



## Briefing Document

# **Ireland's €10 million fund for International Start-ups**

### Introduction

Ireland's strategy is to position itself as a global hub for innovation. Stimulating the flow of new, innovative, export-focused start-up companies is one of the key ways of achieving this. Ireland's domestic entrepreneurs have and continue to be an excellent source of such businesses; however, the attraction of overseas originated start-ups to Ireland is an important opportunity to expand activity in this area. International entrepreneurs will significantly add to the diversity and skill-base of the Irish start-up community, as well as creating high quality start-ups of their own.

Competition for these types of projects is strong and growing. Many countries such as the US, Britain, Germany and Chile are now also targeting high potential mobile start-ups. Enterprise Ireland has had some modest successes in previous years, but is now ramping up its promotional efforts.

To this end, Enterprise Ireland is proposing to launch a dedicated €10 million Fund to attract entrepreneurs to start their international business in Ireland.

This briefing note outlines the details of the fund, how you can help to promote it, and contains details of supporting promotional materials.

### Objectives of the Fund

The main objectives of the €10m Fund are to:

1. Increase the number and scale of innovative, export focussed, overseas originating start-ups headquartered in Ireland
2. Position Ireland as the number one destination in Europe to launch and grow a new business

### Financing

The €10 million fund is available, to make commitments to international promoters willing to headquarter their innovative start-ups in Ireland.

The main mechanism for funding international start-ups will be the same as that used for equivalent domestic start-ups: upfront equity investment from Enterprise Ireland, using either convertible preference shares or ordinary shares. It will always represent only part of the total funding required by each business.

The size of Enterprise Ireland's contribution varies by company and is based on its assessment of the likely economic benefit to the country including job creation. A typical first investment by Enterprise Ireland ranges between €100,000 and €500,000.

All applicants must show evidence of having the potential to raise the balance of the required project funding from external sources. Enterprise Ireland can assist in making introductions to the relevant sources of investment.

Any Enterprise Ireland investment is subject to its standard due diligence process.

## Finding the ideal applicants

The ideal type of project is a Start-up company: -

- From the geographic territories of North America, UK, Europe and Australia. However, the fund is open to start-up companies from anywhere in the world.
- With innovative products or services, capable of creating at least 10 jobs in Ireland and realising €1 million in export sales within three years.
- Willing to headquarter their business and place a significant part of their operations in Ireland (some flexibility on the legal HQ may be shown in the case of exceptional projects)
- In existence for less than six years
- Manufacturing or internationally traded services businesses, especially from one of the following sectors:
  - Information and Communications Technology (ICT),
  - Life Sciences
  - Financial Services.

## Other Projects

While the main target is investor-ready companies which fully meet the above guidelines, Enterprise Ireland will also work with selected projects which fall outside these criteria and/or signpost them to the relevant agencies such as:

- City and County Enterprise Boards who provide support for small businesses (micro-enterprises) with 10 employees or less
- Business Innovation Centres
- Enterprise Development Programmes and start-Up incubators

## Promoting the Fund and how you can help

The groups most likely to yield suitable applicants have been identified as follows;

- **The Irish diaspora.** In recent years more than 70% of international start-ups supported by Enterprise Ireland have originated from the Irish Diaspora.
- **The new diaspora** i.e. foreign nationals who have previously worked or studied in Ireland. Examples include: researchers in Science Foundation Ireland (SFI) projects; international students who received part of their education in Ireland; the constant stream of international managers and technologists rotated by the multinational companies through their Irish operations.
- **International expats** i.e people who are not citizens of the country in which they reside, especially senior managers in multinational companies.
- **Repeat/serial entrepreneurs** i.e. people who have previously founded (one or more) similar companies.
- **International investor/VC community**

Enterprise Ireland is asking you to promote this new fund through your existing networks and maximise opportunities to inform the relevant diaspora and market contacts in North America, UK and Australia.

