



Enterprise Ireland Briefing Document – Public Accounts Committee

Enterprise Ireland

Enterprise Ireland's purpose is helping Irish companies to start, grow, innovate and win export sales. We work with internationally focused Irish enterprises across all sectors of the economy, most of them Small and Medium Enterprises, supporting them to strengthen their competitiveness and productivity, increase innovation, and realise their growth potential, contributing to employment and economic growth across all regions.

Enterprise Ireland and the Local Enterprise Offices

We also work with the network of 31 Local Enterprise Offices through our Centre of Excellence to support the growth of micro-enterprises across the country. The Local Enterprise Offices are at the very heart of business development and entrepreneurship in towns and communities right across the country. The Local Enterprise Offices sit within the remit of the Local Authorities and carry out their functions on behalf of Enterprise Ireland and the Department of Enterprise Trade and Employment through an agreed Service Level Agreement with each Local Authority.

Local Enterprise Offices operate with a broader set of clients from individuals considering whether to start a business through to those having initial success in exporting, through a set of financial and non-financial supports.

In December 2022, the framework under which the LEOs operate was expanded to allow them to support companies with up to 50 employees that have plans to internationalise their business creating an enhanced pathway for small businesses to scale.

Between Local Enterprise Offices and Enterprise Ireland, we offer a continuum of service for Irish-owned business.

2021 Performance

2021 was a very successful year for businesses supported by Enterprise Ireland, despite the challenges of the pandemic, inflation and global supply chain disruption.

In 2021, the companies we support had exports of €27.292bn, a 12% year on year increase. This was our highest ever level of growth in export value, and increases were experienced across almost all sectors. Exports grew across all territories, with the UK increasing by 15% and the Eurozone increasing by 10%.

Given the rapidly evolving environments which enterprises are operating in, it has never been more important to support the ambition of Irish entrepreneurs and their teams, as their spirit and drive are the cornerstones of our local and national economies. And with the encouraging results from 2021, they have successfully proven their agility. Start-Ups Supporting companies on their growth journey ultimately means supporting local and national economies.

That is why Enterprise Ireland invested more than €28 million in Irish start-ups and supported 125 start-up companies in 2021.

With the difficult circumstances of recent years taken into consideration, the resilience of this cohort of entrepreneurs has been remarkable. Enterprise Ireland supports innovative entrepreneurs at various stages of their growth journey as they work to build world-class businesses.

Our supports for Irish start-ups in 2021 included;

- 82 High Potential Start-Ups (HPSUs) approved for over €18m in funding, and 24 of these were women-led
- Of these 82 HPSUs, 12 emerged from academic research
- Over €2m approved for 43 companies under the Competitive Start Fund, of which 16 are women-led

End of Year Results

Companies supported by Enterprise Ireland increased the net jobs in 2021 by 11,911, the highest ever jobs gain in a single year.

The jobs were created across a number of sectors, and, importantly for us, there was growth across all regions as more than two thirds (68%) of these new jobs were outside of Dublin.

Total employment in companies supported by Enterprise Ireland in 2021 was 207,894.

Covid-19 Supports

€154million of Enterprise Ireland's budget in 2021 was allocated to fund Covid-19 response supports for businesses such as the Sustaining Enterprise Fund, the Online Retail Scheme, the Accelerated Recovery Fund, and the Regional Enterprise Transition Scheme. These funds played

a critical role in helping businesses to sustain employment and adapt as they faced liquidity and business continuity issues.

Funding & Investment

Enterprise Ireland launched the third call of the €175m Seed and Venture Capital (SVC) Scheme, with a focus on commercially managed funds targeting the Pre-Seed, Seed & Series A/ A+ stages, in important target sectors such as ICT, life sciences and industrial.

The overall objective of the SVC Scheme is to increase the availability of risk capital for startups to support economic growth through the continued development of the SVC industry in Ireland to achieve a more robust, commercially viable and sustainable sector.

