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No-nonsense mentoring in entrepreneur bootcamp

The Entrepreneur Experience pairs veterans and rookies in 'guff-free' learning sessions

BY PHILIP CONNOLLY

In an application form submitted to the organisers of the Entrepreneur Experience, a 24-hour event, which took place in Co Cork last weekend, one entrepreneur bemoaned the "BS start-up, bring your dog to work on a Friday guff".

With startup networking events more and more common, many business people have been left unsatisfied by the type of aspirational self-help philosophy that has permeated start-up culture. As the entrepreneur put it, "I want to listen to real people who have had the sleepless nights".

That is the idea behind the Entrepreneur Experience, an annual event featuring seminars and talks from leading business people that aims to help entrepreneurs succeed, as 24 experienced entrepreneurs teamed up with 24 up-and-coming business people for this year's installment.

Unlike many business networking events, there are no ulterior motives at the Entrepreneur Experience. The purpose is clear – to help the next generation of Irish entrepreneurs. For the emerging entrepreneurs, it was a case of looking for the type of real life advice that can only come from someone who has already been down



their own mountain to climb, with experienced business people on hand as guides. While there were a number of speeches from business people such as healthcare entrepreneur Johnny Walker and Colum O'Sullivan, better known as half of Cully and Sully, from many it was the conversations behind closed doors that proved to be the most useful.

Climbing the mountain together

Forty-eight handpicked, impatient entrepreneurs descended on Castlemartyr in Cork with high expectations. Waiting there were 24 seasoned entrepreneurs, to help 24 emerging entrepreneurs for 24 hours. As captain for the 2014 Entrepreneur Experience, I set a common goal, or analogy, for both groups of entrepreneurs, which was to climb Mount Everest in 24 hours.

Edmund Hillary to the summit of Mount Everest in 1953, the seasoned entrepreneurs needed to ensure that each emerging entrepreneur reached their own personal summit (or goal) within 24 hours. We set out from base camp at lunchtime on Friday and started climbing quickly. The ascent involved delving deep into the emerging entrepreneurs' businesses. The deeper we got, the more uncomfortable it became for the entrepreneurs as their enterprises were challenged to the core. Just like a mountain ascent, the more we progressed, the thinner the air

got and more challenging the environment became. The early trust established between each pairing of seasoned and emerging entrepreneurs delivered open and frank dialogue from the start. Close working partnerships were quickly established. The energy and emotion that emerged in the group, is hard to describe. Each seasoned entrepreneur had a responsibility, as a guide not only to their partner, but also to the wider expedition and purpose. As guides, it was our responsibility to make sure each and every emerging entrepreneur reached the summit.

The intensity and mentally challenging nature of the event meant people struggled from time to time, but the commitment, support and adrenalin of the group, got us all to the summit in the end. We called one group Seasoned Entrepreneurs, and the other Emerging Entrepreneurs but, in reality, we are all just entrepreneurs. We all benefited hugely from the experience, gaining valuable insights and inspiration from each other. That's the magic of putting 48 entrepreneurs together for 24 hours.

Pete Smyth is chief executive of Broadlake

Wealth: keeping it in the family

BY EAMON DWYER

With increased positivity of late, it seems that increased worry is a by-product. For a number of years, our clients have had little interest in "estate planning" – the process of planning for the transfer of assets to the next generation without leaking enormous amounts of money to the Revenue on death. It was probably understandable, this apparent reluctance to engage in the topic in recent years. People had more pressing problems – paying down debt, keeping businesses afloat and repairing their investment and property portfolios.



Eamon Dwyer, managing director of City Life: Wealth Advisors in Cork

ing an asset now while it is potentially at a low valuation, and means that future growth on that asset would be in the child's name rather than the parent's. You can instigate these transfers yourself with the help of your solicitor. **Step three:** Parents could start making a plan now to make further gifts in eight years' time when their children will be older. The problem they face now is that if the thresholds don't increase going forward, any future gifts or inheritances will be taxable, assuming the thresholds have been used up as per step number two above. Even if the parents are to give the children cash to pay the tax, in the normal run of things, this cash gift in itself would be taxable. However, if you save into a Section 73 savings plan for eight years, you will then have the option, but not the obligation, to use the proceeds of that plan to pay said gift tax, without triggering a further liability. **Step four:** Ensure that a significant portion of your estate is in liquid assets, such as cash deposits, investment funds or pension portfolios (ARFs). In doing so, at least there will

be easily accessible cash in the estate to pay any taxes, without the need to have to sell property or private companies, which can be difficult to shift under duress. **Step five:** Parents should consider insuring against some or all of the future tax liability with Section 72 life assurance (guaranteed premium, whole of life, joint life, second death). With this cover, the proceeds of the policy would be outside your estate for inheritance tax purposes, and any of the proceeds used to pay inheritance tax would be free from this same tax. Such a policy would never accumulate a savings value, therefore the premium must be maintained throughout to realise its value on the second death. Typically, as the benefit would be to pay a capital tax, the premium is usually found from investment assets, for example, rental income or deposit interest. Depending on your age(s), the premium for such cover usually amounts to between 1 per cent and 3 per cent of the insured tax liability.