The following are some key messages which can be used by you and your teams in positioning Ireland and the fund:

### 1. Ireland is a vibrant start-up location

- Forbes magazine's 2011 "Best countries for business" report rates Ireland as best in Europe and fourth in the world for doing business.
- The World Bank's 'Doing Business' report rates Ireland as the easiest EU location to start a business
- Ireland has the most business-friendly tax regime in Europe or the Americas, including the 12.5% corporation tax rate and R&D tax credits. (These allow R&D intensive start ups to claim money back from the tax authorities, even if they are loss making and thus not liable to pay corporation profits tax).
- The Irish Government pursues a pro-business economic policy

- Many costs including salaries, rents and professional fees are now even more affordable
- Ireland has a consistent, decades-long policy of welcoming foreign-owned business
- Ireland is home to an educated, flexible and productive workforce
- Staff availability has increased and infrastructure has improved.

*"We chose Ireland because we think there's a huge competitive advantage to having a business here now. Housing, commercial space, energy, the corporate tax rate all add up to what we think is a competitive advantage. It's a high quality of living here for our people and a workforce that's young and highly educated."*

Louis Ravenet, CEO, 2PaperDolls

## 2. Ireland is a world leader in key innovative sectors

- Most global players in the ICT, life-sciences, and financial services sectors have chosen Ireland for major operations. To name a few: Google, Facebook, Twitter, Big Fish Games, Microsoft, Intel, Pfizer, Johnson & Johnson, Bayer, Mitsui, Citi
- Start-ups in Ireland have access to a deep pool of skilled and experienced staff and management, business angels, VCs, suppliers, research institutes and other support services with deep expertise in these sectors
- Ireland is the internet and games capital of Europe
- The best medical devices ecosystem in the EU regulatory environment is in Ireland's Western corridor
- More than 50% of the world's leading financial services firms have operations in Ireland
- Irish exports are booming, recently reaching record highs

*"Ireland has made a good job of building a proto-Silicon Valley. By attracting global high-tech names to the country, it provides a high-tech hinterland in which smaller companies can grow... a whole ecosystem of support"*

Ben Rooney, the Wall Street Journal Europe

*"It's clear Dublin is emerging as a strong force in the European tech scene"*

Mike Butcher, Editor, Techcrunch Europe

### 3. Ireland is a dynamic source of start-up funding

- Ireland is home to a vibrant private equity and investor community that actively invests in start-ups across a range of sectors
- Enterprise Ireland supports more projects at the seed stage than any other European VC, in terms of the number of investments
- Other funding sources include seed and angel investment
- Enterprise Ireland has ring-fenced €10m through the Fast Track Fund to invest in inward start-ups.

*“If I was a first-time entrepreneur, there’s no better place to be looking for venture capital than in Ireland. There’s potentially more money per head available for seed capital than anywhere else in the world. There’s a huge amount of money and a huge appetite for investment”*

Frank Walsh, Partner, Enterprise Equity Venture Capital

### 4. Ireland is a great place to live and work

- Ireland’s rich culture, historic towns and beautiful scenery make it an ideal location for both businesses and families
- English speaking yet cosmopolitan, Ireland is home to a diverse, multi-cultural and multilingual workforce – an ideal springboard for companies targeting global markets
- Ireland’s high education standards, vibrant young culture and internationally recognised strong technology reputation makes Ireland an easy location from which to recruit and retain international talent

*“Talent looks to move here. Some of our team have moved from New York, Canada and London. Dublin has a good quality of life”*

Connor Murphy, CEO, Datahug

### 5. Ireland is a gateway to world markets

- Ireland is one of the most open and globally connected countries in the world
- Its geographic position, membership of the EU and Euro and strong connections to the US, provides easy access to some of the richest markets globally
- Ireland offers access to key decision makers and networks in the many Multi-National Corporations located in Ireland
- Most EU markets are less than three hours away by frequent low-cost flights
- Flight times from Ireland to the USA are shorter than from any other EU member state
- Ireland has regular direct flights of less than eight hours to reach Middle East business hubs.

