

Transforming Irish Industry

Enterprise Ireland Strategy 2008-2010

The mission of Enterprise Ireland is to accelerate the development of world-class Irish companies to achieve strong positions in global markets resulting in increased national and regional prosperity.

| | | |
|--------------|--|-----------|
| | Introduction by Minister for Enterprise, Trade and Employment | 06 |
| | Chief Executive Officer statement | 08 |
| one | Transforming Irish Industry 2008–2010 | 11 |
| | Our vision for success | 13 |
| | Key strategic targets | 14 |
| two | Driving growth and internationalisation | 17 |
| three | Increasing Irish innovation | 21 |
| | Industry-led R&D | 21 |
| | Innovative high potential start-ups | 25 |
| | Leadership for innovation and growth | 26 |
| four | Growing companies of scale | 29 |
| five | Growth and competitiveness in existing and emerging sectors | 33 |
| six | Driving growth in Services | 39 |
| seven | Entrepreneurship and regional development | 41 |
| eight | Delivering the transformation | 45 |



Introduction by Micheál Martin, Minister for Enterprise, Trade and Employment

Innovation in its broadest sense is crucial to our continued economic and social advancement. It is clear that a high level of investment in innovation in all its forms is essential for economic competitiveness and growth. In turn this yields the innovations that make Ireland a dynamic, knowledge-driven economy. The Government's *Strategy for Science, Technology and Innovation 2006-2013* has a strong focus on the role business has to play in making Ireland internationally recognised for the quality of its research and development and as a provider of innovative, market-led products and services.

Over the lifetime of the National Development Plan 2007–2013, the State will invest €8.2 billion in science, technology and innovation. This will bring Ireland into line with R&D performance in leading countries and enhance the development of a knowledge-based economy.

Against this background I strongly welcome and endorse the new three-year strategy developed by Enterprise Ireland.

Leadership, innovation and growth are the fundamental themes underpinning the strategy *Transforming Irish Industry 2008-2010*. The process of transformation that started during the 2005–2007 period will be relentlessly driven by Enterprise Ireland in the next three years and beyond. Incremental change will not be sufficient to secure and build on the progress already made.

The strategy is driven by the overarching principle that growth in global markets through the internationalisation of Irish companies is the key to wealth and employment creation in Ireland. Central to the attainment of continuous growth in exports is innovation that impacts on every facet of a business.

Enterprise Ireland positions innovation at the core of this strategy.

Efforts to create a strong innovation culture are now being matched with the investment required and Enterprise Ireland is central to accelerating the impetus towards robust global competitiveness.

Our economy has changed radically in recent times and we now face the challenges of a developed, mature economy competing on a global scale. The fast pace of growing international competition is creating pressure for greater efficiency, quality and productivity. The pace of change and the demands of customers require our companies to be creative, flexible and adaptable. In other words innovation has to be top of the agenda.

Enterprise Ireland will be taking initiatives to underpin the future performance of Irish industry that is now central to industrial policy.

Over the life of this strategy Enterprise Ireland will introduce a number of initiatives including a simplified R&D offering to companies, an expansion of the Innovation Voucher scheme for all small and medium enterprises and the coming on stream of a number of Competence Centres.

This document outlines Enterprise Ireland's response to the challenges of competing in global markets. It builds on the successes achieved over the last three years and continues the major change in approach to developing businesses that commenced in 2005. This strategy will make a substantial contribution to the continued internationalisation of Irish companies through innovation.



Micheál Martín T.D.
Minister for Enterprise, Trade and Employment



Chief Executive Officer statement

We have arrived at a point in our economic development when the future performance of indigenous industry will be of central importance to future economic growth.

There is no room for complacency.

We must now become the architects of our own economic future.

That means we must focus our energies and resources on growing a cohort of Irish companies with the ambition, leadership and innovation necessary to achieve global scale.

Over the period of Enterprise Ireland's strategy *Transforming Irish Industry 2005-2007* we have proved that when we recognise and take responsibility for ourselves substantial progress can be made.

That strategy laid the foundation for Enterprise Ireland's approach in responding, adapting and meeting new business challenges presented by a dynamic global business environment that constantly demands the highest standards and most innovative solutions.

Since 2005, Enterprise Ireland has worked closely with companies across all sectors and in every region to emphasise the need for transformational change in order to guarantee continued growth and prosperity. Over that period significant progress has been made in promoting the change agenda and investing with industry in essential areas such as entrepreneurship, scaling, training, R&D and international market development.

In this context the active support of the Department of Enterprise, Trade and Employment, including the Office of Science Technology and Innovation, has been vital to our ability to execute that strategy. I take this opportunity to recognise the contribution of the staff of Enterprise Ireland at home and overseas in delivering that success.

Increasing exports continues to be the overarching objective of Enterprise Ireland's activities and remains the primary indicator of Ireland's international success and competitiveness. Innovation across all aspects of business is central to securing the export growth required to fuel the economy.

The Enterprise Ireland strategy *Transforming Irish Industry 2008-2010* builds on the strong progress made in the past three years and addresses the increasing pace of globalisation and international competition.

It is now timely to reaffirm our commitment to transforming Irish industry, to build on successes to date, to secure and expand hard won positions in world markets and focus in on the challenges that need to be overcome in the next three years.

To achieve our vision we will lead and support transformational change in the performance of Irish industry and key strategic targets have been set against which progress may be judged.

The priorities for the life of this strategy include:

- Consolidating existing growth in key sectors and overseas markets
- Capitalising on emerging opportunities
- Driving innovation
- Stimulating the emergence and development of companies of scale
- Realising sustained and balanced regional growth

In 'Going for Growth' Irish companies will strive to be leaders of future innovation and growth. Enterprise Ireland is committed to partnering with enterprise to achieve this growth over the next phase of Ireland's transformation and expansion.