Expanding reach

Enterprise Ireland supports clients to accelerate global export growth and to expand their footprint and reach in new markets. We work directly with clients through market and sector advisors based in 10 locations across Ireland and in our network of international offices around the world.

In 2021, companies supported by Enterprise Ireland had export sales of €27.292bn. Key results of our work for clients included;

- 1,384 new contracts secured overseas with Enterprise Ireland assistance
- 480 new overseas presences established by Enterprise Ireland companies
- 6,035 client buyer meetings (including virtual meetings)

Women in Business

Enterprise Ireland recognises that Ireland's economic success will be driven by optimising all skills and talent in our economy through increasing the participation of women in entrepreneurship and business leadership.

In 2011, just 7% of our HPSUs included a woman on the founding team. In 2021, almost 30% of the HPSUs and 27% of CSFs supported by Enterprise Ireland were women-led.

Enterprise Ireland made available a dedicated €1m funding stream for women entrepreneurs as part of our Competitive Start Fund call. And, we launched 'The Level Project', aimed at helping businesses to develop gender-balanced teams leadership teams.

Local Enterprise Offices

Through our Centre of Excellence, and in partnership with local authorities in every county, we supported the 31 Local Enterprise Offices (LEOs) as the 'first-stop shop' for expert advice, information and practical supports.

In 2021, LEOs delivered key supports to record numbers of small businesses, helping them respond to the Covid-19 pandemic and the end of the Brexit transition period. This included over €24m in direct financial assistance approved for 1,088 business projects, with over 35,729 people employed by LEO client companies in 2021.

Research & Innovation

In the face of turbulent global markets and an accelerated pace of change, innovation remains key to the sustained competitiveness and enhanced productivity of Irish companies. In 2021, Irish companies had an R&D spend of €1.36bn.

This represents a very significant validation of the drive to innovate and grow differentiation in global markets. Key to the success of start-ups and enterprises in Ireland is the strong collaborative culture and ecosystem that exists here among academic institutes, investors, industry, R&D and public policy.

Enterprise Ireland's Research and Innovation Division plays a strong role in supporting the national innovation system, by driving the commercialisation of research and innovation between Irish industry and third-level institutions. Spin-out companies provide a significant route to innovation, developing cutting-edge technology and intellectual property, and creating new high-value jobs. In 2021, there were 32 new spin-out companies from the research system.

Enterprise Ireland's Commercialisation Fund Programme is designed to de-risk research to the point where it can be commercialised as new products, services and/or companies. There were 41 research projects approved under this Fund.

Enterprise Ireland also delivers key research programmes on behalf of Government, including the Horizon Europe National Support Network, the European Space Agency Delegation, Enterprise Europe Network and the Disruptive Technologies Innovation Fund.

Local Enterprise Offices 2021 Performance

Despite the significant impact of Covid-19 on small businesses in 2021, the Local Enterprise Offices continued to deliver strong results across the year. 7,440 new jobs were created by LEO-backed client companies, resulting in a net gain of 2,999 jobs, (9% increase on 2020). 35,729 people were employed by 7,158 small businesses and start-ups that had received financial assistance from the Local Enterprise Offices by the end of 2021.

In 2021, Local Enterprise Offices approved €24,041,848 in grant aid for 1,088 applications/projects (1021 clients).

Training

Local Enterprise Offices provide a wide range of high-quality training supports which are tailored to meet specific business requirements. In 2021, LEOs trained 60,344 participants across different

programmes. Of these, 5,854 participants took part in 394 LEO-run 'Start Your Own Business' programmes.

Mentoring

This programme matches the knowledge, skills, insights, and entrepreneurial capability of experienced business practitioners - the mentor - with small business owners and managers who need practical and strategic one-to-one advice and guidance for their business. In 2021, LEOs mentored 14,149 participants.