***"We're very close to the European and UK markets, and at the same time, close to the US east coast."***

Dr John Holt, chief operating officer, Waratek

### 6. Ireland is a leader in start-up support programmes.

- Ireland provides the ideal conditions for fostering innovation and allowing early-stage businesses to flourish
- Enterprise Ireland provides comprehensive support to export-oriented companies, from assisting market access to arranging research partnerships
- Government agencies and fellow entrepreneurs are on hand to provide high-quality mentoring, advisory and training supports to entrepreneurs and early-stage companies
- Enterprise Ireland facilitates introductions to Irish business networks, and to establish connections to global markets
- A recent independent report indicated that Ireland has three of the top eight start-up accelerator programmes in Europe.

*“Many people associate Enterprise Ireland with financial support and helping to get start-ups off the ground, and while financial support is important, equally important - and perhaps a bit overlooked – is the advice, training and international network of market advisers that Enterprise Ireland offer to companies like ourselves.”*

Brian McNerney, founder, Whitehouse Technologies

## Promotional Material

The following collateral is designed to assist DFAT staff to promote the fund in local markets and is available on your intranet with hard copies available from the Enterprise Ireland Programme Manager in Dublin:

- Profiles of the key target sectors
- Case studies of overseas entrepreneurs who have founded the type of companies being targeted
- Brochure summarising Ireland’s advantages with messaging aimed at entrepreneurs.
- Four smaller brochures, that can fit in your pocket, for example when going to a networking event. Three of them focus on Ireland’s strengths in specific sectors (ICT, Life Sciences and Financial Services) and one is more general.
- PowerPoint with notes for presentations. This provides an overview of the benefits of Ireland for start ups, along with abridged versions of the same entrepreneurial case studies contained in the appendix. (Available on DFAT intranet).
- Video Testimonials: Two successful entrepreneurs talk about their companies, their reasons for locating the business in Ireland and the advantages of doing so. (Available on DFAT intranet)
- The fund website also provides useful information.



## Enterprise Ireland contacts

For any information related to the fund or starting a business in Ireland, all Department of Foreign Affairs and Trade staff should make contact with the programme manager based in Dublin or their local Enterprise Ireland team member as follows:

### **Programme Manager in Dublin**

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### **Australia/New Zealand:**

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### **Contact for Clients**

Potential clients should all be referred to the Start in Ireland enquiry desk:-

Phone: +353 (1) 7272140

**Email:** [startinireland@enterprise-ireland.com](mailto:startinireland@enterprise-ireland.com)

Web: [www.startinireland.com](http://www.startinireland.com)

### Next Steps

When you refer an enquiry to Enterprise Ireland;

- It will be screened to assess eligibility and determine the potential of the project.
- If the project is eligible, the entrepreneur will be assigned an experienced Enterprise Ireland staff member, who will be their named contact for all dealings with Enterprise Ireland.
- Where a project is deemed ineligible, the entrepreneur will be advised of this and signposted to other available supports, where relevant.

In addition to financial support, EI can as appropriate provide introductions to a support network including professional advisers, local VC investors, Irish-based experienced entrepreneurs and suppliers.

Enterprise Ireland always undertakes due diligence prior to negotiating a funding package or approving any funding support.

## **Appendix 1 :**

### **Sector Profiles**

### **Sector profile: Information and Communications Technology**

Ireland is the second largest exporter of computer and IT services in the world. With a highly creative and talented workforce, an open economy and a competitive corporate tax environment, Ireland has successfully attracted eight of the top 10 global information technology companies to establish a significant presence here.

The sector's traditional players with long-established operations – such as Intel, HP, IBM, Microsoft and Apple – have now been joined by newer firms at the vanguard of the internet and social media revolution, including Google, Facebook, LinkedIn, Amazon, PayPal and eBay. Their arrival has firmly positioned Ireland as the internet capital of Europe.

Ireland is also the European data centre location of choice for world leaders including IBM, Microsoft, Google, Yahoo, MSN and Adobe and is now poised to become a global cloud centre of excellence.

