Campbell tests out some of the new kit that comes with the Microsoft Windows 8 operating system.

Windows turns touchy feely

With the launch of its Surface tablet, Microsoft goes head to head with Apple and the iPad, but the biggest battle for the world’s largest software company is in securing the future of Windows as the operating system of choice. Having dominated the desktop for years with 90 per cent of the market, Microsoft is now under threat from a proliferation of smartphones and tablets running Google’s Android and Apple’s iOS. Google is also challenging with Chrome OS, a Linux-based operating system now available on some laptops. Microsoft has responded by going back to the drawing board, attacking the new world order on two fronts. Windows RT is a stripped down version that runs on tablets, including the Surface, and some laptops. You can’t install Windows RT on your current PC or use it with your old applications. If you’re looking to upgrade and still run existing software, you need the version of Windows 8 we’re reviewing here on two ultrabooks. You can transfer all your old files, apps and settings to the new OS.

Hybrid Design

Laptops get an added twist with Windows 8. Hybrid models are coming out that offer the combination of a keyboard, mouse, and touchscreen. Others have detachable screens that become tablets. Microsoft is banking on a best-of-both-worlds strategy to dissuade business customers from buying alternative device. It’s not a bad pitch because business users will know how difficult it is to get down to serious work with the current crop of Android and Apple devices. They are more...
about consuming content than creating it. Microsoft is gambling on a gap in the market by offering keyboard, mouse, and touch as well access to its familiar suite of Office applications. There are plenty of products available with the likes of HP, Dell and Toshiba all experimenting with the form factor for interesting variations on laptop/tablet design.

The final part of the Microsoft proposition is that all the apps and personal information can be cross-synced with its newly launched Windows 8 smartphones – two of these are reviewed over the page. It all adds up to an enterprise-friendly ecosystem that repositions Microsoft in the new world of mobility and web-based content while maintaining its foothold in business software. Nice plan; let’s see if it works.

UP CLOSE
The first thing to say is that the ‘live tiles’ home page is excellent and hard not to like. Stylistically, it’s a real differentiator from Apple and Android, and a big improvement over its first iteration on Windows Phone 7 devices. It’s much slicker to the touch, making easy work of personalising the layout. Hold your finger on any tile for a second, and it’s ready to be removed or pinned somewhere else.

To access the tile interface on laptop screens, there’s a dedicated button near the space bar that holds the power button and other settings. While you’re still getting used to the tiles, it’s reassuring to know that under the bonnet a more familiar Windows is still there, complete with taskbar, folders, and recognisable icons.

Once you’ve set up a Microsoft account (assuming you’ve managed to get through life without having one already), it’s nice to be able to log into another Windows 8 device and see it populated with personal information such as contacts and shared documents in SkyDrive. Microsoft has been toying with this seamless integration for many years but has never delivered it so smoothly. Quite whether it’s enough to dislodge Apple from its iconic status with consumers or persuade businesses that it warrants an OS upgrade will be one the big tech questions of 2013.

HP Envy TouchSmart
€1,020
A highly responsive 14-inch touchscreen lets you seamlessly swipe, tap, pinch and zoom. Every bit as good an experience as the iPad, the difference is that it doubles as a laptop for when you want to get down to writing documents. The only grumble is that it’s a little on the heavy side for the ultrabook category at 2.1kg.

Toshiba Satellite U940
€749
A light (1.79kg) and powerful ultrabook with another 14-inch screen, the U940 is one of a new generation of laptops to come with Windows 8 as standard. Without the touchscreen, you wonder if the option of a tiled interface is reason enough to upgrade from Windows 7. If you happen to have other Windows 8 devices such as a smartphone or a tablet that you want to sync up, then the answer is probably yes.

Nokia Lumia 920
€700 (SIM-free)
Healthy sales of its Windows 8 phones suggest the erstwhile king of mobile could be making a comeback. No wonder. The 920 is a top-tier smartphone, right up there with the iPhone 5 and Galaxy 3, boasting a better 4.5-inch screen and unique interface. Yes, there is a shortage of apps, but Microsoft has the muscle and the money to encourage developers to get onboard.

