

# The Association of EC Business & Innovation Centres in Ireland

## Annual Report 2005

CORKBIC



## Chairmans' Statement

**As Chairmen of the BICs in Ireland and on behalf of our Boards we are delighted to present our Annual Review for 2005.**

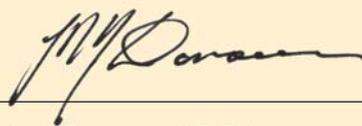
Our private sector organisations represented by Chambers Ireland, span the multinational, indigenous and professional service firms and have been deeply involved in EC-BICs since 1988. We see our private-public sector partnerships working side by side with the statutory agencies, universities/colleges and government as the way forward.

Ireland has the second highest level of early stage entrepreneurial activity in Europe (but still well below the USA) yet there are great challenges moving forward. One of these challenges is identifying and supporting these nascent entrepreneurs to develop sustainable businesses to build our great firms of tomorrow. We look forward to working closely with our colleagues in Enterprise Ireland to help make this happen. The Irish BICs will continue to collaborate with other European BICs to deliver innovative Pilot Programmes to establish international best practice. Our combined skills and the angel finance of the private sector, together with trusted partnership of government and agencies, is being orchestrated to deliver high growth companies with global reach.

The Boards of the BICs are particularly pleased with the important leveraging effect that public funding has on the operations of the BICs. For every euro of NDP funding the BICs are able to leverage 2.4 times that amount from private and EU sources, to deliver services to entrepreneurs and innovators throughout Ireland.

We must pay tribute to our Boards of Directors and past members who have well served their regions and communities on a voluntary and tireless basis. Their guidance, foresight and wise counsel have always been a cornerstone of the EC-BICs.

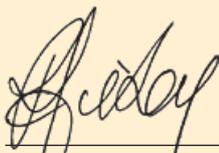
Finally, we must thank our staff and teams led by our Chief Executives who so effectively delivered venture consulting services to our clients with existing and new methodologies that still stand the test of time.



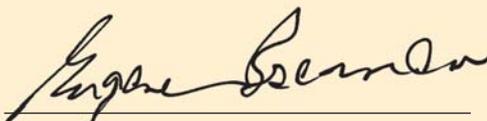
Gerry Donovan, CORKBIC



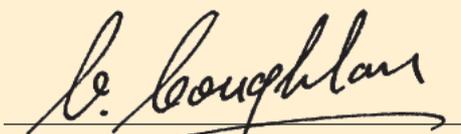
Hugh Governey, DUBLIN BIC



Richard J Hickey, South East BIC



Eugene Brennan, LIMERICK BIC



Prof. Chris Coughlan, WESTBIC

## CEOs' Statement

**A warm welcome to the 2005 activity report for the Association of EC Business & Innovation Centres (BICs) in Ireland. Our report to you this year outlines the important contribution that BICs have made in terms of the economic and entrepreneurial development of all the regions in Ireland.**

The identification and development of innovative value-added enterprises in Ireland is one of the key objectives of our funding partners, Enterprise Ireland and The Department of Enterprise Trade and Employment. The BICs are a primary instrument in the Government's portfolio of support to entrepreneurs and innovators and, in partnership with our private sector colleagues, we aim to bring best practice and practical hands-on advice to higher potential start-ups and growth companies.

In 2005 the five Irish BICs in Ireland met with 1,377 project promoters and provided intensive support to 416 entrepreneurs; leading to 49 business start-ups and 67 company expansions. Our report gives some examples of clients who, with BIC support, made a real difference in enterprise and employment creation in their own region.

The Irish BICs have established an incubation and enterprise infrastructure throughout Ireland, representing over €40m of private sector, EU and State investment. In 2005, 205 companies were located in these state of the art facilities and having benefited from the BIC methodology a large percentage of these companies will become the key employers and role models for regional economic development.

The 5 Irish BICs are considered to be key players in the 160 strong European BIC Network and this is demonstrated by a number of cross border and EU and pilot EU programmes run by the BICs in conjunction with public and private sector partners across the EU.

Finally, we must thank our funding partners and Boards for their continued support and encouragement and we look forward to working with them and others throughout the regions in stimulating, igniting and nurturing entrepreneurship and innovation.



**Michael O'Connor** is CEO of CORKBIC, a venture consultancy specialising in high technology based projects primarily in the IT sector. Previous experience was manufacturing and sales start ups with Raychem Corporation, before co-founding Intepro, an Irish IT start-up in 1983. Responsible for strategy and sales and marketing in the European start up and led the US market entry with several rounds of international venture capital before divesting to a Swiss multinational. He graduated in Engineering from Cambridge University and holds an MBA from London Business School /Wharton. He spearheaded the €13m National Software Centre Project and initiated new ways of fast tracking start ups. Director of the Irish BIC's Seed Capital Fund and former Director of Cork Chamber of Commerce.



