

InterTradeIreland

Assembly

# Briefing

Quarterly Briefing for MLAs



# Latest InterTradeIreland Business Monitor Reveals a Broader Recovery Across All Sectors

The latest quarterly Business Monitor (January – March 2014) released recently by InterTradeIreland provides strong evidence of broad-based recovery with positive growth across all sectors and sales performance reaching pre-crisis levels.

One of the most positive findings in the Q1 2014 report is with regards to employment. The majority of firms (80 per cent) continue to report stable employment levels but the number of firms saying that they increased employment is the highest in five years. Encouragingly, the construction sector, one of the industries most affected by the downturn, is one of the sectors most likely to be recruiting.



Aidan Gough, Strategy & Policy Director, InterTradeIreland

## The Results

Results from this quarter also highlighted an increasing gap between exporters and non-exporters, in terms of sales growth, with 52 per cent of those selling cross-border or further afield reporting increased sales in contrast with the 31 percent reported by firms who don't export.

Aidan Gough, Strategy and Policy Director at InterTradeIreland said: "Last quarter more businesses than ever were reporting growth, it is reassuring to see that this is now beginning to translate into more businesses looking to recruit. Although many firms are still cautious, this combined with recent investment announcements, could help boost confidence in the wider economy. It is also encouraging to see the pick-up in activity in two important sectors, retail & leisure and construction which should give a further boost to jobs prospects"

According to Aidan, "as recovery takes hold and confidence grows, more businesses will be looking to invest. In this regard, we are happy to see that access to finance is not a key challenge for the businesses surveyed, but we would encourage SMEs seeking finance to do so in a strategic manner with well prepared business plans and to look at and explore all finance options available to them. In a recent report by InterTradeIreland, it was revealed that 94% of funding comes from bank lending in the form of overdrafts and loans. However it is important that SMES are aware of other sources of finance available, such as Angel Investors, Crowdfunders and of course Government supports and choose the option that is a best fit with their investment objectives."

## Download the Survey

For more information on InterTradeIreland and the business support programmes available, please visit [www.intertradeireland.com](http://www.intertradeireland.com). A copy of the 2014 Q1 InterTradeIreland Business Monitor Executive Summary can be viewed at: [www.intertradeireland.com/researchandpublications](http://www.intertradeireland.com/researchandpublications).

## Want to view all - island Trade Statistics ?

InterTradeIreland has also recently revamped its cross-border statistics website adding new interactive charts and tables with insights to cross-border flows on the island. In these web-pages individuals or companies will be able to access total and sector cross-border trade data for Ireland and Northern Ireland as well as statistics on key areas such as cross-border tourism and cross-border student flows. To access this resource go to:

<http://www.intertradeireland.com/researchandpublications/trade-statistics/>

## Background to InterTradeIreland Business Monitor

InterTradeIreland's quarterly Business Monitor survey is the largest and most comprehensive business survey on the island and is based on the views of more than 750 business managers across Northern Ireland and Ireland. It differs from other surveys in that it is seen to be the 'voice of local businesses' feeding directly from telephone interviews conducted with a robust sample of firms of all sizes across a range of sectors to track all-island economic indicators such as sales, employment, business outlook and other specific topical research areas on a quarter by quarter basis.

## InterTradelreland Innovation Lecture 2014 Focuses on Open Innovation

*The first events of the 2014 InterTradelreland All-Island Innovation Programme took place in Queen's University Belfast and NUI Galway in May 2014.*

*As part of the May Programme Professor Wim Vanhaverbeke (@wvanhave), Professor of Strategy and Innovation, University of Hasselt, Belgium delivered an innovation lecture and 3 innovation master classes in both universities.*

*During the programme Professor Vanhaverbeke, explored why the switch from closed to open innovation has proven to be more difficult than expected for many businesses, and how SMEs can most effectively use open innovation.*

**Keynote Speaker : Professor Wim Vanhaverbeke**



Professor Wim Vanhaverbeke is Professor of Strategy and Innovation at the University of Hasselt. He is also visiting Professor at ESADE Business School and the National University of Singapore.

He published in several international journals such as Organization Science, Research Policy, California Management Review, Journal of Management Studies, Small Business Economics, Journal of Business Venturing, Technovation. He was co-editor with Henry Chesbrough and Joel West of the book 'Open Innovation: Researching a New Paradigm' (OUP, 2006). He is a dedicated open innovation researcher collaborating with different partners in universities and companies around the globe. His current research is focusing on open innovation in SMEs, innovation ecosystems and on the implementation of open innovation practices.

He established the European Innovation Forum with Henry Chesbrough in 2012. He is a frequently asked speaker at leading international conferences and an adviser for several globally operating companies.

He consults and organizes workshops for multinationals and technology companies.

He was recently recognized by the International Association of Management of Technology (IAMOT) as one of the top 50 authors of technology and innovation management over the last 5 years.