HTC 8X
€490 (SIM-free)
With the same size screen but 55g lighter than the 920, the 8X endeavors to make the larger sized smartphone a little more pocketable. Head-to-head in performance tests of the cameras, video and onboard speakers, the Nokia has an edge but the HTC definitely has more portable appeal.
A shift from mass production to tailor-made manufacturing is possible in the Western world? In The Long Tail editor of Wired Chris Anderson forecasted the revolution in retail that was beginning with companies like Amazon and Apple “selling less of more”: selling small volumes of hard-to-find items to many customers.

In his latest book, Makers, Anderson talks about a new industrial revolution, arguing that if a country wants to remain economically vibrant, it needs to manufacture things. Remember when Ireland produced goods? Cars, bicycles, beautiful clothes and furniture, cut glass and textiles?

Anderson, cheerily, says manufacture – long outsourced to the Third World – is returning, and we need no longer be reliant on the precarious service sector, as 3D printing and electronics assembly are becoming available to everyone, making it possible to build successful businesses through this new model.

He has some stunning statistics to illustrate what an industrial revolution historically meant. For instance, between 1200 and 1600 the life expectancy of nobles (of whom records were kept) improved not a jot. But between 1800 and today, male Western life expectancy doubled, from 38 years to 76.

This is a great book that drags you in with simple stories that will scare you rigid if you’re a traditional business.

“The common factor was that as people got richer, they got healthier. And they got richer because their abilities were being amplified by machines, in particular machines that made stuff.”

This is a great book that drags you in with simple stories that will scare you rigid if you’re a traditional business – like Anderson’s account of his daughters deciding to decorate their doll’s houses. They used a 3D printer to make perfectly sized furniture from patterns sourced on Thingiverse – and bang, that’s you out of business if you make traditional doll’s house furniture.

But Anderson brings the story further, explaining how ‘Maker factories’ ranging from desktop microbusinesses to auto production giants can reinvent the future. Ireland could have niche car companies printing off individualised cars for everyone!

He suggests that a pernicious result of mass production was the decline of small-scale manufacture with its creativity and whirling innovation. If he’s right, we could get it all back now.

A revolutionary of sorts, maverick Japanese entrepreneur Hiroshi Mikitani is successfully positioning Rakuten as Amazon’s main serious competitor. The $14bn Japanese company has chomped its way through the online retail market, so far buying the British retailer Play.com, American Buy.com, French Ikeda and the Canadian ebook company Kobo.

MARKETPLACE 3.0 is Mikitani’s guidebook to how he gained such power. “In 1996, at the age of 31, I did the unthinkable,” he writes. “I quit my job at the Industrial Bank of Japan.” He had reached the summit of success, in Japanese
Mikitani is hot on empowerment, for oneself, customers and suppliers – starting with empowering yourself by learning to think outside the boundaries of your language and culture. He has ruled that Rakuten’s business should be done totally through English and that its workforce should be global: 14% of its staff are from outside Japan. Yet it also localises, with key local decisions being made by staff on the spot in individual countries.

When Rakuten buys companies, writes Mikitani, it is buying customers – taking a long view, and looking for a cultural fit and business synergy. “Rakuten Shugi” – the Rakuten Way – includes Tuesday mornings spent cleaning up the offices, to the extent of polishing chair and table legs, because you should take as much pride in your office as you do in your home. “I’m not sure I can think of another CEO,” writes Mikitani, “who polishes his office chair every week.”

From the beginning to the horrifyingly-titled final chapter (“The Brand as Nation”), this is an unputdownable book, simply and entertainingly written, with key principles and great advice by a master of his trade.

In the bestselling The Third Industrial Revolution, Jeremy Rifkin, a senior lecturer of the Wharton School and president of the Foundation on Economic Trends, suggests that the solution to the tumbling disaster that is our current series of recessions can be sought in the internet and the growth of green technology.