**Desmond Fahey**, an engineer by profession and with an MBA, was appointed Chief Executive of the Dublin Business Innovation Centre in 1990. Former President (1994-1998) of the European Business Network (EBN). 1983-1990 Vice-President of the Irish Government's Industrial Development Authority, West Coast, USA. Before this he worked for national and multinational corporations for over ten years at senior management level. Council Member Dublin Chamber of Commerce. Director of the European Private Equity and Venture Capital Association. Founding Board member of the three seed capital funds managed by Dublin BIC, the Business Innovation Fund (1992), the Dublin Seed Capital Fund Ltd. (1997) and the Irish BICs Seed Capital Fund Ltd. (1998). Founding Board member of the Dublin Enterprise & Technology Centre Limited, t/a Guinness Enterprise Centre. Chairman of the Irish Venture Capital Association



**John Dillon** BBS, DMS, FAIA, MBA, Manager New Enterprise Shannon Development, activities which include the InnovationWorks, Limerick and new start-ups in the Shannon Region. John has over 25 years experience in dealing with entrepreneurs and start up enterprises ranging from the food sector to high technology companies. John has 10 years experience in managing VC funds and is on the Fund advisory panel for the Western Development Commission. He is a member of Enterprise Ireland's Investments Committee.



**Patrick Munden** Munden is Director of the South East Business & Innovation Centre Ltd. Waterford since 2000. He has over 16 years experience in business with a particular focus on start-up projects, innovation and entrepreneurship. He is Chair of the Association of EC BICs in Ireland, Director of Irish BICs Seed Capital Fund and a Director of the European BIC Network in Brussels where he represents the Irish BICs. Patrick holds a BSc and MA in Management from Dublin University and an MBA from the University of Michigan. He is currently sitting on the steering committee for the FORFAS national study into Innovation in the Service Sector, the first study of its kind in Europe.



**Joe Greaney** A commerce graduate and Director of WESTBIC since 1988, Joe has 25 years of experience in the SME sector with particular expertise in marketing, sales and commercial modelling. A founding Director of the Galway Technology Centre and the Irish BICs Seed Capital Fund Ltd., he is also a recognised bi-lingual trainer, lecturer and examiner with many organisations including NUI, Galway, the ITs, Cross-Border and Northern Ireland institutions. Joe has particularly strong links to the private sector having served as Director of the Chambers of Commerce of Ireland and two Presidencies of Galway Chamber (96/97 & 00/01). He is a registered Quality Auditor with DG Enterprise and provides regular "best-practice" inputs to SME-support policy at EU level.

## Boards of Directors

<i>Name</i>	<i>Title</i>	<i>Organisation</i>
<b>CORKBIC</b>		
<b>Gerry Donovan</b>	<b>Chairman, CORKBIC</b>	<b>Cork Chamber of Commerce</b>
David Grimes	Director	QUMAS
Michael Delaney	Head of Development	Cork Institute of Technology
Brian McCoy	Managing Director	M/A Com Eurotec
Ger O'Mahoney	Managing Partner	Deloitte
Michael O'Sullivan	Vice President (Strategy)	University College Cork
Brian Quinlan	Regional Director	Enterprise Ireland
<b>DUBLIN BIC</b>		
<b>Hugh Governey</b>	<b>Chairman, Dublin BIC</b>	<b>Chief Executive, Coyle Hamilton Willis Holdings</b>
Prof. Frank Roche	Chairman	Colin McIver Associates
Domhnall McCullough	Director	James Crean Plc.
Anthony M. Prendergast	Chairman	Dublin Enterprise & Technology Centre Ltd
Dr. Owen McBreen	Former Head of Technical Division	Enterprise Ireland
Chris Park	Director	Park & Associates
Clive Brownlee	Director	Diageo Ireland
John O'Dea	Area Director - Dublin & Mid-East	Enterprise Ireland
<b>South East BIC</b>		
<b>Richard J. Hickey</b>	<b>Chairman, South East BIC</b>	<b>South East Region Chambers of Commerce</b>
T.A. Richards	Director	PPI Group
Bill O'Gorman	Manger, Centre for Entrepreneurship	Waterford Institute of Technology
Sean Kelly	Regional Industrial Organiser	ATGWU
Gerard Enright	CEO	Waterford County Enterprise Board
Colin O'Brien	General Manager	Diageo (Waterford)
Mark Minihan	Managing Director	Steele & Co.
John Lyons	Chairman	Hitol Ltd.
Michael McGuire	Regional Manager	Enterprise Ireland
Sean Mythen	CEO	Wexford County Enterprise Board
Kathryn Kiely	Manager, Industrial & Innovation Services	Waterford Institute of Technology
Matt Glowatz	Managing Director	WEB-IT
<b>WESTBIC</b>		
<b>Dr. Chris Coughlan</b>	<b>Chairman, WESTBIC</b>	<b>Hewlett Packard</b>
Tony Barrett	Director	FÁS
Seamus Bree	Regional Director	Enterprise Ireland
Mairtin O'Conghaile	Regional Manager	Údarás na Gaeltachta
Prof. Jim Ward	Vice President	NUI, Galway
Ms. Katie Sweeney	Director of Campus	GMIT, Castlebar
Ms. Anne Downey	Managing Director	QSet, Galway
<b>LIMERICK BIC</b>		
<b>Board of Directors</b>		
InnovationWorks Limerick falls within the remit of Mr Eugene Brennan, Director – Knowledge Enterprise, Shannon Development. It does not have a separate Board of Directors, and therefore reports indirectly to the main Shannon Development Board – which has a high private sector		