### All-Island Innovation Programme

Our All-Island Innovation Programme aims to promote and encourage innovation across the island. A series of free innovation lectures, seminars and masterclasses are held throughout the year to share international best practice in areas of innovation.

The events, which take place in Belfast, Dublin, Galway and Cork each year, are attended by over 1,000 business leaders, policy makers, students and academics from across the island.

[Visit our website for more information.](#)

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## InterTradelreland Helps Small Companies Generate New Export Sales

*InterTradelreland has recently launched the next phase of its sales development programme, Elevate, which aims to help small businesses develop sales opportunities through first time cross-border exports.*

*Through Elevate, InterTradelreland provides sector-specific sales support across a range of sectors, including food and beverage, construction,*

engineering, as well as many others. In the past two years, the programme has already helped 150 small businesses generating new cross-border sales of approximately £3million.

*Assembly Members - We would like you to make eligible companies in your constituency aware of this support and encourage them to get in touch with us.*



*Anna Taggart Yummy Bakes and Margaret Hearty InterTradeIreland*

### **How Elevate Works**

Small businesses participating in 'Elevate' can choose from a list of more than 100 experienced industry specialists who can then help them to identify sales leads in the cross-border market, negotiate deals, share relevant market insights, identify market research requirements and offer advice on the development of marketing materials.

### **Yummy Bakes - Jordanstown**

One such company that benefitted from the Elevate Programme was Micro-business, Yummy Bakes, based in Jordanstown, Newtownabbey. Owner, Anna Taggart, credits the InterTradeIreland programme with helping to open up the Irish market for her high-quality 'golden moment' pastry and biscuit ranges.

"I knew that I needed someone who came from the food industry and knew the market inside out. With more than 100 experts to choose from, I was able to choose the perfect match for me. He was able to help me to research the market and organised two interviews for me with potential major distributors and I am waiting to hear the outcome of these."

She explains: "I had grown the local element of my business substantially and wanted to take Yummy Bakes NI across the border but was unsure about how and where to start. I looked at InterTradeIreland's Elevate programme, the application process was very straightforward and I was accepted onto the programme. Taking part in the Elevate programme gave me the confidence to break into the market and having the support of my Elevate Industry expert made my goals a very real possibility."

### **Cross-Border Opportunities**

Margaret Hearty, explains: "We regularly review our available support for businesses and a few years ago realised there was a funding gap for small micro enterprises. As they make up 96% of businesses on the island it is essential that they receive the support they require to expand and flourish.

"The cross-border market is an often an underutilised but logical first step to wider export markets, giving experience of varied legislation and working with a different currency but has the comfort of being more accessible. Once mastered this makes looking at European markets a more realistic prospect. The Elevate Programme was designed with simplicity in mind to remove as much bureaucracy as possible. As such, a relatively simple and straight-forward application process was devised and put in place. I would urge all interested small businesses with less than £1million turnover to register their interest and apply to Elevate today."

Anna concluded "I may have got to the point of considering breaking into Ireland but it would have been many years down the line. Participation in Elevate sped this up greatly and has got Yummy Bakes NI's name out there and onto people's lips – literally!"

### **For more Information**

For more information on the Elevate programme, including eligibility criteria visit [www.intertradeireland.com/elevate](http://www.intertradeireland.com/elevate).

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## Oxymem wins All-Island Innovation Awards 2014

UCD spinout firm Oxymem has won the overall 'Innovation of the Year' Award at *The Irish Times InterTradelreland Innovation Awards 2014* which was held in Dublin on Wednesday 9th April.

The Athlone based firm has developed breakthrough technology for wastewater aeration. The company took first place in the 'Energy and the Environment' category and went on to compete against five other category winners to win the overall 'Innovation of the Year' award.



Oxymem 2014 Winners

### The Prize

As overall winner, Oxymem will now receive a communications and advertising package from The Irish Times worth €150,000, along with a UCD scholarship for an Executive Education programme commencing in 2015 and a state of the art laptop.

### The Awards Ceremony, Dublin

Oxymem, along with the five other category winners were presented with their awards at an awards ceremony at The Royal Hospital, Kilmainham, Wednesday, 9th April which was attended by An Taoiseach, Enda Kenny TD.

The winners of the other five categories, who will each receive a €10,000 Irish Times media deal and an i-Pad, are:

- Agri-Food winner: Richard Keenan & Co
- Bioscience winner : APC Ltd
- Creative Industries winner: Viddyad
- IT & Telecommunications: Shimmer
- Manufacturing: Foldeaze Ltd

### Best North/South Collaborative Innovation Award

The 'Best North/South Collaborative Innovation' award went to Animal Health Ireland from Leitrim. Animal Health Ireland has developed a unique industry-led national eradication programme for a disease of cattle on the island of Ireland. Bovine viral diarrhoea virus (BVDV) is a recognized cause of significant financial losses in cattle production in Ireland. The BVD eradication programme has already successfully completed one year of testing and when complete will allow farmers to avoid an estimated loss due to this disease of €100 million annually.