The first industrial revolution was, of course, the European and American industrialisation of the 19th century; the second was the boom that followed the Second World War, when infrastructure crossed continents and an oil-based economy brought prosperity and relative equality.

Rifkin’s plan for a third industrial revolution – expressed in a fluent and accessible book that is fun to read – has five pillars. They must, he says, be implemented simultaneously if they are to work. They are: 1) shifting to renewable energy, 2) transforming the building stock of every continent into micro-power plants to collect renewable energies, 3) installing hydrogen and other storage technologies in every building and in infrastructure to store intermittent energies, and 4) using internet technology to transform continental power grids into an energy-sharing intergrid that distributes power like the internet – when buildings generate small amounts of energy locally they can sell surplus back to the grid.

Rifkin’s 1995 bestseller The End of Work correctly predicted the crash in demand for labour that would follow the rise of information technology. The Third Industrial Revolution offers a possible map for the shape of the world in the coming decades.
Compiled by Enterprise Ireland’s Information Centre team.

MARKET INTELLIGENCE

Enterprise Ireland’s Market Research 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 and management.

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

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

ICT/SOFTWARE

The Future Of Mobile Application Development
Forrester
January 2013
With more than one billion smartphones worldwide, and tablets numbering in the hundreds of millions, the scope of the mobile revolution rivals that of the move from monolithic systems to client/server computing in the 1990s. This ‘vision’ report of the mobile app development playbook for application development and delivery (AD&D) professionals, focuses on the changes application developers need to understand if they want to build modern applications that deliver contextual customer experiences. It also looks at how modern applications will evolve over the next few years and what development teams should prepare for now.

Next in Tech: Indoor Positioning - Indoor Venues are the Next Frontier for Location-Based Services
Forrester
January 2013
Location is a cornerstone of mobile experiences, enabling some of the most widely used mobile apps, such as Foursquare and Yelp. Despite location’s importance, however, today’s satellite-based location technologies are ineffective indoors, where Americans spend up to 90 per cent of their lives. This report examines how indoor positioning is remediating this situation, what the major indoor positioning players will be doing in 2013 and how product strategists are using indoor positioning to improve engagement.

Global Tech Market Outlook 2013 to 2014
Forrester
January 2013
After a period of slow tech-market growth in 2012, tech-buying will steadily improve in 2013 and 2014, led by the US, this analysis from Forrester predicts. The European tech market will remain depressed for most of

2013 before starting to improve as 2014 nears. The Asia-Pacific tech market will hold steady as Japan slumps after its post-disaster pickup in 2012, while China follows the opposite path, rising in 2013 and 2014 after a 2012 slowdown. But it will be US tech-buyers who will make the biggest adjustment, stepping up their tech spending as an improving US economy combines with strong demand for new mobile, cloud, and smart technologies to accelerate growth.

Global Online Video Advertising Platforms Market - Video Growing at Twice the Rate of Traditional Display Ads
Frost & Sullivan
January 2013
This study explores the global online video advertising platforms market, examining the drivers and restraints for growth and pricing and technology, demand and geographical trends. It addresses online ad spending, online video ad spending, and online video advertising platforms, forecasting market growth by region in North America, Latin America, EMEA, and Asia Pacific.

Voice and Messaging are not Dead - Prepare for the Implications of Over-The-Top Communications
Forrester
January 2013
Telecom carriers’ core revenue base – voice and messaging – is under attack from the over-the-top (OTT) business model. This report outlines how telecom carriers can adjust their voice and messaging strategies to the OTT world.

FOOD, RETAIL AND CONSUMER PRODUCTS

Capitalising on the Latest Consumer Trends in the European Sports Nutrition Market
Datamonitor
January 2013
In this market analysis, Datamonitor argues that there is an innovation gap in the sports nutrition market for products that are focused towards mainstream consumers and that aligning with mainstream consumer lifestyles will be necessary to unlock new market opportunities. The report provides a breakdown of different products on the market and aims to offer insight on sports nutrition consumers and their needs, trends driving innovation, how sports nutrition products should be positioned to capitalise on key consumer needs and the opportunities to capitalise on the needs of the ageing population.