Our worldwide reputation for creativity and communication is also fuelling the interest of games companies, with Big Fish, EA, Havok, DemonWare, PopCap, Zynga, Riot Games and Jolt all having a significant presence here.

Start-ups seeking a highly educated, highly functional workforce equipped with modern skills and 'can do' attitudes will find exactly what they need in Ireland.

#### **Some relevant facts about the sector:**

- Ireland is the second largest exporter of computer and IT services in the world
- Eight of the top 10 technology companies have major operations in Ireland
- The sector employs more than 74,000 people across Ireland
- There are over 5000 ICT enterprises in Ireland, of which over 200 are foreign owned
- Ireland has one of the highest concentrations of ICT activity in the OECD
- ICT activity ranges from software development, R&D and technical support to high-value manufacturing, shared services and supply chain management
- The sector accounts for over €50 billion of exports from Ireland per annum

### **Sector profile: Financial services**

**Background:** Ireland has an exceptionally strong international financial service sector with particular strengths in: administration and management of funds; re-insurance; cross border insurance and specialist finance, such as aviation leasing and asset finance. While multinational subsidiaries are the main players in these sectors, there is also a growing cohort of Irish-owned companies with strengths in multi-currency payment processing and financial software.

The type of overseas financial services start-ups being targeted by EI are likely to come mainly from teams of people with deep experience in specialist areas of financial services. A common pattern would be a team comprised of Irish and non-Irish, all or most of whom are currently working outside their home country.

**Key selling points** for financial services companies are: -

- Ireland has a highly developed ecosystem to supply financial services to global markets, including major, long standing operations by many global leaders. As a result, Ireland has built a deep pool of staff, managers, professional advisers, regulators and service providers with sophisticated domain knowledge in the key mobile financial services sectors. There are only a limited number of places in the world with such an ecosystem.
- A combination of 12.5% tax and an exceptionally extensive and comprehensive set of double tax agreements with 62 countries, makes Ireland a highly tax efficient location. Such efficiency is a key factor in international financial service operations.
- Ireland is a very profitable location for financial services, due to the combination of high productivity and a cost base that is very competitive with other locations which have similarly sophisticated ecosystems.

**Some relevant facts to help sell the strength of the sector:**

- 250 of the world's leading financial services firms – more than 50% of the total – have operations in Ireland. (Source: IDA)
- Over €1.8 trillion of funds are administered from Ireland: this is greater than the entire annual GDP of major countries such as the UK or Brazil
- Approximately 25,000 people are directly employed in the International Financial Services sector. Employment is increasing (Source: IDA)
- Nine of the world's top 10 aviation leasing companies currently operate in Ireland, with operations spanning the industry value chain. Irish-based companies own or manage 19% of the roughly 18,000 commercial aircraft flying today.
- The Irish Stock Exchange is the world-leading listing venue for fund and structured debt products (Source: Accenture)

### Sector profile: Medical Devices

**Some Background Information:** Medical device companies are Enterprise Ireland's key target in the life sciences sector. We are of course more than willing to talk to other life-science companies.

A typical medical device company is based on an idea for a novel device or set of devices. Often the founders establish the company with the hope of eventually selling the business to a global medical device company after they have proven the product in the marketplace.

Many medical devices require specific regulatory approval. This is a slow and expensive process for a cash strapped start up. It is a lot less expensive and slow in Europe than in the US. As a result, US medical device start ups, who represent a high proportion of total medical device start ups, are increasingly seeking European regulatory approval first. They can then earn money from European sales while they are still going through the US regulatory process. This makes a European base and HQ attractive for medical device entrepreneurs, although it is not a prerequisite for European regulatory approval.

#### Key promotional messages:

- The medical device eco-system in Ireland, in terms of access to specialised staff, managers, suppliers, advisers and investors is world class. It is by far the best such system in an English speaking area within the European regulatory regime.
- Ireland is also a good location for companies hoping to be acquired by global medical device companies.