### For more information

For more information on all the winners or to view all the shortlisted videos, please visit <http://www.irishtimes.com/business/innovation/innovation-awards-2014>

Congratulations to all!

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## Annual Conference Addresses the Topic : Has There Ever Been a Better Time to Raise Equity?

*With more local venture capital funding available than ever before, innovative businesses in Northern Ireland and Ireland have now got greater access to equity funding.*

*This was the message from the 13th InterTradelreland Venture Capital (VC) Conference held in March at the Titanic Belfast, which brought together entrepreneurs, venture capitalists, business angels, investors and company representatives, to share insights into the array of funding options available to businesses.*

*The conference is the only event of its kind on the island, and was attended by a record number of 350 delegates.*



Grainne Lennon InterTradelreland,  
Patrick Joy SureTank and Drew O  
Sullivan InterTradelreland

With venture capital activity on the island up by 6% in 2013 from €260m to €284m according to the recent Irish Venture Capital Association's Venture Pulse survey, the event highlighted the many funding opportunities now available to businesses and advice on accessing funds.

## **Growing Number of Local Investors**

Drew O'Sullivan, InterTradelreland's lead Equity Advisor said: "There is an array of funding and equity supports available to Irish high growth companies, particularly venture capital, seed and business angel funding. Over the last 12 months alone we have seen a number of companies announce that they have raised significant funds including; Movidius, Sophia Search, Cleverbug and of course one of the biggest success stories led by an Irish team, Stripe. There has never been a better time for investor-ready SMEs to seek funding in Ireland."

"What is particularly interesting to note is the growing number of local investors. Government support has helped create an environment where firms can look for funding without the need to go abroad. Companies can seek all levels of funding from seed level all the way up to larger venture capital investments from these local sources. Major overseas investors have also been attracted to Ireland, including the likes of Highland Capital, DFJ Esprit, Polaris, Better Capital, MML and Sofinnova. Having these significant venture capital fund managers with partners working out of an Irish base means that Irish companies have a much better chance to complete large growth and expansion funding rounds, and we are seeing evidence of this now."

## **Outlook for 2014 bright**

Grainne Lennon, Operations Manager for InterTradelreland, explains: "With substantial potential investment available from the VC and business angel community within the room alone today, this Conference will help to enhance delegates' knowledge of and access to equity funding. The outlook for 2014 is extremely bright as innovation and available equity are both at their highest levels in recent years, which is further stimulating the venture capital market and economic regeneration across the island.

"With an opportunity to network with investors, it is important that companies understand what investors are looking for and have an understanding of due diligence requirements, be 'investor-ready' or at least armed with the knowledge of what they need to do to become 'investor ready'. Venture capitalists and business angels, including those attending our conference today, will have a checklist in their head, of sectors in which they are interested and the desired financial gains.

Today is a warm and open environment which allows companies to make their first impression and introduce themselves to potential investors, which could set the ball rolling for securing future investment for their business."

## **Conference Highlights**

Belfast technology company, Analytics Engines, who shared their experience at the conference today, told how they raised more than £1million in venture funding for its products, highlighting the accessibility innovative companies can have to venture capital, if they are 'investor-ready' to do so. The company received this private venture capital to explore new markets but has previously availed of government initiatives, including the European FP7 funding stream; evidence in itself that the company is presenting itself as 'investor-ready' to varying investor audiences."

Delegates also heard from keynote speaker, Patrick Joy, of Co. Louth based Sure Tank, Ernst and Young Entrepreneur of the Year 2013 and one of Ireland's most successful entrepreneurs, as well as four other younger enterprises' experience of raising equity.

The conference also included a speed networking session and three parallel sessions covering early stage funding, series 'A' funding and life sciences. Risk sharing, crowd-funding and state supports from InterTradelreland, Enterprise Ireland and Invest Northern Ireland, also formed part of this comprehensive conference programme.

The event was supported by Crescent Capital, Kernel Capital and Mills Selig.

## **How InterTradelreland is helping**

InterTradelreland supports SMEs through various equity supports including regional equity advisory clinics delivered by a venture capital professional, investment pitch masterclasses, business planning workshops and the very successful All-island Seedcorn Investor Readiness Competition. For further information on InterTradelreland's supports and equity initiatives, visit [www.intertradeireland.com/equity](http://www.intertradeireland.com/equity).