Whey Protein Market Opportunities
Datamonitor
January 2013
 Advances in processing technologies have expanded the commercial use of whey proteins, which contain important essential amino acids and have the highest protein quality rating among proteins. This report examines current and future innovation with new product analysis, key industry opinions, and actionable recommendations for addressing market opportunities.
This report examines the markets for fruit juices. Energy and juice drinks will grow by an estimated 61 per cent between 2012 and 2016. This will be a result of strong growth in the energy drinks sector, general growth due to more stable economic conditions than evident during the review period and rising input costs that will increase the value of the majority of products in the market.

The State of Retailing Online 2013: Key Metrics and Initiatives

Forrester

January 2013

Retailers surveyed for this study reported a 28 per cent growth in sales in 2012 compared with 2011. Key metrics such as conversion rates, average order values and sales from repeat customers also grew. While still small, mobile and tablet sales are a promising revenue stream. As a result, many retailers are focusing on optimising their mobile experiences, but an even larger number of web-retailers believe they can kill multiple birds with one stone and improve sales across devices and platforms by improving their core site experiences, such as by improving checkout or adjusting their key pages to a responsive design framework.

Payment Markets to Watch in 2013 - Global Briefing

Euromonitor

January 2013

This report examines the markets to watch in 2013 and beyond in terms of the fastest growing countries for card payments, cards in circulation and certain payment types, as well as general shifts in consumer payment preferences and the rise of in-commerce in certain markets.

CLEANTECH, LIFE SCIENCE, CONSTRUCTION AND INDUSTRIAL

Global Life Sciences Trends and Opportunities 2012-2015: Pharma, Diagnostics and Research Industry Converge to Address Complex Disease Challenge

Frost & Sullivan

December 2012

This report explores growth strategies being implemented by pharmaceutical companies in response to industry challenges. It concludes that companion diagnostics co-developed for targeted therapies present opportunities for in-vitro diagnostic companies to capture some of the pharmaceutical outsourcing market. Faster, more sensitive, and more cost-effective research tools such as next-generation sequencing, microRNA, and digital PCR offer the power to enable shorter timelines between initial discovery and product launch. Meanwhile, clinical genetic technologies, including the molecular diagnostics, cancer diagnostics and non-invasive prenatal testing segments, look set to continue double-digit growth.

Smart Power System Evolution

Business Insights

June 2012

As demand places strain on current, outmoded energy distribution infrastructures, in more mature smart grid markets in Europe and North America, utilities are starting to shift focus away from the deployment of hardware and into software that helps energy consumers use less energy, such as web portals and apps connected to the smart meter. This report aims to explore the benefits that smart grids offer. It also examines projects under development, the competing demands they must satisfy, obstacles delaying the implementation of new smart-grid technology and the further innovations needed.

European Energy-efficient Lighting Market

Frost & Sullivan

2012

The European energy-efficient lighting (EEL) market is growing, primarily driven by EU legislation, mandating the phase out of inefficient lighting technologies. According to this study, while CFLs represent the major product segment, LED lighting is gaining market share as well. Although LED lighting is a niche market, it is expected to gain mainstream acceptance as prices fall. The residential application segment remains the largest consumer of lighting sources. Germany and the United Kingdom are expected to lead growth over the forecast period, while other major markets like Spain and Italy will demonstrate slower growth given their economic conditions.

Global Markets for Reagents for Chromatography

BCC

2012

Global revenues from chromatography reagents totalled nearly $4.3 billion in 2011 and $5.2 billion in 2012. According to this report, total revenues should reach $11.9 billion in 2017 after increasing at a five-year compound annual growth rate (CAGR) of 18 per cent. Liquid chromatography, the largest segment, should account for $2.4 billion in 2012 and $7.1 billion in 2017, a CAGR of 24 per cent. Gas chromatography will total $1.1 billion in 2012 and $1.7 billion in 2017, a CAGR of 9.5 per cent.