Frank Ryan
Chief Executive Officer

one



Transforming Irish Industry 2008–2010

To compete and grow in today's global economy, Irish industry must be innovative, competitive and show the leadership capability to develop scale and sustain positions in international markets.

Ireland's economic success depends on it.

The Irish economy has changed radically over the last decade and is now one of the most open and integrated in the world. Irish businesses are operating in a globally competitive environment, and are faced with ongoing and accelerating change.

International markets are increasingly complex, evolving more rapidly and subject to greater global competition.

Economic conditions and markets will continue to be more challenging. To thrive in this environment Irish industry must innovate, internationalise, show strong leadership and build competitiveness and capability.

Driving export growth

Ireland's economic success is intrinsically linked to Irish industry achieving sales in international markets.

Enterprise Ireland's core objective is to drive export growth. To obtain increased national and regional prosperity we are setting ambitious growth targets in partnership with Irish industry.

Enterprise Ireland is deeply committed to creating and growing internationally competitive businesses and facilitating entrepreneurship throughout the country, which will in turn have significant input into local communities and regional economies.

In 2008–2010 we will implement a strategy to continue to underpin and grow a strong, sustainable and world-class indigenous business sector. Enterprise Ireland will support Irish companies to secure existing growth, capitalise on emerging opportunities, and position for future growth.

Driving innovation

Innovation will be the single greatest enabler of continued success for Irish industry.

The pace of innovation is accelerating in the globalised economy. Continually evolving and diverse markets are subject to increasing global competition which is underpinned by the mobility of knowledge and capital, and the flexibility of competitor companies. Technological progress and new ways of doing business set new standards and make new demands of firms.

A natural consequence of this change will be the introduction of new business models and the emergence of new markets, such as those related to servicisation. In the future many Irish companies, including those in manufacturing, will gain a greater proportion of their revenues through offering innovative services as part of their business.

Innovation is about the ability to successfully meet these rapid changes with market and customer-led solutions. Consequently, *Transforming Irish Industry 2008-2010* is a strategy with innovation at its core, recognising that the focus must be on developing and applying new knowledge and new ways of doing things.

Intrinsically linked to growth and innovation are the management and leadership capabilities of Irish industry. Ireland needs strong management capability to drive the creation and development of innovative companies that can adopt new business models, respond to the ever changing needs of customers and achieve scale.

The development of innovative products and services by start-up companies with a high potential to grow, underpinned by the effective and imaginative use of technology, will be the lifeblood of the Irish economy. Supporting these companies is a key objective for Enterprise Ireland.

Enterprise Ireland will support Irish industry - in rapidly and effectively developing and profitably commercialising new processes, products and services; in acquiring, developing and integrating the technologies and supporting knowledge required; and in developing the leadership skills and capability of company management necessary to drive innovation.

Increasing innovation at all levels of Irish industry, to drive export growth and ensure Irish companies achieve strong positions in international markets, is critical for increased national and regional prosperity.

Our vision for success

Enterprise Ireland will drive Irish industry to a new level of international performance and profile. At the end of *Transforming Irish Industry 2008-2010* we will have:

- A growing number of Irish companies with consolidated positions in existing key geographic markets.
 - A cohort of Irish companies with established positions in emerging high growth economies.
 - An increased number of Irish businesses achieving significant annual global sales within both existing and emerging sectors.
 - A stronger commitment to R&D within Irish industry, as evidenced by a continued increase in company R&D expenditure.
 - Higher levels of commercialisation of research spend in Ireland, resulting in a higher number of technology licences and third-level spin-outs.
 - A growing Irish presence in a number of niche Services sectors, positioning Services as a major export growth platform.
 - A greater number of companies adding a service component to their business model.
 - An increased cadre of Irish companies with the leadership required to develop scaled, innovative companies capable of sustained international growth.
 - A strong entrepreneurial economy across Ireland, with an increased number of innovative high potential start-ups (HPSUs) in regional locations.
-

Key strategic targets 2008–2010

Transforming Irish Industry 2008-2010 has key measures of success in the form of the following strategic targets:

| Strategic Objective | | 2008-2010 Target |
|---------------------|--|------------------|
| 1 | New export sales | €4 billion |
| 2 | In-company R&D spend • Increase the number of companies engaged in meaningful R&D (€100,000 spend annually) to: | 800* |
| | • Increase the number of companies engaged in significant R&D (€2 million spend annually) to: | 55** |
| 3 | New high potential start-ups (with 50% in regions outside Dublin) | 200 (100) |
| 4 | Growing companies of scale • Increase the number of clients achieving annual global sales of €5 million to: | 635 (+15%) |
| | • Increase the number of clients achieving annual global sales of €20 million to: | 225 (+20%) |

With an overall target of *1,050 by 2013 and **100 by 2013

Lead • Innovate • Grow

New export sales of €4 billion

- New export sales remain the organisations key, overarching target for 2008-2010.

In-company R&D spend

- As set down in the Government's *Strategy for Science, Technology and Innovation 2006-2013*, we will continue to drive an increase in the number of companies annually spending in excess of €100,000 and €2 million on R&D.

High potential start-ups

- We will continue to drive the establishment of HPSU's and seek to deliver 50% of Enterprise Ireland supported start-ups outside the Dublin region.

Growing companies of scale

- Enterprise Ireland is introducing new strategic targets focused on growing the number of companies achieving significant annual global sales, at thresholds of €5 million and €20 million.

two



Driving growth and internationalisation

The fundamental objective for 2008-2010 is to drive export growth momentum and internationalisation in what will be a more challenging environment for our clients. Irish companies must pursue aggressive and progressive growth strategies to succeed in international markets. Irish industry must have relevant products, in the right markets, with appropriate sales skills and support structures to deliver new export sales.

Strategic target

New export sales remain the organisation's key, overarching target. Enterprise Ireland will support Irish firms in securing €4 billion in new export sales over the next three years.