## **Gem Oils wins Translinks tender thanks to InterTradelreland Tender Initiative- Go-2-Tender**

*Cavan-based Gem Oils was established in 1962 and has gone from strength to strength. It now offers lubricants solutions to customers in every county, supplying oils and lubricant products to private and commercial users.*



*Gem Oils*

*The family-owned company operates out of custom-built manufacturing, warehousing and administrative buildings, concentrating on offering clients first-rate service with a dedicated customer focus, setting them apart from their competitors. Gem Oils has the largest bulk storage capacity for lubricating oils in Ireland and with its own transport fleet and central location, it is perfectly positioned to service clients both North and South.*

*Gem Oils had a strong customer base across the island.*

Helen Milligan, Commercial Manager with Gem Oils, explains: “We had submitted tenders in the past but struggled to win the business on a number of occasions. When we entered as a joint venture we had more success so we realised that we needed to improve our skills if we were going to succeed in the public sector market, which provides many opportunities for our business with a variety of amenities requiring lubricants.

### **Go2Tender**

“Our Chairman sent me an email from InterTradelreland regarding their Go2Tender Advanced programme and we discussed how it might be timely and appropriate for me to complete the course to enhance our internal tendering skills. Things were changing in the public procurement market and they still are with new processes and systems being put in place. We believed this was the ideal time to revise how we put together our submissions and tailor information to compete in this market.

“I booked to go to Newry for the workshop element of the course which was unfortunately postponed. When Go2Tender contacted me to let me know that there would be a place on the next masterclass, I mentioned that the timing would have been perfect for the postponed workshop as there was a live tender that I had hoped to go through.

“As soon as they heard this, they offered me the mentoring element of the course first to assist with the tender which suited perfectly. I really felt that they were willing to go out of their way to help and be there for us as this was back-to-front compared to how things are usually done.

“Our Go2Tender consultant came in to help us with a cross-border submission to supply lubricants for Translink’s bus & rail network across Northern Ireland. As the incumbent supplier we needed to work hard to retain this valued account.”

InterTradelreland’s Go2Tender programme gives SMEs the confidence, knowledge and practical skills to tender successfully for public sector contracts, with an emphasis on cross-border opportunities.

Helen continued: “For the mentoring element of Go2Tender our consultant came into the premises and initially took me through previous tender submissions. We looked at whether I had actually fully answered the questions. This helped me to change my mind-set as to how the questions should be approached.

“Our mentor asked straightforward questions with the benefit of being an outsider to our business, helping us to address how we might explain to someone who doesn’t know our business just what we do and how to convey this in the tender. This was extremely important for us as whoever is judging the tender may not be an expert in lubricants and their application and we needed to communicate our messages clearly.

"I also quickly learned that as a company we needed to 'blow our own trumpet' more. Things that we do as second nature such as our high levels of customer service were not always communicated adequately through tenders. They are part of what we do every day but we need to actually say this on paper rather than assume that the end-reader will know. Little tips and simple changes like this can make all of the difference to fully answering the questions and ensuring that all the criteria are met and boxes checked.

"When I compared the final Translink tender, which we submitted after the Go2Tender mentoring, against other submissions, it was like comparing night and day! The assistance and support that we received really helped Gem Oils over the line to win this contract.

"This business accounts for approximately 12% of our turnover so it is a significant win for us. It is a three year contract with the possibility of extension for a further two years and we are delighted to secure the business. We are tendering for similar business and have a lot more confidence in our submissions. Even if we don't win we are raising our profile in front of key decision-makers and would be more hopeful to achieve positive results in future tendering processes as the systems continue to evolve in Ireland."

Helen attended two Go2Tender workshops in Newry and Dublin post-mentoring and found the tips and techniques provided a useful back-up and reinforcement of her one-to-one training.

She added: "The workshops were very helpful and following my participation on the Advanced programme, I am now going to complete the **Go2Tender Basic** programme! I believe that it will further solidify the fundamentals of tendering for me.

"I would thoroughly recommend the Go2Tender workshops and mentoring to other SMEs across Ireland. The cross-border procurement market is such an unknown quantity for some companies and the course really helps to demystify this as well as offering companies the key skills required to address the complexities of the tendering process.

"My whole approach to submissions has changed completely and we have now built new processes into our internal operations. We evaluate the requirements of each tender individually and break down exactly what it is asking for and ensure we can meet each of the criteria. Most importantly - we communicate this clearly!

"I was truly encouraged to find out that so much support was out there for SMEs and participating on Go2Tender has up-skilled me and helped the company to secure significant new business."

### **Information on InterTradeIreland Tender Supports**

Please encourage companies in your constituency to consider our Go-2-Tender workshops. We have workshops running across Northern Ireland in 2014. Details could be found on our website. You will also find more information on our other tender supports on the website also.

[www.intertradeireland.com/public-procurement](http://www.intertradeireland.com/public-procurement)

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## **13th June- Belfast - Exporting Masterclass**

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## **30th June - Belfast - InterTradeIreland Business Ambassador Event**

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## **Various dates - Go-2-Tender workshops**