## 2005 Outputs Combined Table

THE IRISH BICS – STATISTICAL HIGHLIGHTS 2005 <sup>1</sup>	
Number of EU-recognised BICs	5
NDP funding	€2.5m
Private contributions <sup>2</sup>	€2m
Leveraging effect on NDP funding	2.4 times
Enquiries received	1,377
Projects advised	416
Business plans developed	91
BIC-assisted start-ups	49
BIC-assisted expansions	67
Female participation	20%
Companies under incubation	205
Incubation space managed	30,000m <sup>2</sup>
Capital expenditure on incubation space managed	€40m
Seed funding under management	€6.5m

<sup>1</sup> Excludes NORIBIC in Derry

<sup>2</sup> Figure based on 2004 Audited Accounts

## The European Business & Innovation Centre Network (EBN) – A Quality Network of Excellence

Since January 2002, EBN is linked to the European Commission by a contract of trademark licencing with DG Enterprise and DG Regio. This contract grants EBN the licence of the European trademark 'BIC'. EBN has the mission to grant, renew and withdraw these licences on behalf of the European Commission.

EBN has implemented a rigorous certification and quality system enabling the development of a network of excellence through the integration of a quality approach. The five Irish BICs are part of this system and have contributed to the results of the Network which have been recently published by the EBN.



## Statistics from BIC Observatory Report 2005 (Based on Data from 2004) Entire BIC Network

Statistic	EBN Network
Number of operational contacts with potential entrepreneurs	36,315
Number of projects selected by BICs	17,444
Feasibility studies undertaken	7,891
Number of Business Plans completed	7,468
Number of start-ups created	2,678
Number of jobs created at start up phase	53,329
Number of enterprises hosted by BIC incubators	2,916
Number of jobs created by BIC's incubators hosted companies	17,940
Number of attendees at training seminars for entrepreneurs	27,939



Sue Arundale-Scott, Quality and Technical Assistance Manager, EBN.

## Building High Growth Startups

EC-BICs are specialist / multidisciplinary “venture consulting” organisations. They provide a holistic approach with a private sector bias to pre-startup and startup businesses to convert ideas into reality. They act selectively, effectively becoming a partner, and accompany and handhold the entrepreneur through all the stages of the development of his/her business. BIC clients tend to be high risk, high potential companies and projects with a requirement for hands-on advice over a period of twelve months to five years.



### South East BIC: Netwatch Ltd. – planning for growth

BICs realise the importance of assisting existing indigenous companies in each region. Particular emphasis is placed upon the development of innovation systems or formalised business planning to prepare the company for growth in Ireland and, eventually, overseas markets.

In 2005, South East BIC, in conjunction with Enterprise Ireland and the Regional Enterprise Boards, developed a programme to work with those Enterprise Board clients that are already in business and with specialist business consulting have the potential to expand and eventually become Enterprise Ireland clients.

One such company is Carlow-based, remote monitoring security company, Netwatch. Established in 2003, the company now employs 30 and is the first company in Ireland to use satellite and internet-based technologies to provide remote visual monitoring security systems. In conjunction with Netwatch senior management, the South East BIC consulting team developed a business plan to position the company for further growth and the potential to enter overseas markets. This plan was entered in the InterTradeIreland SEEDCORN National business plan competition and was runner-up in the final of the Leinster Region.

David Walsh, Managing Director of Netwatch stated after the Leinster final “Although we are disappointed that we didn’t win the final, the whole process of developing the plan, examining our company’s future and anticipating our financial requirements going forward, was very beneficial to the whole management team at Netwatch”.