Lean for Micro Programme

Lean for Micro helps LEO clients to adopt 'lean' business principles within their businesses to increase performance and competitiveness. Companies also avail of consultancy services from a qualified practitioner, who works with the company to introduce lean principles, undertake a specific cost reduction project, and assist the company in benchmarking performance. In 2021, LEOs supported 449 companies through the programme.

Trading Online Vouchers

A Trading Online Voucher is a financial incentive of €2,500 to develop and/or enhance the small and micro-businesses' access and ability to trade online.

In 2021, 4,450 applications were approved by Local Enterprise Offices under the Trading Online Voucher scheme.

Technical Assistance Grants for Micro Exporters

Technical Assistance Grants for Micro Exporters (TAME) provides an incentive for LEO clients to explore and develop new market opportunities. These grants, with a maximum value of €2,500, are used to part-fund expenditure to investigate and research export markets. For example: costs incurred exhibiting at Trade Fairs, preparing marketing materials, and developing websites specifically targeting export markets. The purpose of these grants is to increase the number of LEO clients developing new export opportunities, with a focus on supporting those clients with high levels of exposure to Brexit risks.

148 LEO clients were approved for assistance under TAME in 2021.

Green for Micro

The Green for Micro programme was launched in 2021. The objective of this programme is to help prepare small businesses for the low carbon, more resource efficient economy of the future. It supports clients employing 10 or less to engage a consultant to avail of advice and technical

support, covering topics such as resource efficiency, understanding your carbon footprint and implementing an environmental management system.

293 projects were approved in 2021.

Customs Training

Local Enterprise Offices ran 'Prepare Your Business for Customs' online workshops throughout 2021.

These one-day interactive workshops, run regionally by Local Enterprise Offices, provided businesses with a better understanding of the potential impacts, formalities and procedures to be adopted when trading with a country which is outside the Single Market and Custom Unions (a "Third Country"). Open to all businesses, these workshops will cover areas such as what export and import procedures apply, how tariffs work and how to correctly classify goods.

1,286 Participants attended Customs Training in 2021.

Fostering Entrepreneurship

The Local Enterprise Offices also play a key role in promoting entrepreneurship across the country. This includes the National Enterprise Awards, Local Enterprise Week, the Student Enterprise Programme and National Women's Enterprise Day.

National Enterprise Awards

The National Enterprise Awards, which had been postponed in 2020, took place in February 2021. The event took place virtually and was broadcast live from the Mansion House in Dublin with the 31 Finalists watching from their homes across the country. The winners of the 2021 National Enterprise Awards were Bevcraft, who were supported by Local Enterprise Office Westmeath. A former IBYE Finalist, co-founder Ciaran Gorman has created Europe's first mobile canning company and they have since established hubs across western Europe.

Local Enterprise Week

LEOs collectively organised **over 300 virtual enterprise events** to mark Local Enterprise Week in March 2021, to showcase the range of enterprise supports on offer and to provide networking and training opportunities to small businesses within their regions. These events included 10 Spotlight National online events that were open to people around the country and focused on key areas such as sustainability and going green, lean, digitalisation, resilience and growth and trading online.

Student Enterprise Programme

23,970 students from 427 secondary schools took part in the 2020/2021 Student Enterprise Programme, which began in September 2020. The programme encourages students to research,

set-up and run their own businesses with the help of student enterprise co-ordinators from the Local Enterprise Offices.

National Women's Enterprise Day

NWED in 2021 was again a virtual event themed "Build The Future" taking place on the 7th October. There were 1,006 online attendees with an average of 737 attendees throughout the day. The online event featured a host of some of Ireland's best female entrepreneurs including Aimee Connolly, Sharon Keegan, Aoife McNamara and Rachel Doyle.

Enterprise Ireland and the Local Enterprise Offices – how we work together

On 15th April 2014, the 35 County and City Enterprise Boards (CEBs) were dissolved by legislation and 31 Local Enterprise Offices (LEOs) were established under the local authority structure. Enterprise Ireland (EI) and the local authorities (LAs) operate under a framework Service Level Agreement (SLA) which provides for the operation of LEOs, by the Local Authorities. The purpose of the Service Level Agreement is to detail the relevant policies, operational guidelines, metrics and other service provisions to which all LEOs are subject.