#### Key facts

- The total life sciences sector, across medical devices, pharma and bio in Ireland:
  - Exports more than €45 billion annually
  - Employs over 50,000 people directly
  - Includes operations of six of the top seven diagnostics companies.
- The Irish Medical Device sector:
  - Comprises 160 firms
  - Employs more than 24,000 people
  - Generates annual sales greater than €6 billion
  - Includes operations of eight of the world's 10 largest medical device companies
  - Global players with substantial Irish operations include Abbott, Bayer, Becton Dickinson, Boston Scientific, Johnson & Johnson, Guidant, Medtronic and Stryker

## overseas entrepreneurship programme

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- Ireland's biggest home grown medical device company, Creganna/Tactx, employs over 800 people world-wide and provides a range of contract manufacturing and contract R&D services to start ups and global companies alike.
- More than 50% of medtech companies based in Ireland have dedicated R&D facilities
- 80% of global stent production is carried out from Ireland

## **Appendix 2 :**

**Case studies profiling existing entrepreneurs (returning Irish and non-Irish) who have successfully located their businesses in Ireland**



## Datahug embraces Irish start-up culture



Connor Murphy



**Datahug develops software that analyses a company's electronic communications to discover existing social networks, answering the question: 'who knows who' within large organisations. Irish-born founders Connor Murphy and Ray Smith had been working internationally and returned to Ireland to form their startup in 2009.**

### The pitch

The idea came from the pair's backgrounds working for international professional services firms "where who you knew was so important to generating business," Murphy says. Whereas traditional CRM software relies on users manually inputting information, Datahug analyses the existing "digital trails" in a company through its emails to determine connections between people.

### Why Ireland

The company's formative months were spent in Kerry in Ireland's South West while the software was in early development. Murphy and Smith attended the Endeavour fast-track start-up programme there, which includes mentoring and incubation space. Not only was the programme free but Datahug also received a grant from Enterprise Ireland to cover living expenses while attending. "It's a good way to come back into Ireland. Costs are quite low and the support networks are good," Murphy says.

Since then, the company relocated three hours up the road to Dublin, where it is growing and actively recruiting software developers. Murphy says Ireland's attractiveness is as a place to live as well as work. "Talent looks to move here. Some of our team have moved from New York, Canada and London. Dublin has a good quality of life." Another advantage is Ireland's size: "It means you can easily tap into a network. You can be here a week, go to some events and have some high-level contacts very quickly. You can be on the doorstep of any multinational client you want. If I was in the US, I'd be spending so much just on travel costs."

Murphy raves about the Internet Growth Acceleration Programme and the exclusive access that participants have with successful entrepreneurs. "For us, that was really game-changing, if we were in the Valley, we wouldn't get access to that – it was amazing. I cannot say enough good things about it. There's nothing like iGap in Europe. It's bringing best practice from Silicon Valley, bringing the thought leaders, giving internet start-ups intimate access to them. If you come to Ireland and are on the Endeavour or iGap programmes, you're straight into the loop – you've got a bridge into so many areas."

# Ireland is at the heart of operations for Apica



James L. Greene



**Apica Cardiovascular is a pre-revenue medical device company commercialising technology for placing valves in the heart for treating structural heart diseases. US native Jim Greene, CEO, has 23 years' experience in the sector, spanning start-ups and multinationals.**

## The pitch

Apica's technology has completed the proof-of-concept stage. Should the imminent clinical trials go well for its initial product application, Apica may well become an attractive acquisition target for other medical firms. The company's core technology has a range of applications for delivering therapeutic devices to the heart and improving patient healthcare.

## Why Ireland

For its move to commercialisation, Apica established operations in the incubation centre at National University of Ireland Galway. "We're not a US company based in Ireland, we're an Irish company, started with Irish funding as well as overseas investment. We've developed in the EU, we'll manufacture within the EU and we'll distribute and sell within the EU," Greene declares, citing Ireland's strong connection with the US and the ability to perform large-scale product manufacturing here as key benefits of the location.