### Dublin BIC: hotbed of technology start-ups

Dublin BIC concentrates on three key aspects to build successful enterprises i.e. business planning advice, access to finance and access to incubation space. An example of how this is implemented is illustrated by the Dublin-based company Cinario. Cinario was set up in October 2002 by Charlie Sherlock to develop intelligent software applications for the risk management and security control markets. The company was founded by a team of leading software experts who developed and successfully brought to market solutions for fraud, business intelligence, enterprise systems management and integrated monitoring systems. Dublin Business Innovation Centre assisted the company develop through business planning advice and access to finance (the Dublin BIC managed Dublin Seed Capital Fund invested €225,000 in the company as a catalyst in co-investment funding round).

In keeping with the holistic approach implemented by the BICs, access to incubation space is provided by Dublin BIC to start-ups through the **Dublin Enterprise & Technology Centre Ltd.** t/a Guinness Enterprise Centre (GEC). Recent clients of GEC include: Odyssey Internet, Zamano, Interactive Return, H2H Care, Prime Carrier and OpenJaw Technologies. Joe O’Reilly of GEC client company IT Force summed up the GEC experience for his company as follows: “We are very pleased. One of the big benefits has been our ability to grow or contract within the Centre. This was very important during the dot.com downturn. When we came to the GEC at first we employed 5 people, now we have 44.”

Through the provision of these three key services, Dublin BIC is able to provide practical hands on support to its clients, ensuring that they receive timely and relevant assistance in order to enable them maximise their chance of success.



Billy Brennan, Odyssey Internet with Minister Micheál Martin. Odyssey Internet Portals in the GEC is an innovative website company specialising in the development of Portal Communities.



John Collins, CEO, Original Solutions and Ann Slattery, DA Shannon Development.

### Limerick BIC: Original Solutions Ltd.

Original Solutions Ltd. provides business and IT consultancy and services to clients across a range of sectors including banking and telecoms. The Limerick Delivery Centre has been developed as the company's base for off site delivery of contracts, while consulting personnel work on site at clients' premises. Original Solutions was formed in May 2003 by Mr. John Collins. The company has a very capable management team with strong experience. While the company's sales to date have primarily been from their strong Irish customer base, they have recently secured their first UK customer.

Operating in Dublin, Limerick and the UK, Original Solutions offers a range of services to its blue-chip client list including business consulting, application development, legacy re-engineering services, application lifecycle management, and managed testing services. Turnover last year was approximately €6.5m. Shannon Development's financial support package was focussed on extending Original Solutions' near-shore outsourcing model, to the UK market. The company has successfully developed its outsourcing business in Ireland and secured contracts with some blue chip names in the Irish market. The company employs over 80 people, 25 at the company's base in Limerick.

### CORKBIC: abtran – innovating in services

abtran is a leading Irish company specialising in business process outsourcing services. It holds a leading position in the provision of customer contact management services and is driven by continuous investment in people, processes, technology and infrastructure. abtran provides clients with fully outsourced contact centre operations. Specialist customer contact centre functions include recruitment, human resources, training, resource planning, quality management, business process improvement and a dedicated research and development team.

The company currently employs 250 staff at its Cork HQ and has enjoyed strong growth since start up. The company is set to invest €1.5 million in its research and development and its professional services division.

According to Pat Ryan "The expansion which we are investing in will allow us to capitalize on opportunities in the growing market for business process outsourcing throughout the world. As an innovative and competitive firm, we see further expansion taking place among clients in Ireland, Europe and the United States. Our growth plans for the future will be underpinned by continued investment in sophisticated technology and highly skilled personnel." The move will lead to the creation of an additional 50 new jobs in 2006 and also lay the foundation for further significant employment expansion in the coming three years. Enterprise Ireland is working with abtran to explore international market opportunities and has, to date, provided the company with funding for R & D through its Research Technology and Innovation (RTI) fund.

Pat Ryan is a past participant of the Graduate Enterprise Programme – an innovative rapid incubation programme run by CORKBIC.

### WestBIC: FurnTech Ltd. – putting the 'e' in furniture

Recognising the importance of assisting traditional industries to become more technically competent resulted in WESTBIC providing support and assistance to FurnTech Ltd. based in the Galway Technology Centre. Established over 18 months ago, FurnTech has achieved a number of key milestones in the development of their interiors portal, Furniture.ie. Using Furniture.ie consumers have a single location to search for furniture from different companies, view special offers and find information on services online. The innovative website and service also provides a valuable outlet for furniture companies to display their products and company offers to consumers in a single location.