Global Markets for Telemedicine Technologies

BCC

2012

According to this market forecast, the global telemedicine market is set to grow from $9.8 billion in 2010 to $11.6 billion in 2011, and to $27.3 billion in 2016, a compound annual growth rate (CAGR) of 18.6 per cent over the next five years. The telehospital/clinic is expected to grow to $17.6 billion in 2016, demonstrating a CAGR of 16.8 per cent between 2011 and 2016. The telehome segment is growing faster and is expected to grow at a CAGR of 22.5 per cent, reaching $9.7 billion in 2016.

Energy Management Information Systems: Global Markets

BCC

October 2012

This report aims to identify and prioritise the business opportunities for providers of energy management information systems (EMIS) solutions and related services, arising over the next five years. It aims to identify the EMIS technologies and applications with the greatest commercial potential; the technical, economic and other demand drivers for these technologies and other prerequisites of success. The potential market projection period is up to 2017.

Enterprise Ireland clients may obtain market research information from the Market Research Centre, free of charge, by a simple phone call or email. Alternatively, clients can visit the centre or regional offices to view publications such as those listed above. (Please make an appointment if visiting a regional office).

To set up an appointment, contact the Market Research Centre at 01 727 2324 or email: market.research@enterprise-ireland.com.

Please note that access to the material summarised on this page is covered by copyright restrictions. Reports may not be loaned or sent out to client companies. Further details about the Market Research Centre are available on www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre
An update on customs compliance, trade regulations and negotiations

TRADE REGULATIONS, INFORMATION AND NEGOTIATIONS

Information on export duties and regulation is available in the ‘Export’ section of Enterprise Ireland’s website.

EU and US plan transatlantic trade and investment partnership

The EU and US are to launch talks on a trade and investment agreement, which when completed, could be the biggest bilateral trade deal ever negotiated.

One of the aims of the Transatlantic Trade and Investment Partnership will be to get as close as possible to the removal of all duties on transatlantic trade in industrial and agricultural products, with special treatment of the most sensitive products.

However, in the current EU-US trade relationship, the most significant trade barriers are so-called “behind the border” obstacles such as different safety or environmental standards. Therefore, with the new deal, the more important goal will be for both sides to align or mutually accept their standards and procedures, by negotiating an agreement on sanitary and phyto-sanitary as well as technical barriers to trade. In addition, the talks will seek to further regulatory compatibility in specific sectors, such as chemical, automotive, pharmaceutical, and other health sectors such as medical appliances.

New service on Chinese market standards and requirements

The Europe-China Standards Information Platform, or CESIP, is a new service, launched in October 2012, providing European businesses trading with China information on everything from technical regulations to market access requirements. CESIP currently covers three sectors: machinery, electrical appliances and medical devices. Five new sectors are to soon follow: textiles, toys, aerosol cans, packaging and energy efficiency of buildings. See http://eu-china-standards.eu

Keeping up-to-date with Europe’s currently volatile VAT rates

In recent months, budgetary pressures have led several European countries, including the Netherlands, Italy and Spain, to increase their VAT rates. In the current volatile environment, exporters can keep up-to-date with current and planned VAT rates in Europe on the Europa website at http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

EU and Singapore agree on landmark trade deal

The European Union and Singapore have completed final negotiations on a free trade agreement between the two territories.

According to the European Commission, the deal will create new opportunities in many services sectors as well as in public tendering. It is also set to reduce double-testing and facilitate market access for industrial and agricultural products through greater recognition of EU standards. Thirdly, the deal will simplify rules to boost trade and investment in environmental technologies and promote green public tendering.