In meeting our target, Enterprise Ireland's International Sales and Partnering Business Unit, will lead the organisation in internationalising Irish industry. The unit will provide specialised support to Irish companies' efforts to win export sales, engage in international partnerships and joint ventures and establish in-market presences.

Market knowledge is now increasingly related to the ability of companies to recognise emerging opportunities and to exploit change. Our overseas teams, operating through the Enterprise Ireland international office network, will ensure that the right resources are available to Irish companies where and when they need them most. The network will remain under constant evaluation and be adjusted continually to enable Irish companies to gain maximum results, particularly from high growth economies and emerging sectors.

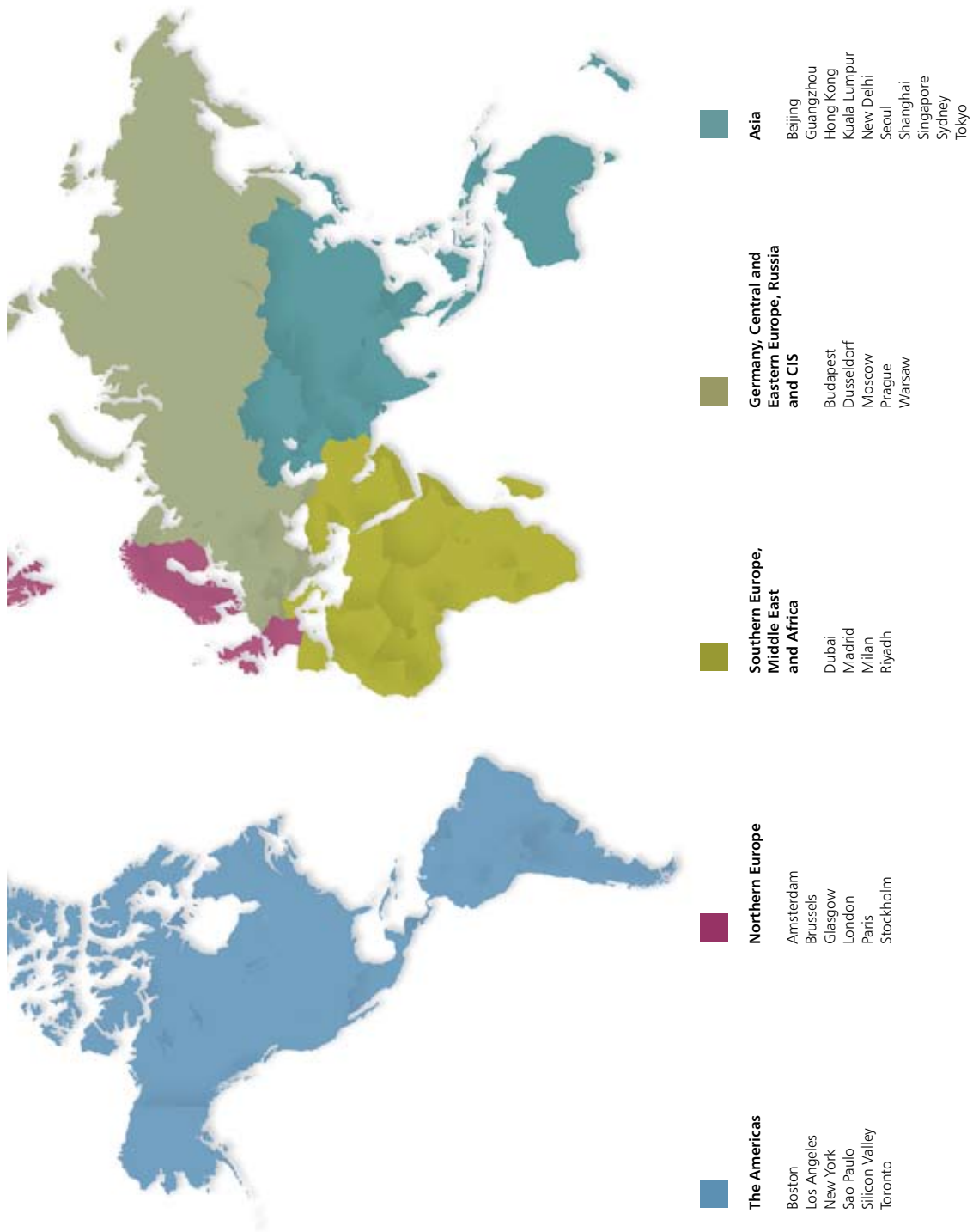
Our teams will also work to support the process of innovation. By facilitating access to new technologies, sectoral and market expertise and international sources of funding we can ensure Irish companies remain focused, relevant and competitive in the global economy.

In pursuing the objective of internationalisation we will work closely with the Bilateral Trade Promotion Unit in the Department of Enterprise, Trade and Employment and the Department of Foreign Affairs.

Enterprise Ireland will:

- Support Irish companies in securing and consolidating positions in existing sectors and markets.
- Target opportunities in high-growth economies and emerging sectors, especially Services.
- Assist Irish industry to develop scaled, sustainable and strengthened positions in key geographic markets.
- Support innovation and the development of leadership and management for internationalisation.
- Drive the longer term positioning of our client base, developing capability to capitalise on new and future growth opportunities.
- Review and assess the geographic footprint of our international presence on a continuous basis and adjust as appropriate.

International office network



three

The word "three" is centered in a white, serif font. Below it, a series of thin, white, wavy lines flow across the page, creating a sense of movement and depth. The lines are more densely packed in some areas and more sparse in others, creating a rhythmic pattern.



Increasing Irish innovation

Enterprise Ireland's approach to innovation is guided by the Government's *Strategy for Science, Technology and Innovation, 2006-2013*, under the co-ordination of the Department of Enterprise, Trade and Employment.

Industry-led R&D

R&D and the application of knowledge will be a critical driver for the future success of Irish industry. It is therefore imperative that Ireland focuses on promoting the level, quality and commercial applicability of all R&D undertaken, ensuring that industry leads the response to rapid changes in customer needs.