Since redesigning their portal in October 2005, the site has experienced considerable growth with an average of 35,000 visitors each month and by attracting a number of key new customers to use Furniture.ie to promote their company and services online. An example of this continued growth is that Habitat Ireland have agreed to promote their entire range of furniture, shops and special offers online using Furniture.ie. FurnTech Ltd. was also a recent finalist in a trade competition throughout the UK and Ireland, sponsored by the trade magazine 'Cabinet Maker', and was selected for its innovative use of technology to promote the trade in Ireland. Richard Moyles, Managing Director of FurnTech Ltd has outlined his vision for Furniture.ie "To create a single location to source the best available products for your home and facilitate in the creation of great homes and living spaces in Ireland"



Eileen Moloney, CORKBIC, Pat Ryan abtran Minister  
Micheál Martin and Michael O'Connor CORKBIC



## BICs Focusing the “Route to Market” – Creating Global Footprints

Building revenue with customers and channels is a key requirement for the new-age startup. The BICs work closely with clients to secure traction with channels and customers and using the extensive network of 150+ European BICs where possible.

### WESTBIC: building opportunities through collaboration and innovation

In December 2004 the Cross Border Business & Innovation Centre (CBBIC) was launched in a joint initiative between WESTBIC and NORBIC, the Northern Ireland Business & Innovation Centre. One of the first joint actions of CBBIC is a cross border cluster of innovative and quality SMEs who provide products and services to the construction industry. Marketed under the brand name Build Up, it includes twenty companies, ten from Donegal and ten from Tyrone and Derry. The aim of Build Up is to increase business opportunities for the members through collaboration, product development and increased awareness of the companies in the cluster.



*Pictured at the Build Up stand at Plan Expo in the RDS in November 2005 are (L-R): Barry McCaul (Riseni Systems Ireland), David Young (Ballymoon Slate), Eunan Cunningham (WESTBIC) and Seamus Gillespie (Netting Direct).*

Through the Build Up, individual and collective members have received market exposure through the development of the Build Up website, promotional material and attendance at Dublin and Belfast construction trade shows. In addition there are a number of collaborative agreements taking place within the cluster with many more also in the early networking stages. The success of this marrying together of twenty cross border companies is based on shared resources (particularly in terms of marketing/promotion), strength in group profiling, while maintaining the flexibility for individual market development. Individual company ownership of the initiative is vital and the programme and its elements, has been designed with input from all of the companies who decide which shows, publications and projects are of most benefit to them. Further information available at [www.buildup.ie](http://www.buildup.ie).

### South East BIC: Fastform Research Ltd. – smart polymers for smart products!

Fastform Research Ltd. based in Waterford, is a new life-science start-up focusing on the development, licensing and commercialisation of patented ‘smart polymer’ technologies. These platform technologies are integral elements in an innovative range of orthopaedic splints and brace products currently under development.



*David Sheehan (Middle) Founder of Fastform Research with the Michigan MBA students at the South East BIC Incubation Centre Waterford.*

In 2005, South East BIC arranged for students from the University of Michigan MBA course to work with David Sheehan, founder of Fastform, to examine the US market potential for the company’s first range of products – Orthopaedic splints using a breathable pre-formed pouch that can adapt to contours and engineered to become rigid quickly when required, by the user initiating a simple reaction process.

The Michigan students spent time with David at the South East BIC Incubation Centre and on return to the US, undertook a series of industry interviews and in-depth research. They quickly identified significant opportunities for the company as its technologies solve a number of clinical and functional problems associated with existing products on the market. They also identified potential strategic partners in the US for the company to approach at the licensing stage. In tandem with the business development of the company, South East BIC also initiated a collaboration between the company and the Industrial Design Degree Course at the Institute of Technology Carlow. As a result of this, Fastform has hired an industrial design student to work with the company in the design of existing and new products.

### Dublin BIC: Cibenix – solutions for global mobile operators

Cibenix ([www.cibenix.com](http://www.cibenix.com)) was established in 2001 by Garry McCollum. Garry, who previously worked for several major technology companies, including Accenture and IBM, had always had a personal interest in the wireless arena. With the launch of the Nokia 9210 (the first true open, programmable mobile phone) Garry believed that the technology was reaching a practical level where the wireless data capabilities of these new phones could be harnessed for consumer and enterprise applications. He bought a Nokia 9210 and after using the phone developed a product which he believed would enhance the user’s experience.



*Garry McCollum, Chief Executive Officer, Cibenix.*

The company topped the Nokia Mobile Challenge 2002 with its number one bestselling application, Active Desk. The software simplifies the process of accessing data and applications on the mobile phone.

In the past twenty four months the company has developed a carrier grade solution to help mobile operators to increase revenues (ARPU) from existing data services such as News, Sports, Music and Games. The on-phone application provides an engaging user experience that makes data services more visible and more accessible by the subscriber thereby increasing the usage of and revenue from existing data services.