Argentina’s import restrictions being brought to WTO dispute settlement panel

The EU, Japan and the United States have joined Mexico in requesting the World Trade Organisation to rule over a dispute on Argentina’s import restrictions. Since February 2012, Argentina has introduced a regime subjecting the import of all goods to a pre-registration and pre-approval regime called the “Declaración Jurada Anticipada de Importación.” In addition, hundreds of goods now require a non-automatic import licence, and Argentina is demanding that importers must balance imports with exports.

EU set to launch talks on Free Trade Agreement with Japan

The European Commission has been given a green light to commence talks on negotiating a free trade agreement with Japan. Given the importance of eliminating non-tariff barriers in levelling the playing field for European businesses, the negotiating directives foresee that Japanese non-tariff barriers will have to be eliminated in parallel to any tariff reductions on the EU side. In addition, the Commission has said that it will suspend negotiations if progress as specified in the non-tariff barriers and railways and urban transport roadmaps does not materialise within one year from the start of the negotiations. There is also a safeguard clause to protect sensitive European sectors.

EU signs bilateral trade deal with Bosnia and Herzegovina

A recent trade deal signed with Europe is seen as key step for Bosnia and Herzegovina’s accession to the World Trade Organisation (WTO). The bilateral deal between the EU and Bosnia and Herzegovina provides for the lowering of tariffs for trade in goods and for the opening of service markets upon accession. These commitments are to be embodied in the future Protocol of Accession of Bosnia and Herzegovina to the WTO.

EU explores possibility of common visa policy for third countries

In a strategic communication, the European Commission has examined how the implementation and development of the common visa policy could help growth in the EU by facilitating travel opportunities for third country nationals planning to visit the EU. For further information, see http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6265&lang=en
Aer Lingus to launch in-cabin, high-speed Wi-Fi by mid-2013

Aer Lingus is to commence providing customers on its European network with in-cabin internet access from mid-2013. The service is to be delivered via two companies: LiveTV and Eutelsat.

Separately, the airline has announced its schedule for summer 2013, which includes increased frequency from Dublin to a number of cities, including Berlin, Lisbon, Nice, Chicago and Orlando.

Ryanair launches first non-EU bases

Ryanair has announced plans to open two new bases at Fez and Marrakech in Morocco during 2013. These will be the first bases the airline has established outside Europe. Setting up a base means Ryanair will operate flights from both cities while storing the planes used on site. Up to now, the planes used to fly there have been based at another location. Ryanair has also announced flights from two new Moroccan airports, at Essaouira and Rabat, connected with Brussels, Paris and Marseille. Currently, the airline offers no direct flights between Ireland and Morocco.

Ryanair is also to open its first base at Zadar in Croatia this year. The seven new routes it is launching from this airport will include a service to Dublin, commencing in April.

Galway role in European ash cloud research project

When the Icelandic volcano, Eyjafjallajökull, erupted in 2010, the ash plume it created resulted in more than 100,000 flights being cancelled, affecting 10 million passenger journeys.

Now, in a bid to improve analysis on the impact of any such disturbances in the future, the European Space Agency has invested €2.1 million in a detection and forecasting research project led by the Norwegian Institute for Air Research and involving NUI Galway and the Irish Aviation Authority. According to Professor Colin O’Dowd at NUIG, the initiative will provide more accurate information to the aviation industry, potentially resulting in reduced disruption of air travel as ‘fly’ or ‘no-fly’ decisions are based on more accurate predictions of ash plume location and density.

American Airlines new service offers the possibility of ‘day trips’ to New York

American Airlines is to launch a direct flight between Dublin and New York, commencing this June. With a proposed departure time of 9:00 ex-Dublin and arrival time of 11:00, the AA flight will be the first flight leaving Ireland for New York (JFK) each day. The return flight will depart at 18.55, making one-day trips to New York a possibility.

In brief:

Flybe to offer Shannon to Glasgow service:
Commencing this March, Flybe is to operate three-times weekly flights between Shannon and Glasgow.

BA to increase Dublin-Heathrow flights: British Airways has announced an increase of up to three additional flights per day between Dublin and London Heathrow, commencing on March 31.