The foremost innovating companies characteristically have a strong commitment to sustained R&D investment. They are led by highly proficient management teams capable of identifying areas of opportunity and growing their companies to be flexible and responsive to market needs while successfully integrating the knowledge and technology they need. These companies also develop and actively participate in innovation networks and research groups to gain access to technology and new routes to market.

Enterprise Ireland provides support for R&D and innovation relevant at all stages of company development, and can progress companies from small beginnings to high-level innovation and R&D activity. Support mechanisms such as the Innovation Vouchers initiative seek to build links between Ireland's public knowledge providers and small businesses while creating in-company cultural shifts in the approach to innovation.

In the period 2005–2007 Enterprise Ireland refined and intensified its role in promoting and supporting market-led and market focused R&D. In 2008–2010 we will offer a progressive and comprehensive R&D package for Irish companies.

R&D Support by Client Type



Strategic target

In-company R&D spend

We will continue to drive an increase in the number of companies engaging in R&D, as set down in the Government's *Strategy for Science, Technology and Innovation 2006-2013*.

- Increase to 800 the number of companies engaged in meaningful R&D (€100,000+) by 2010*
- Increase to 55 the number of companies engaged in significant R&D (€2 million+) by 2010**

With an overall target of *1,050 by 2013, and **100 by 2013

To achieve our targets Enterprise Ireland will continue to play a key role in driving industry-led R&D within third-level institutions, supporting Irish companies to undertake R&D while facilitating collaboration between industry and academia to ensure the maximum commercial applicability of Irish research. In addition we will strive to raise awareness of the importance of innovation across all aspects of business development.

Enterprise Ireland will continue to play a lead role in driving the delivery of new technology to Irish industry out of the third-level sector by:

- Continuing to financially support and stimulate the development of technology transfer infrastructure within the third-level sector focused on delivering excellent service to researchers and industry. This infrastructure is supported by a network of Enterprise Ireland commercialisation staff who are dedicated to maximising the commercial potential of publicly funded research.
- Delivering a range of funding packages designed to encourage researchers in third-level institutions to develop innovative ideas with commercial application.
- Working closely with other funding bodies such as SFI, IDA Ireland, HEA, etc. to ensure an integrated overall approach to achieving the maximum commercialisation in Ireland.

Enterprise Ireland's Innovation, Research and Commercialisation Business Unit will work closely with the research community and the relevant state agencies and departments.

Enterprise Ireland will:

- Drive and support in-company R&D. Our R&D Advocates will be used to create awareness among companies and actively engage them in R&D for the first time.
- Use the Innovation Vouchers initiative to stimulate a cultural shift in the approach of the small business community to innovation, by encouraging small companies to build links with the research community in exploring a business opportunity or problem.

- Adopt a lead role in driving the effective commercialisation of research in Ireland, delivering new technology to industry out of the third-level sector.
- Continue to support delivery through enhancing the level of resources in college technology transfer offices, promoting the Commercialisation Fund and through stimulating collaboration between industry and the third-level.
- Drive collaboration regionally by continuing to financially support Institutes of Technology in developing applied research capability in areas of strategic relevance to local industry and to the college.
- Support programmes such as the Competence Centres initiative and the Industry-led Research Networks. These provide strong industry-academic linkages allowing industry to set an agenda for research, ensuring that it is directed at specific industry and market needs.
- Take a strong leadership role in Ireland's involvement in the Seventh EU Framework Programme, ensuring significantly increased participation in the programme by Irish researchers and companies.

The Seventh EU Framework Programme for Research and Technological Development (FP7)

FP7 is a key tool to respond to Europe's needs in terms of jobs and competitiveness, and to promote leadership in the global knowledge economy. It began in 2007 and runs until 2013 with a total budget of over €50 billion.

The main strategic objective of FP7 is to strengthen the scientific and technological base of industry by supporting international collaboration. Collaboration is of key importance to companies in that it helps them to develop new business relationships across Europe built on the development of new technologies.

Enterprise Ireland will continue to work to achieve the maximum share of support available for Ireland, and to secure the maximum involvement of Irish industry. An enhanced national support structure is in place for FP7, headed by a National Director and supported by a core unit and dedicated teams based in Enterprise Ireland.

Innovative high potential start-ups

The flow of innovative start-ups into the Irish economy is critical for future growth. High growth potential start-ups that can develop innovative products and services, underpinned by the imaginative use of technology, will be significant drivers in Ireland's continued economic success. Encouraging and supporting these innovation-led high potential start-up companies (HPSUs) with an export focus is a key priority for Enterprise Ireland and is fundamental to building the next generation of world-class Irish companies.

Our dedicated HPSU Business Unit will continue to drive the development of these innovative new companies. Its added focus in 2008–2010 will be on assisting Irish companies to achieve scale at the earliest stage of development.

Strategic target

We will continue to drive the establishment of HPSUs throughout Ireland by:

- Supporting the creation of 200 HPSUs in 2008–2010, and
- Seeking to deliver 100 of the Enterprise Ireland supported start-ups outside the Dublin region.

To achieve these targets the HPSU Business Unit will continue to stimulate and develop a strong flow of innovation-led start-ups.

Enterprise Ireland will:

- Address the full range of start-up needs including finance, management support, R&D and market development.
- Work with the city and county enterprise boards, business innovation centres, and third-level institutions to actively promote the establishment of HPSUs throughout Ireland.
- Target other important sources such as multinationals, technology incubators, research centres and serial entrepreneurs to encourage potential entrepreneurs.
- Support the development of seed and venture capital funding in Ireland.
- Encourage the participation of overseas venture capital companies in the growth and internationalisation of HPSUs.

Seed and venture capital

A dynamic and healthy venture capital market is a prerequisite for the growth and development of high potential start-up companies in Ireland. Enterprise Ireland has focused on stimulating seed and venture capital funds in order to promote the availability of this important source of funding. Under the 2007–2012 Seed and Venture Capital Programme Enterprise Ireland is investing €175 million in a new round of venture capital funding. This is expected to leverage an estimated €1 billion for investment in start-up, early stage and development stage businesses.