Cibenix has successfully deployed its software with a number of European customers, including mobile operators in the UK, Scandinavia and Austria, establishing a European customer base and building partnerships. The company is in discussions with a number of large mobile operators who have expressed interest in their software platform. The Dublin BIC managed Dublin Seed Capital Fund invested €250,000 in the company as part of a co-investment.

## Igniting Entrepreneurship

BICs develop formal and informal networks to promote and facilitate entrepreneurship. They work regionally as knowledge carriers facilitating regionally staffed offices to provide the knowledge and enthusiasm to build dynamic start-up teams.

### South East BIC: Enterprise Start – motivating entrepreneurs

South East BIC, in conjunction with the South East Regional office of Enterprise Ireland, piloted the first 'First Step' initiative in Waterford in 2005. Acknowledging the fact that the number one obstacle to starting an entrepreneurial career is fear; fear of failure, fear of the unknown, and fear of moving outside one's comfort zone; the 'First Step' programme took 'Motivation' as its main theme to overcome this fear.



Kevin Kelly speaking at South East BIC 'First Step' event, Waterford.

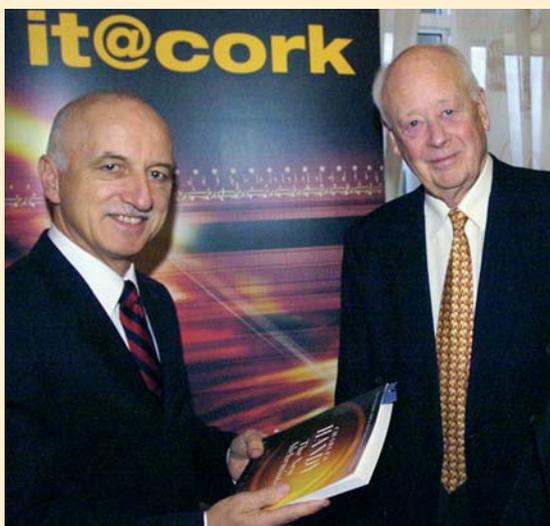
The event was held over two nights with motivational speaker Kevin Kelly helping participants to identify and understand the sources of their fears. During his energetic and interactive three-hour workshop he worked with potential entrepreneurs in cultivating self-belief and gradually developed a sense of 'can-do' amongst the participants.

On the second evening, participants heard the experiences of real entrepreneurs in establishing successful businesses. They gave very frank details of the ups and downs, sacrifices and benefits of taking the 'First Step'. Finally, both Enterprise Ireland and South East BIC managers detailed the supports available to those looking at developing new businesses in the Region with particular emphasis on mentoring support for high potential start-ups.

The Waterford event proved to be very successful, with over fifty potential entrepreneurs attending both nights. Many of these subsequently went on to have confidential meetings with South East BIC consultants and several joined the 'Enterprise Start' training programme run later in the year. This successful pilot project was subsequently rolled out throughout Ireland under the name 'Enterprise Start' as a joint initiative between the Irish BICs, Enterprise Ireland and FAS.

### CORKBIC: breaking the barriers

It's 7th annual conference in November 2005 saw it@cork once again bring together original thinkers and practitioners from technology or market facing businesses. The theme of the conference was 'Breaking the Barriers' illustrating new technical opportunities or platforms as well as identifying the critical mindset challenges to build entrepreneurial teams and alliances of firms to deliver these new solutions.



Michael O'Connor, CEO CorkBIC, Charles Handy.

On the theme of entrepreneurship the second session was led by Charles Handy – Europe's pre-eminent business thinker. Charles helped to start London Business School and was the first to predict the massive downsizing of organisations and the emergence of self-employed professionals. He has a gift for looking 20 years ahead at ways society and its institutions are changing.

Charles Handy spoke for an hour and engaged the delegates in telling his story with disarming frankness. He drew on his wealth of experience and primary research garnered while profiling 29 successful entrepreneurs for his book "The New Alchemists". Alchemists - so called because each of these interesting and original individuals has created something significant out of nothing or turned the equivalent of base metal into a kind of gold. Handy says today, more than ever we need more such alchemists in society, at all levels and in all sectors. They sow the seeds of the future. Innovation and creativity, enterprise and entrepreneurship are the essentials for the new millennium.

Believing that "entrepreneurs aren't born, they happen" and having seen some of the evidence – Handy asks "must we then just wait for them to happen by chance or can we change any of the conditions in society to encourage more of them?" To listen log on to [www.itcork.ie](http://www.itcork.ie)

## Best Practice in Innovation – Pilot Programmes

EC BICs have been active in running incubators and incubation programmes for fifteen years. They have perfected the economics and service level agreements to build centres of energy. Many of these projects are PPPs between the public and private sector and within the “know how” resides best practice.

