

Enterprise Strategy Group: ‘Closeness to customers’ the crucial component for Ireland’s future enterprise success

Publication of recommendations for new enterprise strategy to 2015

Wednesday, 7 July 2004. The report of the Enterprise Strategy Group, *Ahead of the Curve: Ireland’s Place in the Global Economy* was published today and launched by the Tánaiste and Minister for Enterprise, Trade and Employment, Ms Mary Harney TD who commissioned and nominated the independent, 16-member Enterprise Strategy Group.

The report sets out the first private-sector developed enterprise strategy for Ireland in 12 years. It makes a series of key recommendations designed to ensure competitive advantage and to build the conditions essential for strong and sustainable enterprises in Ireland to 2015. The recommendations concentrate on matching Ireland’s established expertise in manufacturing with comprehensive capability in sales & marketing and in research & development. This will enable Ireland to exploit exciting new opportunities in high value manufacturing and internationally traded services.

“The Enterprise Strategy Group is very pleased to be presenting this report to the Tánaiste today. The whole of society ultimately depends on the enterprise sector for employment, wealth and quality of life. Ireland’s future depends on an enterprise sector that is knowledge-based and market-led, operating in a distinctive, competitive business environment,” said Eoin O’Driscoll, Chairman of the Enterprise Strategy Group.

“Ireland has had great economic success, significantly based on manufacturing. Subsidiaries of foreign owned companies have contributed greatly in this regard. However, in the more competitive global environment, manufacturing is vulnerable. In our view, enterprise in Ireland is not close enough to its customers: in the main, we produce products or services designed elsewhere, and sold by and to other people in other countries. We need to greatly improve our sales and marketing and our research and development capabilities to get closer to the customer. This will enable Ireland to develop products and

services in exciting new areas of high value manufacturing and internationally traded services," he said. "Ireland's future competitive advantage lies in a unique combination of factors that will see us remain 'ahead of the curve'."

Almost 100 submissions were made to the Enterprise Strategy Group, and over 200 individuals from a diverse range of businesses participated in advisory groups. Key recommendations include:

- The establishment of two complementary structures within Enterprise Ireland: *Export Ireland* and *Technology Ireland*. Export Ireland is to take a focused approach to export market intelligence and promotional activities. Technology Ireland is to develop a strategic approach to market-led applied R&D.
- The placing of 1,000 extra sales and marketing professionals in Irish firms over five years.
- The matching of public funding for applied research and in-firm R&D with that invested by the Department of Enterprise, Trade and Employment in basic research.
- The allocation of an annual budget of €20 million for five years to support the creation of enterprise-led networks, which would collaborate in areas such as marketing, R&D and training needs.
- The implementation of a national 'One Step Up' initiative to encourage participation in ongoing learning.
- Continued Government commitment to the 12.5% corporation tax rate.
- The introduction of a common Chairperson for the Boards of Forfás, IDA Ireland and Enterprise Ireland, to facilitate greater co-ordination of the enterprise development agenda.

In order to see the recommendations implemented, the Group has proposed an Expert Group of Secretaries-General of six Government Departments and four private sector representatives, which would meet four times a year to prioritise and progress the enterprise agenda. Their work would feed in to a full Cabinet meeting, dedicated to enterprise, held every six months.

"I would like to thank my Group colleagues, each of whom brought great experience and insight, not to mention enthusiasm and hard work to this process," Mr O'Driscoll concluded. "We share confidence in Ireland's future. Ireland has exceeded expectations for growth and prosperity. Although the pace and extent of global competition are intense, we now boast the skills, capabilities and resources to build sustainable enterprise for the future. Ireland is home to a range of world-class companies, and operates in leading-edge sectors. We now have the confidence and creativity to succeed and to cement Ireland's place among the leading global economies."

The members of the Group are:

Mr Eoin O'Driscoll, Aderra Ltd (chairman)	Mr Alan Dwyer, Eurostyle Ltd
Mr Hugh Friel, Kerry Group plc	Mr Des Geraghty, former SIPTU
Mr David Griffin, AIB Bank	Prof Rita Gunther McGrath, Columbia University
Mr Nicky Hartery, Dell	Prof John Hegarty, Trinity College
Dr James Hoey, Masonite Ireland	Mr Frank Kenny, Delta Partners
Ms Liavan Mallin, Zalco Investments Ltd	Mr Martin McVicar, Combilift Ltd
Dr Mary Meaney, Institute of Technology Blanchardstown	Dr Rory O'Donnell, National Economic & Social Council
Dr Reg Shaw, Wyeth Medica Ireland	Prof John Sutton, London School of Economics