Leadership for innovation and growth

Leadership has been identified as one of the core enablers, and key competitive differentiators required for the achievement of scaled international growth.

Irish industry needs managers, CEOs and directors capable of leading the development of innovative companies, leaders prepared to adopt new business models, respond to the ever changing needs of customers and drive their companies to achieve scale through organic growth and growth by acquisition.

Over the 2005–2007 period Enterprise Ireland successfully provided tailored, results-oriented management development programmes in response to identified client need. Successes include the Leadership 4 Growth programme, in association with Stanford Graduate Business School and the Irish Software Association, and the International Selling programme, in association with the Dublin Institute of Technology.

The introduction of these programmes and the impact they have made on the ambition and ability of Irish industry to develop and execute high growth strategies has demonstrated just how important management and leadership capability is to positioning companies for future growth.

Leadership and management are also critical to the successful adoption of innovative business models, practices and processes, as well as the commercialisation of innovative new products and services. Leadership allied to innovation will prove fundamental to driving Irish company growth in the coming years. In recognition of this Enterprise Ireland will in 2008–2010 further the role we play in accelerating Irish companies' capability to develop and successfully execute ambitious growth strategies.

Enterprise Ireland will:

- Develop leaders capable of stimulating innovation and supporting accelerated, scaled growth.
- Continue to provide management development programmes in areas identified as critical to growth, such as strategy and leadership, sales and marketing, innovation and entrepreneurship.
- Further refine our role in the enhancement of Irish industry's leadership and management capability and develop a more comprehensive suite of supports, a significant element of which will continue to be the provision of world-class programmes.
- Support the development of innovation within our client companies, recognising the correlation between leadership capability and the successful execution of innovative strategies.
- Promote the importance of management capability and innovation with the broader business community and expand our close working relationship with FÁS and Skillnets to ensure the needs of Irish industry are served.

four



Growing companies of scale

Achieving scaled company growth while remaining headquartered in Ireland is the single biggest challenge facing Irish companies. To achieve sustainability in an increasingly competitive global environment, Irish companies need to scale regardless of their age or sector.

This challenge was recognised in the *Transforming Irish Industry 2005–2007* strategy. Building on the experiences gained during that period, Enterprise Ireland is fully committed to developing the scaling potential of Irish companies and is now actively engaging with them to achieve the scale required to compete aggressively in international markets. This is critical to establishing and driving longer-term growth and to evolving the structure of Irish industry.

In 2008–2010, driving scaled company growth will be a core Enterprise Ireland objective, with success measured by new sales threshold targets. Our Scaling Business Unit will remain dedicated to working with companies demonstrating the commitment to grow annual sales to significant thresholds.

Strategic target

To drive the focus on global company growth we are introducing targets for the number of Enterprise Ireland client companies with significant annual global sales.

- Increase the number of clients achieving an annual global sales threshold of €5 million to 635, up 15% by 2010.
- Increase the number of clients achieving an annual global sales threshold of €20 million to 225, up 20% by 2010.

By supporting greater numbers of clients in surpassing the global sales targets we will be addressing the greatest challenge facing Irish industry, and providing for an evolution in its structure.

Enterprise Ireland will:

- Continue to partner with companies to develop clear business strategies framed by ambitious goals for global market development.
- Address critical issues such as the appropriate business model, leadership and management development, acquisitions and partnerships, and the financing required to achieve scale.
- Build our clients' capabilities in relation to key scale enablers – global organisation structure, large scale acquisitions and global partnerships.
- Target the development of scale from the earliest stage by identifying increasing numbers of start-ups with scaling potential, and offer a tailored and intensive support structure to achieve this.
- Focus on helping our clients gain access to the growth capital required to drive scale.

five



Growth and competitiveness in existing and emerging sectors

The performance of sectors such as Food and Industrial Products has contributed significantly to strong export growth in recent years. In addition, specific sub-sectors and groups of companies, operating within areas such as Medical Devices, Construction, Telecoms and Proprietary Engineering, have experienced high growth rates.

Sustaining export performance requires that, in partnership with Irish companies, Enterprise Ireland continues to drive growth in existing and emerging markets and sectors. In the context of an increasingly competitive global market place, a particular challenge for all sectors is remaining cost competitive and relevant to customer needs.

To consolidate growth in existing sectors and capitalise on emerging growth opportunities, Enterprise Ireland will continue to drive improvements in innovation, competitiveness, productivity and management capability in Irish companies. We will also support collaborative projects and networks which contribute to development and growth. In addition to the targets already outlined in the strategy we will introduce a successor to the Productivity Improvement Fund.

Strategic target

Driving competitiveness and growth

Enterprise Ireland will from early 2008 offer a new support fund that will build on the success of the Productivity Improvement Fund established in 2005. Supporting competitiveness is a priority in the face of increasing global competition and we will meet this challenge with a number of key initiatives.

Innovation and servicisation

To maximise the growth potential of client companies we will stimulate an increase in the services revenues of existing client companies through the ‘servicisation’ of their current offerings. This is important because in the future many Irish firms will gain a greater proportion of their revenues by offering:

- A product with associated service elements as a package.
- The services associated with the production of a product.
- A product as an ongoing service.

This is a strategic approach which is important for the medium to long term positioning of Irish companies in global markets.

Key sectoral opportunities

Food

The Food industry is Ireland’s largest indigenous industry. It plays a crucial role in the continued growth and success of the economy. There are significant opportunities in the Food sector and Enterprise Ireland will continue to work with companies to progress improvements in innovation and productivity and to enhance management capability.

