

Press Release

Tuesday 23 October 2007

## **Entrepreneurial development needs an approach similar to the drive which attracted foreign direct investment to Ireland**

### **Forfás sets out vision for a world class entrepreneurial environment**

Forfás today (Tuesday 23 October) published its report *Towards Developing an Entrepreneurship Policy for Ireland*.<sup>1</sup> The report sets out a profile of Ireland's entrepreneurial culture and a blueprint to drive increased entrepreneurial activity in Ireland.

Speaking on the publication of the report Mr Micheál Martin TD, Minister for Enterprise, Trade and Employment said, "At the launch of the Report of the Small Business Forum I committed to implement the Forum's recommendation to develop a National Entrepreneurship Policy. Entrepreneurship has a critical role in adding to our indigenous enterprise sector which together with foreign direct investment, forms the foundation of Ireland's enterprise base. A thriving entrepreneurial culture has the potential to make a substantial contribution to our economic and social development and to achieving balanced regional growth."

"One of the key priorities for Ireland is to continue to grow our entrepreneurial base. To meet this challenge we need a policy which sets out our vision for the public and private sectors alike and is supported by action that will bring benefits for all of the people of Ireland. This Forfás report provides valuable background information and areas for consideration for the development of a National Entrepreneurship Policy which I hope to launch later this year", added Minister Martin.

The report focuses on developing entrepreneurial activity in Ireland by building on Ireland's strengths and providing for a mechanism to reduce barriers to entrepreneurship on an ongoing basis. It identifies key areas for development relating to culture, education and entrepreneurship amongst women and immigrants. The report recognises that the current level of entrepreneurial activity in Ireland is good and that a number of positive features are present which are highly supportive of entrepreneurs and entrepreneurial activity. However it also noted that, in light of a forecasted moderation in economic growth and a decline noted in the 2006 Global Entrepreneurship Monitor in the number of early stage entrepreneurs, it is very important at this stage that we take measures to build on the current entrepreneurial momentum for the future.

"There is a clear need to ensure that entrepreneurship is a significant driver of future economic growth. While our performance is good our success in this regard is not guaranteed," commented Martin Cronin, Chief Executive of Forfás. "Our approach to moving Ireland up into the group of the most entrepreneurial countries in the world must be as determined and focused as the drive to attract foreign direct investment has been in recent years. A vision of Ireland characterised by a strong entrepreneurial culture, innovative entrepreneurs and acknowledged as an excellent place in which to start and

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<sup>1</sup> Forfás conducted this study at the request of the Department of Enterprise, Trade and Employment and worked with Paula Fitzsimons (National GEM coordinator) and an advisory group comprising entrepreneurs, representatives from DETE, Enterprise Ireland, the County Enterprise Boards, the Small Business Forum and other experts.

grow a business is achievable but the challenge is considerable and will require leadership and commitment by the whole of Government and action from a wide variety of influential players across the public and private sector if it is to be achieved," continued Cronin.

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*Towards Developing an Entrepreneurship Policy for Ireland* is available at [www.forfás.ie](http://www.forfás.ie)

## Forfás

Forfás is Ireland's national board responsible for providing policy advice to Government on enterprise, trade, science, technology and innovation in Ireland.

## Notes to Editors

### Summary

#### 1. Why entrepreneurship is important?

Forfás believes that entrepreneurship should be high on the economic and social policy agenda given the range of strategic, economic, spatial, social and personal benefits that it can bring. Entrepreneurship can help Ireland in meeting the challenges of:

- Sustaining growth;
- Deepening competitive advantage in a knowledge economy;
- Strengthening the enterprise base;
- Creating vibrant regions; and
- Achieving social inclusion.

In working with an advisory group and an independent consultant and through the research undertaken, Forfás has identified areas for focus for a National Entrepreneurship Policy and has recommended some initiatives to enable Ireland to move up to the elite group of the most entrepreneurial countries in the world. Forfás suggests that it is necessary to involve all key players through an integrated approach which puts the entrepreneur centre-stage and draws on the best of what the public and private sector can offer.

#### 2. Setting out a vision for Entrepreneurship in Ireland

The Forfás report sets out a vision for Ireland to be *"characterised by a strong entrepreneurial culture, recognised for the innovative quality of its entrepreneurs, and acknowledged by entrepreneurs as a world-class environment in which to start and grow a business."*

#### 3. Key Focus Areas

To achieve this vision, Forfás suggest that a National Entrepreneurship Policy should focus across three key main areas:

1. Leveraging a positive culture and the resources of our education system
2. Harnessing the potential of women and immigrants
3. Maintaining and developing an environment that is conducive to both  
establishing and growing businesses

##### 1. Culture and Education

Culture and education can foster a spirit of enterprise and strengthen the motivation and capacity of entrepreneurs and potential entrepreneurs. The report looks at a number of options for further development in these areas:

- Involving the education system in **reinforcing positive perceptions** of entrepreneurship.
- Building on **positive media interest** and goodwill towards entrepreneurs.
- Improving recognition of **entrepreneurship as a career choice**, among students, parents and teachers.
- Making **enterprise education** a more formal part of the education system in Ireland (as put forward by the National Council for Curriculum and Assessment).
- Embedding **entrepreneurship training in professional teacher training** qualification and adopt innovative methods to do so.
- Ensuring **entrepreneurship is part of the third level curriculum** for students from non-business and business courses alike.
- Ensuring sustained funding of entrepreneurship education activities and for the nationwide implementation of **enterprise projects in schools**.
- Linking new knowledge developed by the researchers at third level to entrepreneurs who have the perception, skills and motivation to **commercialise it**.
- Developing **entrepreneurial ambassadors** among Government and political representatives, successful entrepreneurs, financial and educational sectors and opinion leaders.

## 2. Women and Immigrants

There are a number of relatively untapped and underdeveloped sources of entrepreneurship in Ireland, namely women and the immigrant community. The Small Business Forum proposed that by optimising entrepreneurial activity among these groups that Ireland could become one of the most entrepreneurial countries in the world.

### Women

A number of areas for improvement are identified for female entrepreneurship with a view to moving Ireland up to the group of the most entrepreneurial countries in the world:

- **Targeting sectors** where highly skilled women work e.g. health, education.
- Promoting **greater visibility** for female entrepreneur role models.
- Strengthening **social networks** to allow female entrepreneurs gain access to resources e.g. mentors and others who can assist.
- Helping women to **integrate into male dominated networks** which are often informal.
- Encouraging private sector **business associations to recruit more women members** and assist with their full integration.
- Continuing support for **successful women's business networks**.
- Encouraging finance institutions to provide **microfinance to female entrepreneurs**.
- Endorsing the introduction of a **women's enterprise day**.
- **Monitoring progress** made in encouraging greater participation of women as entrepreneurs.

### Immigrants

The problems faced by those recently arrived into Ireland are more acute than those faced by many other entrepreneurs due to greater difficulties with access to relevant knowledge, information and networks as well as difficulties in developing relationships with a bank or other financial institutions. To this end, the report recognises the need to:

- Ensure that **City and County Enterprise Boards** are clearly recognised as the **first point of contact** for immigrant entrepreneurs, act as a **signpost for information** for immigrant entrepreneurs and make materials on starting a new business **available in several languages**.
- Ensure close cooperation between the agencies and stakeholders active in this area to ensure a **seamless service** to this group and to ensure that information and training is made available in an appropriate manner without duplication.
- Improve **statistics and research** on immigrant entrepreneurship.

## 3. Monitoring the environment for Entrepreneurship

Forfás proposes the establishment of a **National Entrepreneurship Forum** which would have a key role in championing entrepreneurship. It will celebrate achievements and recognise progress while identifying barriers and prioritising action. It will monitor progress

toward the realisation of the vision through the achievement of a clear set of strategic objectives. An **Annual Entrepreneurship Review** will assemble the relevant indicators to inform the National Entrepreneurship Forum.

The report recognises that the environment is currently conducive to entrepreneurial activity, with a strong demographic profile, confidence of individuals to start and run businesses, a culture which is supportive of entrepreneurs and supported by a strong economy with buoyant consumer demand. The challenge now is not to be satisfied but to keep investing in entrepreneurship to give Ireland its new enterprise advantage. In this respect, the Report recognises that:

- Ease of entry to existing and new markets is an important factor underpinning the level of entrepreneurship. **Barriers to entry** should be monitored and reported on.
- Financing at the early stages of setting up a business should be monitored and the **availability of finance**, including informal investment and other sources of equity and debt finance, should be monitored and gaps in financing addressed.
- A **knowledge base** of information for entrepreneurs should be developed.
- Every assistance should be given to facilitate entrepreneurs to **internationalise** from the earliest stages. Targets for first time exporters supported by the State should be set and reported on.
- The Department of Enterprise, Trade and Employment should have a specific staff member designated with responsibility for entrepreneurship.

### Members of the Advisory Group

Ms Marie Bourke, Chair	Forfás, Secretary to the Small Business Forum
Ms Jane Williams	Managing Director The Sia Group, Former chair of Small Business and Services Forum
Dr Thomas Cooney	Lecturer in Entrepreneurship, Dublin Institute of Technology and Director of Institute for Minority Entrepreneurship
Ms Rita Shah	Managing Director Shabra Plastics and Packaging Ltd, Member of Small Business Forum, Current Ethnic Entrepreneur of the Year
Mr Conor O'Mahony	Department of Enterprise, Trade and Employment, Member of Small Business Forum
Mr Michael Tunney	Donegal County Enterprise Board
Ms Rosemary Sexton	Enterprise Ireland, Member of Small Business Forum