Emirates announces Platinum Skywards loyalty scheme: Emirates is to launch a Platinum tier to its Skywards loyalty scheme on April 1. Perks will include a complimentary Gold Partner Card, which members can give to a family member or person of their choice.

KLM to charge for baggage: KLM is to become the first of Europe’s full-service airlines to charge short-haul passengers for checked baggage. Fees will range from €15 when paid in advance to €30 at the airport. Hand luggage will remain free and the charges will not apply to passengers flying long-haul.

Aer Arann announces fleet renewal and route expansion

As part of a renewal and expansion programme, Aer Arann is to take delivery of eight new aircraft from May. Under its Aer Lingus Regional franchise agreement, which has been extended until 2022, the airline will add frequencies to Aer Lingus’ existing routes from Dublin to Birmingham and Manchester from this summer. Dublin-Birmingham will increase from three to six services per day, while Dublin-Manchester will go from three to five flights per day. Aer Arann will also increase frequencies on its existing Aer Lingus Regional Dublin-Edinburgh route from four to six flights per day, and on its Dublin-Glasgow service from four to six times per day.
FROM THE AIRPORT TO THE CITY:
Houston is served by three airports, two of which are commercial: Bush Intercontinental Airport (IAH), and William P Hobby Airport (used primarily for small-to-medium-haul domestic flights). The taxi fare from IAH to Houston downtown area (20 miles) is typically $50-$55. There is also a SuperShuttle shared-ride service (www.supershuttle.com) and public bus route 102 (www.ridemetro.org) that serves IAH-downtown, daily, 5am-midnight.

SLEEP:
1st Choice: Hotel Icon, 220 Main Street, is a Houston Downtown landmark that was fully restored several years ago. Its architecturally impressive interior will complement any business meeting, while its in-situ restaurant, Line & Lariat, offers the best in modern Texas cuisine. www.hotelicon.com

2nd Choice: The Westin Houston Memorial City Hotel, 945 Gessner Road, is conveniently located close to the city centre and boasts extensive meeting places, a gym and an 18th-floor infinity pool, the views from which are, inevitably, panoramic. www.westinhoustonmemorialcity.com

EAT:
Lunch: If you’re searching for the best burger Houston has to offer, then you won’t go far wrong at retro diner Little Bigs, 2703 Montrose, which has signature all-beef, fresh patties that are topped with caramelized onions on fresh-baked yeast rolls. Warning: you might not have room for dinner. www.littlebigshouston.com

Dinner: Out to impress? Look no further than Brennan’s of Houston, 3300 Smith Street, which is regarded as one of the most elegant courtyard restaurants in the city. Featuring bold landscaping, New Orleans-style architecture, and a Texas/Creole-inspired menu, you can shoot the business breeze here until the wee small hours. www.brennanshouston.com

THREE THINGS TO DO IF YOU HAVE A FEW HOURS TO SPARE:
The Final Frontier: It’s quite simple: you can’t visit Houston without dropping into Space Center Houston, 1601 NASA Parkway. The official visitors centre for NASA, this eye-popping place features a wide range of out-of-this-world attractions, galleries, tours and permanent exhibits. www.spacecenter.org

Museums: The city has its own pedestrian-friendly Museum District, which is served by the very accessible METRORail system. Eighteen cultural institutions form this culture-filled, tree-lined neighbourhood; arguably, the best space is the Museum of Fine Arts, which was founded in 1900, and which houses more than 56,000 items.

Walking: Houston has a series of subterranean passages that allows the workforce to get on with their lives during downtime. We dare you to walk the city’s seven-plus mile long tunnel system!