### Limerick BIC: internationalisation programme

This is a capability building programme for High Potential Start-Ups (HPSU). It aims to address a recognised marketing and sales, skills gap, experienced by many. To assist clients develop a functioning marketing and sales capability, the programme combines the resources of a Strategy Consultant, Business Graduate, Third Level College, and Shannon Developments InnovationWorks team.

Alpha Displays Ltd: Jim Humphrey's said his graduate made a very significant direct contribution to the development and success of the company, by undertaking market



research and developing sales strategies and market opportunities. Jim is impressed with the programme and calibre of graduate from the UL Entrepreneurship MBS. Pure Green Ltd: Mark Mills said that the programme has helped the company develop its sales strategy for home and International markets, through lead generation and research undertaken by their UL graduate. The strategic consultant helped the company structure their marketing and sales strategies and supported the MD in developing the company commercially. Frazen Systems Ltd: Finbarr Gallagher “To be successful, technology companies need to be better at marketing and selling; understanding customers needs and communicating there offer in a way that generates a business relationship. The programme has enabled us take on a superb marketing graduate, who is undertaking an MBS in Marketing with LIT. We helped to identify suitable research areas and by using Fraysen in this research; the outcome will also directly benefit us”.

### WESTBIC: international training with multinationals

WESTBIC was recently awarded international training accreditation for the delivery of the Hewlett Packard Microenterprise Acceleration Programme (MAP). This training programme is offered in 11 countries worldwide where select trainers in each participating country successfully completed a comprehensive training programme. The HP Microenterprise Acceleration Programme (MAP) in partnership with WESTBIC, aims to provide select enterprises with access to training and technology in order to accelerate and sustain their business growth and economic opportunity.



Aileen Brennan and Gert O'Rourke, 2nd and 4th left, WESTBIC at a HP Master Trainers Event at the Galway Technology Centre.

WESTBIC designed and delivered the MAP entrepreneurial training programme to suit Irish entrepreneurs and senior managers of SME's and managed the delivery of training and mentoring across a broad range of relevant business development areas. This training took place in a high-tech training suite in the Galway Technology Centre between May and November 2005 with 18 participants. WESTBIC are also working with HP in the development of a Smart Technology for a Smarter Business Programme which is being developed by a consortium of IT professionals based in the U.S. This programme is a highly practical training curriculum that enables small business owners and managers to build a smarter business with technology. Unlike traditional training experiences that focus on either technology or business, this programme targets the integration of both. Problems and solutions are presented using virtual case studies brought to life, enabling participants to truly connect with and gain practical experiences from, the learning experience.

### CORKBIC: welcome the new entrepreneurs

Soho-Solo – standing for Small Office Home Office – is an Innovative EU pilot programme for developing entrepreneurship potential in rural European Atlantic regions. CORKBIC, in association with other private and public sector partners in its region, has been funded under INTERREG IIIB. It aims to ensure a positive environment which will contribute to attracting, retaining and developing a new form of business – building on our natural assets of lifestyle, culture etc. CORKBIC's international partners are: BICs in Gascogne, France; Cadiz, Spain; the Canaries, and Portugal.



Minister Micheál Martin, Mary Claire O'Regan CorkBIC and Roland Steinmetz.

A Soho-Solo business is a “business which has relocated to the region bringing with it its own client base, where the manager/owner works partly from home and which uses IT and the Internet to facilitate business activities”. Soho-Solo businesses are in effect relocated one-man FDI (Foreign Direct Investment) start-ups across a variety of sectors. Nearly 200 Soho-Solos have been identified in South West Ireland and the bulk of these businesses are in high-knowledge sectors. The economic impact of these entrepreneurs has been estimated on average to be €150,000 per business and from a social perspective they contribute to the redeployment of population to rural areas. The social and economic impact relocated entrepreneurs have on a region is substantial as Soho Solos bring new income to a region without causing displacement. To ensure the retention of these businesses in South West Ireland and to contribute to attracting more such businesses, CORKBIC provides the group with supports such as on-going networking, skills sharing, cooperative working, active press relations, business advice and guidance, training, mentoring, referrals to agencies etc.

## Raising Private Equity Investment

The Irish BICs have been innovators in accessing finance for early stage companies for the last 15 years. In 1990 the Irish BICs raised private sector capital, matched by EU funds for the first Irish Seed Capital Fund - the "Business Innovation Fund", operational in 1992.

1997 CORKBIC piloted the Graduate Enterprise Programme (now mainstreamed as the Enterprise Platform Programme) to allow seed finances to be drip fed into very early emerging businesses. This was followed by Dublin BIC forming the Dublin Seed Capital Fund and the Irish BICs forming the Irish BICs Seed Capital Fund. Both involved raising private sector investment to be matched by Enterprise Ireland in the capitalisation of each fund.