"The key aspect, especially for start-ups, is that it's very important to be in a place where you can access all of the resources you need to do your job," he says. "When you're hiring, you're hiring high-quality people. Irish people are creative and like to take a chance. A start-up works for them."

Since coming to Galway, Apica has raised €3.75 million in funding from Irish VC Seroba Kernel Life Sciences, Enterprise Ireland and Triventures, a specialist medical devices investor based in Israel. Its outsourced manufacturing partner is Creganna, located nearby.

Greene says the tax credit whereby 25% of R&D money comes back to the company is another advantage. A further important factor was the 'soft' supports in setting up the business. "I got a very warm welcome ... I've been connected to accountants, legal people and engineers, and been introduced to other CEOs who have been on the ground for years. While you're an outsider, you don't feel like an outsider. It's a very close network of people. Even as potential competitors, there's a very collegiate atmosphere," says Greene.

## Toothpaste maker's brush with Ireland



Declan Lenahan



**Europharma Concepts manufactures and packages liquid, paste and gel dental products including own-label toothpaste for major retailers. Founder and CEO Declan Lenahan is Irish born but had spent his career in Australia and the UK before returning home to set up the business.**

### The pitch

Europharma manufactures for a range of international customers, from pharmacies in Sweden and Belgium to developing own-brand toothpaste for a UK retailer and making a high-end toothpaste for the Swiss market that sells for €14. All of the company's products are custom developed for each client with high levels of research and development behind them.

### Why Ireland

Lenahan had left Ireland straight after college and after a varied career had been working on a medical devices product in Australia when that company's founder asked him to sell the product in Europe. The product was initially to be made in the UK but Lenahan wanted to find a way to manufacture in Ireland because he wanted to return home. Enterprise Ireland provided the company with funding to start and grow the business. Lenahan says Europharma's relationship with Enterprise Ireland has strengthened over time and in addition to the financial support, he praises the agency's assistance in focusing his business plan and in connecting him with mentors.

Since 2007 Europharma has been manufacturing in its own 'clean room' facility located at its site in Clara, Co Offaly in the Irish midlands. The company employs 40 people. "Another thing that did attract me to Ireland is, the level of staff is really good. There is a great catchment area of trained medical devices and lab staff in the region to suit my requirements. I knew the calibre of people here would be good and there is no other toothpaste company in Ireland so I knew I could get the loyalty of the staff," says Lenahan.

In addition to pure manufacture, Europharma has developed a strong R&D function at the site. "Our quality systems are world standard and consequently the products are world standard. We say we make the best toothpaste in the world, in Clara," adds Lenahan. While predominantly an exporter, Europharma plans to launch in the Irish market. The company is also looking at the US market from its Irish base. "We're ready to launch to the world, and that's the fun part of the business," he says.

## Ireland's medical devices cluster draws Marvao



Chris Davey



**Marvao Medical Devices is an early-stage company focused on improving patient safety while reducing healthcare costs. Founder and managing director Chris Davey, whose father hails from Sligo, grew up in Boston. Having planned to start the business there, he changed course and formed the company in Ireland.**

### The pitch

Marvao has developed a tissue ingrowth scaffold that can be added to a long-term indwelling catheter, which allows a patient's skin to heal at the catheter exit site greatly reducing the chances of catheter-related infection. The company recently began its first clinical study in Ireland.

### Why Ireland

For Davey, Ireland has several attractions including its pro-business environment and low taxes. "The main drivers were better access to early-stage funding, easier access to clinicians who believed in the potential of the technology, and I felt that we would stand out better as a 'finished device company' in the Irish setting than we would in Boston or on the west coast of the US," he says.

Another factor specific to Marvao was the existing life science and medical device cluster around Galway in the west of Ireland, he adds. "Ireland is recognised as a centre for life sciences and medical devices, so I was confident that I'd be able to find the full range of skills and services needed to start Marvao Medical Devices. This has proved to be the case."