Enterprise Ireland will:

- Continue to work in close collaboration with industry, the Department of Agriculture and Food, An Bord Bia and Bord Iascaigh Mhara in the development of the Food sector.
- Undertake a strategic review of the Dairy sector to identify the highest value opportunities for Ireland.
- Support the implementation of capital investment programmes in the Dairy and Beef sectors to drive efficiency and scale.
- Proactively support investment in food related R&D.

- Encourage client companies to develop innovative products and services for the growing Food Services sector.
- Support the establishment and development of an industry-led Functional Food Centre. The centre will develop research programmes that are jointly formulated and implemented by industrial and academic partners.

Environment, Industrial and Lifesciences

Future export growth in the Industrial Markets sector will increasingly be driven by knowledge-based companies. In addition, manufacturing companies must introduce a services element to their business model to capitalise on their core competencies and increase revenue sources.

Ireland is a leading world location for the Lifesciences sector and Enterprise Ireland will continue to focus attention on the development of this key sector. In addition, Irish companies engaged in the supply of products and services to the environment sector will be strongly supported to capitalise on a growing market opportunity.

Enterprise Ireland will:

- Focus on supports that move Irish companies towards the supply of higher value products and services.
- Develop interventions to help product oriented Irish companies seek new growth opportunities from increasing the service element of their business.
- Actively promote and support Irish companies to capitalise on the economic opportunities arising in the Environmental Products and Services sector.
- Promote and support an export development programme to internationalise the success of the Irish Construction sector.
- Continue to drive the development of the Lifesciences sector, building on the strong growth platform provided by the multinational base in Ireland.

Software and Retail Consumer

The software sector continues to experience relatively strong growth rates. Our vision for this sector is to position Ireland as a recognised centre for innovation and development. However, this area is characterised by multiple small players with small-scale positions in global markets. Enterprise Ireland will actively promote this sector with a view to developing highly successful scaled companies.

The Retail Consumer Markets sector comprises client companies in Fashion, Giftware and Furniture. Within these sectors, innovative strategies, built upon a commitment to design, customer demand and management development, will form the feedstock for future export growth.

Enterprise Ireland will:

- Extend the reach and increase Irish company participation in focused leadership development programmes.
- Ensure a continued focus on R&D and productivity improvements as key sources of competitive advantage.
- Focus on priority geographic markets to maximise return on investment and to achieve more significant and defensible positions in selected niche markets.
- Create awareness of new business models and in particular support companies to increase the service element of their business.
- Engage with investors (financial institutions, private investors, domestic and international venture capitalists) to secure longer-term finance to support the scaling of software companies.

Emerging sector opportunities

Environmental Products and Services

There is significant potential for the development of Environmental Products and Services associated with global concerns over climate change, depletion of traditional energy resources and waste generation. Ireland is already becoming a prime location for sourcing these products and services.

This is one of the areas where Enterprise Ireland will seek to be a catalyst for driving Irish company success. Our Environmental Business Unit, working with our network of overseas offices, relevant industry associations and Government departments and agencies will target growth for new and existing clients.

Enterprise Ireland will:

- Seek to increase the number of HPSUs targeting the development of products and services for this market.
- Formalise global teams across Enterprise Ireland with the resources to address market opportunities in this area.

Construction Products and Services

The Irish construction sector has experienced unprecedented growth in recent years. As a result, we now have a group of domestic companies with strong expertise in the sector. In 2008–2010 we will work with this sector to exploit its potential for growth.

Enterprise Ireland will promote and support an export development programme for the internationalisation of this sector, and will formalise an existing team to assist companies win significant business related to the London Olympics.

Enterprise Ireland will:

- Develop a world-class senior management development programme for the Construction sector.
- Work with strong Construction Services companies to introduce them to new geographic markets.
- Seek to develop value-added products and services providing R&D support where appropriate.

•
SIX

Driving growth in Services

The development and growth of Services will be vital to the next stage of Ireland's economic performance. Enterprise Ireland will continue to evolve the supports necessary to ensure Irish industry capitalises on this opportunity.

As economies become more developed and globally integrated, the Services sector assumes greater importance in international trade. A core objective for Enterprise Ireland in the period 2008-2010 will be to drive and support internationally traded services growth, both in emerging and existing sectors and through the internationalisation of locally traded services.

Enterprise Ireland will continue to build a comprehensive offer, in order to ensure Services companies realise and develop their international sales potential.

Enterprise Ireland will:

- Focus on developing and exploiting the Services opportunity for Ireland, through an Internationally Traded Services Business Unit.
- Continue to work with existing Services companies, individually and by sector, to maximise their growth potential.
- Capitalise on emerging Services sector growth opportunities.
- Support locally traded services in realising their potential to access overseas markets and gain international sales.
- Develop a portfolio of Services opportunities that will deliver gains in both the near and longer term, with initial focus on areas of opportunity such as Financial Services; Environmental Services; Business to Business (B2B) and Business to Consumer (B2C) sectors.
- Use a foresight process to identify new opportunities created by Services trends which can be matched to Irish core competencies.

seven



Entrepreneurship and regional development

Promoting entrepreneurship and facilitating the key infrastructural needs of Irish enterprise across all regions is vital to ensuring a vigorous pipeline of new business leaders, new business ideas and innovative products and services. Enterprise Ireland is heavily focused on facilitating entrepreneurship and the enterprise environment in local and rural communities, on driving the creation of innovation based start-ups and on proactively developing companies in all regions.

In the 2008–2010 period Enterprise Ireland will continue to work in partnership with the Department of Enterprise, Trade and Employment and other agencies and stakeholders to implement a co-ordinated approach to promoting entrepreneurship and supporting start-up activity throughout Ireland.

Facilitating local and rural enterprise

Enterprise Ireland will continue to play a key role in facilitating the development of the enterprise environment in local and rural communities. We will continue to support the development of community-led enterprise centres, which are an important enabler for entrepreneurs and businesses in local and rural areas. To drive enterprise development we will also play a key partnership role with the local and regional development bodies throughout Ireland.