Eamon Dwyer is managing director of City Life: Wealth Advisors in Cork

The Lowdown business tips for SMEs

This week: new public procurement directives

BY SEANNA MULREAN

The existing public procurement regime is often criticised for creating obstacles for small and medium-sized enterprises (SMEs) wishing to participate in competitions for the award of public contracts.

Despite the implementation of various national and European initiatives aimed at facilitating SMEs access to public contracts, difficulties remain.

Numerous surveys conducted at both an EU and national level have identified the following problems facing SMEs in the public procurement market:

- inability to participate due to the size of the contract being tendered;
- disproportionate qualification requirements – in particular, financial requirements;
- lack of (or poor quality) information in tender documents;
- the bureaucratic nature of the process and the administrative burden of participation; and
- the reluctance of public buyers to consider new suppliers.

In order to address this and several other criticisms of the existing regime, the EU has issued a new set of rules for the procurement of public contracts in the form of three new directives.

One of the main aims of the directives is to create a simpler and more cost-efficient regime, and to provide a more accessible environment for smaller businesses.

Contracting authorities will be prevented under the new directives from establishing a turnover requirement greater than twice the contract value.

Contracting authorities often specify a minimum turnover requirement at the pre-qualification stage of a tender process, and the level required is often prohibitive



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for SMEs.

The new directives will restrict the contracting authorities from setting such prohibitively high turnover requirements. They will also be encouraged, under the new directives, to divide contracts into "lots" – or smaller parts – when procuring contracts.

Where the procurement of a contract could have been divided into lots, but has not been, the contracting authority will be required to explain in their OJEU (Official Journal of the European Union) advertisement why they have not split up the works or services into lots.

This measure is expected to facilitate increased SME participation in competitions for public contracts, by enabling SMEs to bid for a part or parts of a contract in circumstances where the entire contract would otherwise be beyond their capacity.

The new directives will also introduce measures aimed at reducing the administrative burden associated with the bidding procedure. Contracting authorities will be required to allow suppliers to "self-declare" in relation to pre-qualification requirements. Only the winning bidder will be required to submit formal evidence to verify the information provided in the tender documents.

Another significant feature of the new directives is the requirement that the criteria applied in awarding public contracts be "most economically advantageous tender" (MEAT).

Currently contracts can be awarded to either the lowest bidder or the most economically advantageous tender, and contracts are generally awarded to the lowest bidder.

The change to the MEAT criteria allows for a broader focus on life-cycle costs. This change may also benefit SMEs that sometimes struggle to compete on price alone, against larger, more established operations.

Member states are also obliged, under the new directives, to ensure that full electronic procurement is in place by 2018. This will mean that contracting authorities will be required to make all procurement documents freely available by electronic means from the date of publication of the contract notice.

All communication and information exchanged during the procurement process must be done electronically. Electronic communication is already a feature of the public procurement process in many member states, and this measure is simply aimed at further increasing the efficiency and consistency of the process.

The council formally adopted the new legislative package on February 11, 2014. The directives will take effect 20 days after their publication in the Official Journal of the EU, after which member states will have two years to transpose them into national law.

Pan-European competition is one of the key aims of the EU procurement regime, and it is recognised in Ireland and at European level that the inclusion of SMEs in public contract competitions will increase the competitiveness of the public contracts market.

It is too early, however, to say whether the new directives will succeed in achieving their intended goals. This will depend on how the new regime is applied by contracting authorities.

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Could You Run a 3 Day New Year's Festival in Dublin?

Fáilte Ireland in cooperation with Dublin City Council invites suitably qualified candidates for the operation of a three day New Year's Eve Festival in Dublin. Those interested will be required to submit a completed questionnaire as part of a competition which will lead to the award of a service concession. The full text of the relevant EU notice may be viewed at the Government Procurement Web site: www.etenders.gov.ie Closing date for receipt of documentation (which should be sent to the undersigned is): 12 noon Friday 25th April 2014