Through Enterprise Ireland, Marvao took on two mentors for the business and one serves as chairman of the board. Within 24 months of starting the company, Marvao also signed a strategic partnership with Harmac Medical Products of Roscommon. "They really helped give the company a concrete presence, have been a key technical contributor, and turned out to be one of our most important partners," says Davey.

Enterprise Ireland's support has been material in helping Marvao to its present state, adds Davey. "Enterprise Ireland was particularly helpful in facilitating introductions to Irish clinicians who have played a critical role in the product development process," he says. "I've found it very easy to gain access to most of the people I've needed to meet, and also found that most people are very willing to help once they understand what you are trying to accomplish."

# Serial entrepreneur moves mobile gaming start-up to Dublin



Louis Ravenet



**2PaperDolls creates mobile social games for casual play. CEO Louis Ravenet is a serial entrepreneur and 20-year technology industry veteran. US native Ravenet had been living in Paris and looked at several international locations for his new venture before deciding on Dublin.**

## The pitch

2PaperDolls develops mobile social game applications for the Apple and Android platforms. "We iterate ideas constantly. We generate game after game and when one especially resonates with the market, we call that a product meriting franchising," explains Ravenet.

## Why Ireland

All the founders had spent time in Dublin in previous roles and were won over by its welcoming nature and the culture. The business advantages soon became apparent. The decision was ultimately based on hard numbers and not just sentiment: Dublin had to compete against Amsterdam, Paris and London as a potential location for the company's headquarters. "It's a great place to do business from the perspective of cost. One, you have the low corporate tax rate and two, it's inexpensive compared to other world-class capital cities for office space, housing, schools and getting around," Ravenet says. The company is growing and has also found skilled software developers in good supply in the local market.

As an experienced entrepreneur, Ravenet is quick to acknowledge Enterprise Ireland's assistance. "With any significant roadblock or issue, they have helped us through directly or by introducing us to the right person." 2PaperDolls plans to export to the Chinese market and Ravenet says EI's presence in and knowledge of that market has saved 2PaperDolls "a tremendous amount of money and is giving us a head start".

While he says there is a good cultural fit between Dublin and the USA's West coast, Ireland has some advantages for an early-stage business. "It's efficient, highly networked, co-operative and extremely refreshing that there isn't a 'hold cards close to the chest' attitude here."

## Doctor gives Ireland clean bill of health



Dr. Johnny Walker



**Global Diagnostics is an international telemedicine enterprise, specialising in diagnostic imaging. Founder and chairman Dr Johnny Walker started the company in western Australia in 1995 and moved to Ireland in 2007 as its base for international growth.**

### The pitch

Global Diagnostics provides a service whereby patient scans can be sent digitally from anywhere around the world for expert medical assessment by trained radiologists, with the aim of greatly speeding up the time to diagnose and treat potential problems. Since relocating to Ireland the company has grown substantially and now operates across Australia, the UK and Ireland.

### Why Ireland

Walker originally brought the business to Ireland through a joint venture with Centric Health, so he was spared some of the administration a start-up would typically encounter. As the business was already profitable, Ireland's generous 12.5 per cent corporate tax rate was attractive, and Walker says it was a significant incentive. He adds that despite the tough market conditions, sources of investment funds for growth are also available in Ireland.

As an Australian, Walker's challenge was to plug in to the indigenous business community. A combination of his own medical contacts and meetings with Enterprise Ireland helped to put him in touch with the right people, and he says the cultural fit was key to making the venture work. "As an Aussie coming to Ireland, from a social point of view it was fantastic. The craic that you talk about is very real ... you immediately embody this atmosphere of trust, the fun, the laughter, the frivolity – but also the preparedness to knuckle down and work hard."

Through Enterprise Ireland, which became an investor in the business, Walker was invited to attend the class of 2009 Leadership4Growth mentoring programme at Stanford University in the US, which put him amongst a group of like-minded entrepreneurial CEOs who remain in contact to this day. "That's where I've been blessed. The Stanford programme put me amongst my own, and we all rally to support each other," he says. "They talk about six degrees of separation but in Ireland that's more like half a degree; you all know each other. There's huge upside from a business perspective in terms of the network that you can build very rapidly."