Driving the creation of innovation based start-ups

A well developed enterprise infrastructure will more readily allow new innovation based businesses to generate and emerge. We will drive the growth in the creation of innovation based start-ups to stimulate the emergence of new high potential growth companies at local level, providing a comprehensive range of supports to address their development needs. We will work closely with Ireland's universities and Institutes of Technology, which play a crucial role in developing and fostering these types of companies.

Proactively developing companies in all locations

To achieve increased prosperity in the regions and at national level Enterprise Ireland seeks to drive export gains among client companies in all locations. We will use our regional offices to proactively develop existing client companies at local level, and target increased participation in Enterprise Ireland activities. This will include, as appropriate, the engagement with established companies that are not currently clients of Enterprise Ireland. We will drive collaboration among private and state bodies in development of a world-class environment in which growing a business is more readily possible.

Working with enterprise boards and business innovation centres

Enterprise Ireland's strategy is designed to ensure that opportunities for Irish enterprises and entrepreneurs are maximised throughout all regions and that relevant support is provided to meet the increasing challenges faced in the global marketplace. Enterprise Ireland is focused on working with the city and county enterprise boards and business innovation centres to provide a seamless continuum of support for Irish business, matching their needs with the best resources available. In practice, this will introduce a greater degree of connectedness and flexibility in the enterprise support system.

- Enterprise Ireland will enhance the strong working relationships with the city and county enterprise boards (CEBs) and business innovation centres (BICs) to ensure that entrepreneurs and companies have access to appropriate supports required at different stages in their development.
- We will work with CEBs on joint regional focused fora to advance the development of the infrastructure and support available to entrepreneurs.

Supporting the regional infrastructure

Enterprise Ireland, in conjunction with Forfás and a number of other partners, continues to support the provision of essential infrastructure for businesses in all regions. This is particularly important, as having the right environment can both promote entrepreneurship and take full advantage of it. We will build upon the significant progress made in 2005–2007 over the period of *Transforming Irish Industry 2008–2010*.

Developing an all-island economy

The development of an all-island economy is of significant strategic importance. The same barriers to development are relevant to all companies in all parts of the island of Ireland. In providing for better outcomes for all, we will deepen our relationship with Invest Northern Ireland and InterTradeIreland, with the objective of sharing best practice, increasing the complementarity of our respective services and in exploring opportunities for greater, beneficial synergy.

We will engage in collaborative initiatives that add value to the existing services and supports provided and respond to a demonstrable need amongst client companies.

Enterprise Ireland will:

- Proactively collaborate with Invest Northern Ireland and InterTradeIreland on selected initiatives of mutual interest.
- Work on collaborative initiatives including stimulating cross border R&D collaboration and participation in consortia at the European level, with an initial focus on the Seventh EU Framework Programme.
- Continue to collaborate overseas with companies from across the island participating on selected trade missions organised by both agencies and to avail of the overseas offices of both agencies.

Community enterprise centres

The Minister for Enterprise, Trade and Employment launched Enterprise Ireland's latest community-led enterprise centre (CEC) scheme in 2007. This fund, totalling €21 million will be rolled out over three calls for applications from communities during this strategy.

The availability of business space is a fundamental infrastructural requirement for enterprises in any location to establish new companies and grow existing ones. Community enterprise centres (CECs) provide the space and supportive environment for budding entrepreneurs and serve to help the development of entrepreneurship locally in urban and rural locations. CECs are a tangible and visible contribution to regional development.

The Enterprise Ireland-supported CEC scheme provides infrastructural facilities in areas previously under-represented in start-up activity. This is a community-led initiative between local communities and the State with the objective of enhancing the development of an enterprise climate.

In responding to the need for enterprise space at local level, we will continue to implement funding and support for CECs to help local communities to establish sustainable businesses.

eight



Delivering the transformation

Enterprise Ireland is committed to partnering with Irish industry to achieve strong growth over the next phase of Ireland's economic transformation. To successfully implement *Transforming Irish Industry 2008-2010*, Enterprise Ireland must evolve and reposition to effectively meet the changing needs of Irish companies. This parallels the changes which our clients must undergo to perform in an increasingly competitive global market.

Collaboration and co-operation will remain at the heart of Enterprise Ireland's strategy. We will continue to work closely with the Department of Enterprise, Trade and Employment, other government departments, related development agencies, third-level institutions and representative associations. In particular, Enterprise Ireland will work with IDA Ireland to connect innovative Irish companies to overseas multinationals to deliver increased exports and explore partnership opportunities including technology transfer to Irish companies.

In recent years, Enterprise Ireland has significantly enhanced its ability to accelerate the growth and development of client companies. In line with the evolving needs of Irish industry, we will continue to develop the skills and capability of staff across the organisation. A particular focus will be placed on enhancing management capability with a view to developing high-performance leadership that drives and supports strategy execution.

The major delivery challenge for the organisation is in ensuring that there is a coherent and integrated response that provides customised support to companies with different needs. The structure put in place to support the 2005-2007 strategy, clustered clients based on the end market they served. Client-facing staff are aligned with these clusters to provide the opportunity for a collaborative, global team response to client needs. These teams consist of Development Advisers, Market Advisers, Technologists and Human Resources Specialists.

A key focus for 2008–2010 will be to embed and refine this integrated method of delivery. Enterprise Ireland, as part of our Client Charter, is committed to delivering a consistently first class service to clients that is focused, proactive and efficient.

In responding to the full range of client needs, Enterprise Ireland's strategy will be supported by a financial offering that focuses on four areas of client investment.

- Supporting start-ups with a high potential to grow
- Comprehensive funding for R&D
- Driving growth and innovation capabilities
- Supporting major projects for large scale development.