HOUSTON
By Tony Clayton-Lea

The fourth-largest city in the USA, Houston (its official nickname is Space City, due to NASA’s Mission Control Centre being based there) has an extensive industrial base in manufacturing, transportation, energy and aeronautics. The city is also a leader in the healthcare/biotechnology sectors (due to its housing of the Texas Medical Center, which is the world’s largest concentration of healthcare and research institutions) and in the manufacturing of oilfield equipment. Indeed, only New York City is home to more Fortune 500 company headquarters. Houston is also a port city, and its shipping channel plays a large part in its economy.
# Enterprise Ireland International Network

## Head Office

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

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## Germany, Central and Eastern Europe and the Balkans

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<td>Ulica Mysia 5, 00-496 Warsaw, Poland</td>
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## Southern Europe, Middle East and Africa

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<td>+(971 4) 329 8384</td>
<td>+(971 4) 329 8372</td>
<td>4th Floor, Number One Sheikh Zayed Road, PO Box 11545 Dubai, United Arab Emirates</td>
</tr>
<tr>
<td>Johannesburg</td>
<td>+(27) 1000300218</td>
<td>+(27) 117834383</td>
<td>82 Maude Street, Sandton, 2196 Johannesburg, South Africa</td>
</tr>
<tr>
<td>Madrid</td>
<td>+(34 91) 436 4088</td>
<td>+(34 91) 435 6803</td>
<td>Casa de Irlanda, Paseo de la Castellana 46 – 3, 28046 Madrid, Spain</td>
</tr>
<tr>
<td>Milan</td>
<td>+(39 02) 8800991</td>
<td>+(39 02) 8890243</td>
<td>Via de Amici, S3-20123 Milano, 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 94349, Riyadh 11693, Saudi Arabia</td>
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</table>

## The Americas

<table>
<thead>
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<th>REGION/OFFICE</th>
<th>TELEPHONE</th>
<th>FACSIMILE</th>
<th>ADDRESS</th>
</tr>
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<tbody>
<tr>
<td>Boston</td>
<td>+(1 617) 292 3001</td>
<td>+(1 617) 292 3002</td>
<td>535 Boylston St, 5th Floor, Boston, 02116 MA, USA</td>
</tr>
<tr>
<td>New York</td>
<td>+(1 212) 371 6300</td>
<td>+(1 212) 371 6398</td>
<td>Ireland House, 345 Park Avenue, 17th Floor, New York, NY 10015-0037, USA</td>
</tr>
<tr>
<td>São Paulo</td>
<td>+(55 11) 3355 4800</td>
<td>–</td>
<td>Rua Haddock Lobo, 1421 – Conj 51, Cerqueira César, São Paulo, 01414-003, SP, Brazil</td>
</tr>
<tr>
<td>Silicon Valley</td>
<td>+(650) 294 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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<th>TELEPHONE</th>
<th>FACSIMILE</th>
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</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>+(86 10) 8448 8080</td>
<td>+(86 10) 8448 4282</td>
<td>Commercial Section, Embassy of Ireland, C612A Office Building, Beijing Lufthansa Ctr., No. 50 Liangmaipo Road, Chaoyang District, Beijing 100125, China</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>+(852) 2845 1118</td>
<td>+(852) 2845 9240</td>
<td>Room 5D4 (5/F), Tower 2 Lippo Centre, 89 Queensway, Admiralty, Hong Kong</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 4767</td>
<td>+(82 2) 757 3969</td>
<td>Ireland House, 13th Floor Leema B/D, 146-1 Susong-Dong, Jongro-Ku, Seoul 10-755, Korea</td>
</tr>
<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, 1376 Nanking Road West, Shanghai 200040, China</td>
</tr>
<tr>
<td>Singapore</td>
<td>+(65) 6733 2180</td>
<td>+(65) 6733 0281</td>
<td>Ireland House, 541 Orchard Road #08-00, List Towers, Singapore 238881</td>
</tr>
<tr>
<td>Sydney</td>
<td>+(61 2) 927 38514</td>
<td>+(61 2) 926 49589</td>
<td>Level 26, 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>
</tr>
</tbody>
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For any other markets not mentioned, contact Market Development Dublin.
For further contact information, visit www.enterprise-ireland.com/contact