# Disruptive technology finds a home in Dublin



John Holt Snr.



**Waratek was founded in 2002 by father-and-son team of John Holt and John Matthew Holt. Originally based in Australia where it raised funding and carried out R&D, the company, after working for a couple of years in the US, established its international headquarters in Dublin in 2009.**

## The pitch

Waratek holds multiple international patents around its server virtualisation innovations. It has pioneered array technology, called RAIS, which uses commodity computers connected together to achieve the same results as powerful mainframes, at a fraction of the cost. The company is in the closing stages of moving its technology from proof of concept to product commercialisation. It has pilot customers in banking, financial services and telecoms.

## Why Ireland

The founders considered locations in Silicon Valley, Israel and the UK but Ireland was "head and shoulders" above other contenders, says John Holt. "There are more supports for the business and more opportunities to grow." The corporate tax rate will be beneficial in time, but the cultural and language fit was important in the short term, as well as access to the right kind of skill sets Waratek requires. Having started with three people in 2009, Waratek has grown to 24 employees in Dublin, as well as recruiting an Irish technology veteran as its CEO.

"Dublin is already a centre for large multinational IT companies and there is an ecosystem here that supports it. From our point of view it was important to be part of that system," adds Holt. Ultimately, Ireland will represent a small percentage of Waratek's market but it is a strategic location. "We're very close to the European and UK markets, and at the same time, close to the US east coast," says Holt. "We could never conceive of trying to do this based in Sydney."

He praises the structures Enterprise Ireland has to support businesses coming to Ireland. "It has been very easy to begin to operate here. We're certainly dependent on that because we're not locals," says Holt. Noting that Waratek is "a fully-fledged Irish company", he says tapping into the international Irish network through Enterprise Ireland should boost RAIS' profile. "We have come out of the development phase and are now lining up the first version of the product, we are about to test the proposition of Irish connectedness and how it can advantage business."



## The weatherman forecasts growth



Patrick Hartigan

**Executive Chairman Dr Patrick Hartigan, a 25-year career wireless communications veteran, founded Nowcasting International in 1999 while working at the University of Limerick. Born in the UK of Irish descent, he recently sold the successful company to MeteoGroup and has spun out a new venture, Askmoby, also based in Ireland.**

### The pitch

Nowcasting International specialises in providing high-level marine weather forecasting for professional users in passenger ferries, coast guards or oil and gas exploration companies. Hartigan's new venture, Askmoby.com, uses similar precision weather forecasting to help consumers, for example when planning outdoor activity. The service is free, supported by advertising and subscription for premium services. The company provides the weather pages for many of the leading media and mobile network operators in Ireland. The company is currently recruiting.

### Why Ireland

What attracted Hartigan to Ireland as a place to do business was the sense of change and dynamism. The country's relatively small size is a plus on several counts, he says. "You could get near to users and really understand what the customer's requirement was." He believes the size of the market also makes entrepreneurs focus on selling beyond Irish shores from the start. "You design the product straight away for the export market, and I would say yes, it leads to stronger products."

"When I was in the UK I wanted to set up a venture. I didn't look elsewhere [than Ireland] and I wanted to set it up in my adopted county Clare," he says. "I came home after a generation".

Other pluses to Ireland include availability of skilled candidates. "Our proximity to third level colleges in Limerick and Galway has been useful and we've found that an excellent source of graduates over the years," he says. A minimum of red tape makes administration and setting up business a painless process; many of the essential services needed to register a company and comply with tax and other legislation are available through efficient, user-friendly online portals.

Hartigan also praises Enterprise Ireland's support, particularly its network of overseas offices. "At Nowcasting, we had offices in the US, the Far East and the Middle East. Each of them to some extent was kicked off with Enterprise Ireland's assistance, telling us the lay of the land. Introductions from them were very significant."