In Ireland today, technology-based companies are finding it increasingly difficult to raise vital early stage funding from private investors. To address this issue, the Business Angels Partnership (BAP) was developed as a pilot initiative between the Irish Business & Innovation Centres (Irish BICs), InterTrade Ireland and Enterprise Ireland. Dublin BIC manages the BAP on behalf of the partners.

The aim of the BAP is to harness the knowledge and experience of the Irish BICs and their partners working together with companies seeking funds for start-up enterprises by identifying private sector individuals with funds to invest and company development knowledge, preferably international

knowledge. The BAP pilot programme operates throughout Ireland from the regional BIC offices.

The BAP seeks to provide a platform for Angels to find suitable business opportunities via a prescribed matching process to link the Angel with the Entrepreneur seeking investment. This process is handled in a confidential and precise manner ensuring that both parties have their respective privacies retained until a match is made. At that point, the BAP will make the introductions and facilitate the deal process as required. The BAP will not partake of any investment or charge a transaction fee, thus ensuring its impartiality and enabling the best value deal for the two parties.

To underpin the BAP initiative, a budget proposal was submitted in November 2005 by CorkBIC and Cork Chamber on behalf of a group of private investors and entrepreneurs. The proposal recommended the introduction of a tax-based incentive to encourage private investment in early stage technology-based ventures to allow for personal investment up to €300k in qualifying companies. The submission based on international research was well received and discussions are ongoing with Government.

## DublinBIC: Irish Venture Capital Association (IVCA)

Prof. Frank Roche and Mr Vincent Sheehan of the Department of Entrepreneurial Studies in UCD have conducted the first in depth study of the economic impact of venture capital in Ireland. This study was carried out in January-October 2005 and comprised three parts:

- A census of each of the 168 companies in the portfolios of IVCA members where revenues, employment, capital raised, spend on R&D, spend on Sales and Marketing etc. was measured for the years 2003 and 2004.
- Interviews with non IVCA Venture Capitalists active in Ireland where revenues, employment and capital raised for their investee companies (48 companies) were surveyed for 2003 and 2004
- A survey of 40 CEOs of technology companies that have raised funds from IVCA members

### VC backed companies in Ireland generated €1.63 billion revenues in 2004

The 216 companies generated €1.63 billion revenues in 2004 which was a 14% increase on 2003

The 177 Hi-tech companies generated €904 million revenues which was an 17% increase on 2003

### VC backed companies in Ireland employed 14,500 people in 2004

The 216 companies employed 14,500 in 2004 which was a 15% increase on 2003

The 177 Hi-Tech companies employed 7,257 which was an 18% increase on 2003

### VC backed companies in Ireland raised €240 million investment in 2004

The 216 companies raised €242m

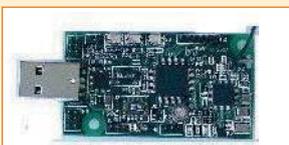


*Desmond Fahey, Chairman Irish Venture Capital Association, Professor Frank Roche, Professor of Entrepreneurship at UCD, Regina Breheny, Director-General IVCA, Frank Ryan, CEO Enterprise Ireland and Nick Koumarios, Chairman Softex.*

## Limerick BIC: co-funding technology start-ups

Cratlon Ltd. is a fabless semiconductor company developing innovative wireless sensor ICs for measuring and transmitting temperature, light and humidity readings. They also supply modules, reference designs, software and application guidelines to provide a complete system solution. Tim Cummins, Cratlon CEO & Founder, has over 20 years of design and executive management experience in Westinghouse and Analog Devices.

He was responsible for microprocessor hardware & software development, sensors, semiconductor fabrication and mixed-signal IC design. His designs have generated tens of millions dollars revenue. He holds 11 US Patents in mixed-signal CMOS IC design, has published several papers, and is a visiting lecturer and guest speaker at industry conferences and panels. Ray Speer, Cratlon Director, has 20 years of experience in the semiconductor industry, and holds several US Patents in mixed-signal IC design. He was Vice President, Mixed-Signal Design, in Parthus Ltd, and a key member of the senior management team which oversaw the Nasdaq flotation of Parthus in 1999. In 2002 he joined Silansys as director, a Dublin IC design company which was acquired by Frontier Silicon in early 2005. In 2005, Cratlon received seed capital investment from Shannon Development and Bank of Ireland Kernel Capital Partners, a Cork based venture capital fund.



*One of Cratlons products - C701EM1 .. Zigbee™-ready 802.15.4 MSP430 Wireless Sensor module & Development Board*

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