The Enterprise Ireland LEO Centre of Excellence carries out functions agreed between the Department of Enterprise, Trade and Employment (DETE) and Enterprise Ireland. The role of this unit is to provide support to the LEOs, which enhances the impact of the LEOs on the development of micro-enterprises and small business, increasing their effectiveness and efficiency. The support provided includes strategic, administrative, technical and financial support.

The Board of Enterprise Ireland established a Local Enterprise Office Committee to recommend to the Board the allocation of funds to the LEOs/relevant Local Authorities, in consultation with DETE such funding as is provided to EI from DETE for this purpose.

€60million of Enterprise Ireland's budget in 2021 was allocated to the Local Enterprise Offices.

Enterprise Ireland 'Leading in a Changing World' Strategy 2022-24

During 2021, we developed a new corporate strategy 'Leading in a Changing World (2022-2024)', which will underpin our work for this period and will ensure that businesses of all sizes are assisted on their development journey from start-up to scaling. In order to support companies on their scaling journey and realise their ambitions and goals, we have outlined five strategic ambitions and a number of objectives, including;

- +45,000 jobs new jobs created by 2024, two-thirds created outside of Dublin
- €30bn exports by 2024, with over 70% of exports outside of the UK
- Enterprise sector on track to achieving target of 29–41% reduction in emissions by 2030
- Enterprise expenditure in R&D to reach €1.4bn by 2024.



2022 Performance – Enterprise Ireland

The strong performance in job growth and wider supports has continued in 2022, as seen in our announcement and that of the LEO network in January 2023.

In 2022, Enterprise Ireland clients created 19,660 new jobs, and almost 11,000 net new jobs and total employment increased by 5% to 218,178, with two-thirds based outside the Dublin region. It supported 161 early state company approvals.

Employment increased across Enterprise Ireland's three core economic sectors - Technology & Services (+8%), Industrial and Life Sciences (+5%) and Food and Sustainability (+3%).

Strong employment growth was reported in specific sub sectors such as:

- Climate, Sustainability and Agritech (+13%)
- Digital Technology (+9%),
- High Tech Construction and Housing (+6%)
- Fintech, Financial and Business Services (+6%)

The Life Sciences and Engineering sectors both saw 5% employment growth.