ENTERPRISE IRELAND OFFICE NETWORK

Dublin

Glasnevin, Dublin 9

Tel. +(353 1) 808 2000, Fax +(353 1) 808 2020

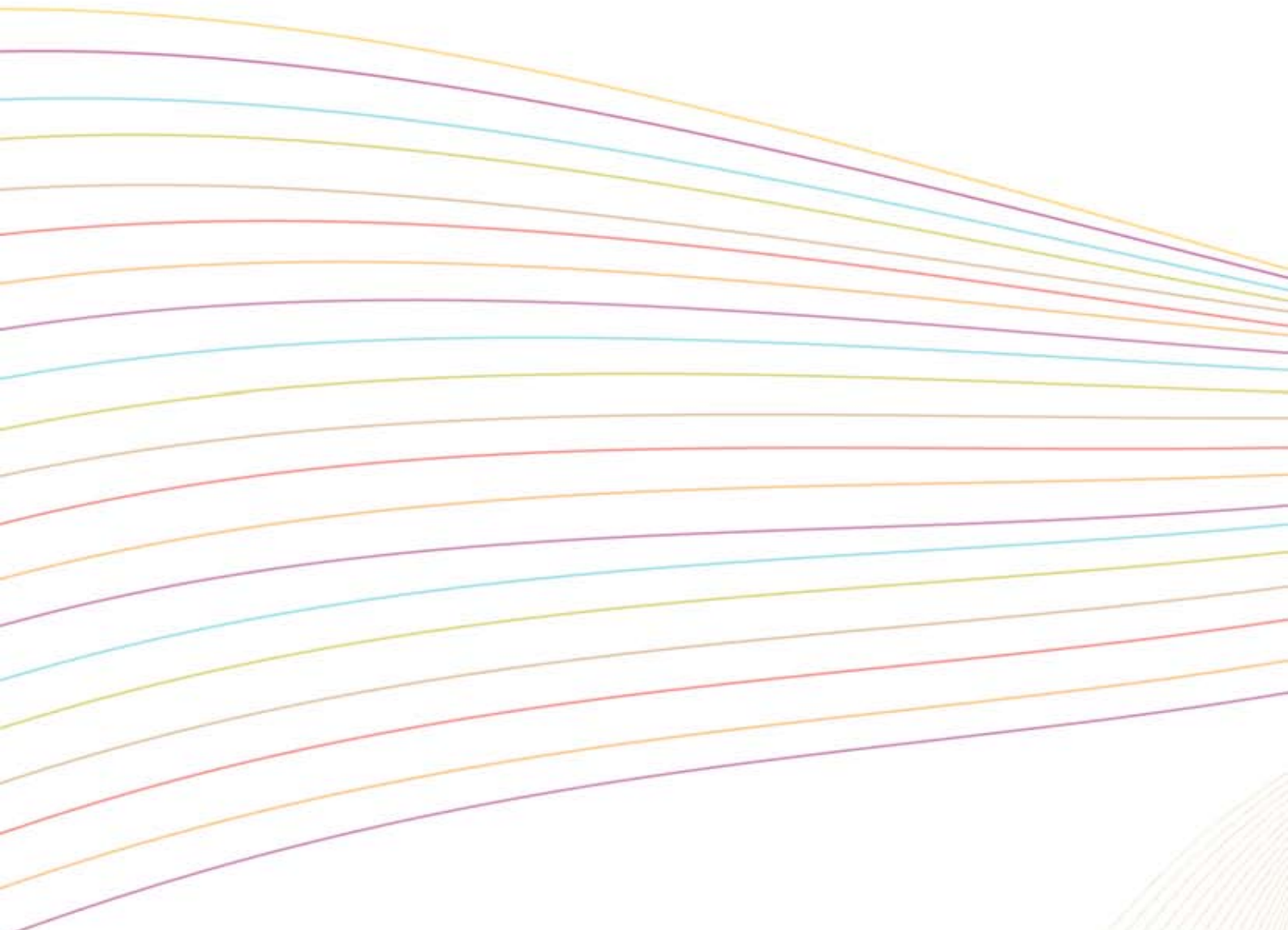
Merrion Hall, Strand Road, Sandymount, Dublin 4

Tel. +(353 1) 206 6000, Fax +(353 1) 206 6400

Email contact for Enterprise Ireland staff worldwide
 firstname.surname@enterprise-ireland.com

REGIONAL NETWORK

| Office | Telephone | Fax | Address |
|---------------------------------------|----------------|----------------|--|
| National Regional Headquarters | | | |
| Shannon | (061) 429 900 | (061) 429 901 | 4500 Atlantic Avenue, Westpark, Shannon, Co Clare |
| Dublin/Mid East | | | |
| Dublin | (01) 609 2150 | (01) 609 2111 | 39 Shelbourne Road, Dublin 4 |
| Midlands | | | |
| Athlone | (090) 648 7100 | (090) 648 7101 | Auburn, Dublin Road, Athlone, Co. Westmeath |
| North East | | | |
| Dundalk | (042) 935 4400 | (042) 935 4401 | Finnabair Industrial Park, Dundalk, Co. Louth |
| North West | | | |
| Sligo | (071) 915 9700 | (071) 915 9701 | Finisklin Business & Technology Park, Sligo |
| Letterkenny | (074) 916 9800 | (074) 916 9801 | Portland House, Port Road, Letterkenny, Co. Donegal |
| Mid-West | | | |
| Shannon | (061) 429 900 | (061) 429 901 | 4500 Atlantic Avenue, Westpark, Shannon, Co Clare |
| South East | | | |
| Waterford | (051) 333 500 | (051) 333 501 | Waterford Industrial Park, Cork Road, Waterford |
| South West | | | |
| Cork | (021) 480 0200 | (021) 480 0271 | Industry House, Rossa Avenue, Bishopstown, Cork |
| Killarney | (064) 71600 | (064) 71601 | 57 High Street, Killarney, Co. Kerry |
| West | | | |
| Galway | (091) 735 900 | (091) 735 902 | Mervue Business Park, Galway |



Enterprise Ireland is funded by the Irish Government and part-financed by the European Union under the National Development Plan 2007-2013.

© Enterprise Ireland October 07 - (108)