EMPLOYMENT GROWTH ACROSS MOST SECTORS OF INDUSTRY



END OF YEAR STATEMENT 2022

Leading in a changing world

ENTERPRISE IRELAND

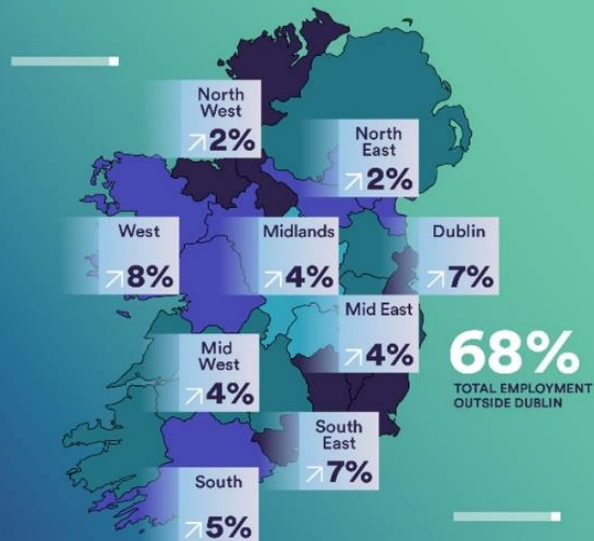


Rialtas na hÉireann
Government of Ireland

EMPLOYMENT GROWTH IN EVERY REGION

END OF YEAR STATEMENT 2022

Leading in a changing world





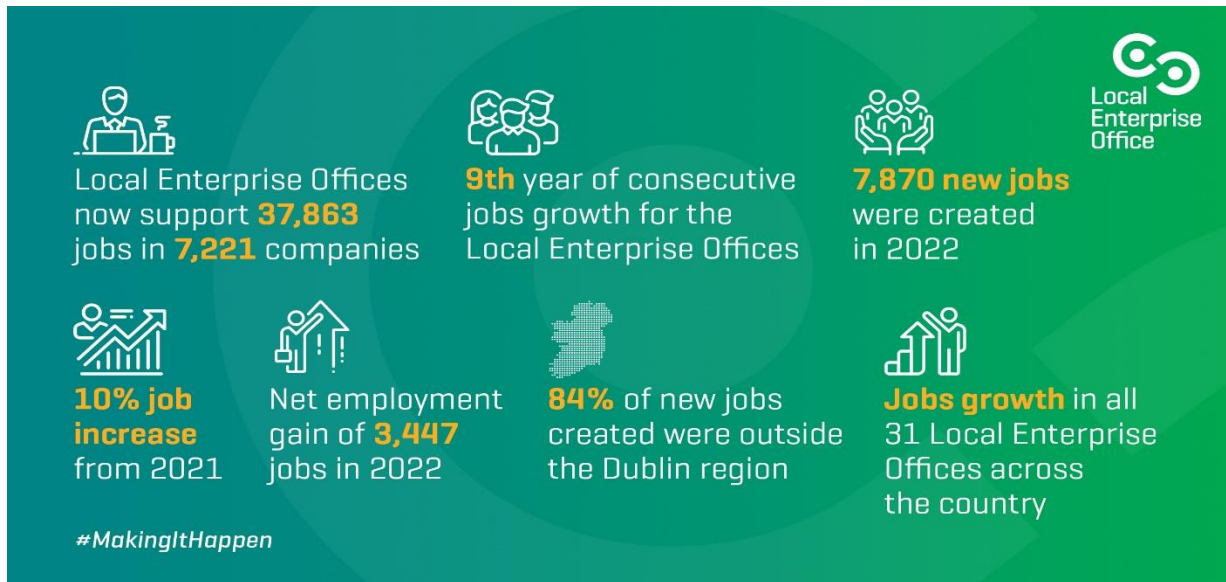
Other key achievements supporting jobs in 2022 highlighted in the End of Year Statement issued by Enterprise Ireland included:

- 161 Early-Stage Company Approvals
- 514 Skills and Talent Interventions
- 296 Digitalisation Interventions
- 102 R&D approvals greater than €100K
- 144 Climate Projects Supported
- 238 Companies entering a new market
- 1,271 Overseas contracts secured with Enterprise Ireland assistance

2022 Performance - Local Enterprise Offices

During the same period, Local Enterprise Office companies increased employment by 10% and their financially supported clients now directly employ 37,863 people nationwide. In 2022 LEO supported companies created 7,800 new jobs. This was the third highest year of job creation by the LEOs since their inception in 2014 and meant a net employment gain of 3,447 for the year despite difficult economic conditions related to the cost of living and energy crises.

84% of the new jobs created were outside of the Dublin region. This was the 9th consecutive year of jobs growth since the inception of the LEOs in 2014. The LEOs also supported thousands of additional companies through a range of programmes and initiatives such as Digital Start, Green for Micro, the Trading Online Voucher and Lean for Micro.



* In December 2022, the framework under which the LEOs operate was expanded to allow them to support companies with up to 50 employees that have plans to internationalise their business creating an enhanced pathway for small businesses to scale.

Outlook

In recent years business has had to weather various storms including the initial phase of BREXIT, the COVID-19 pandemic, as well as endured a very challenging environment in 2022 due to the war in Ukraine and increasing inflation more generally.

A key focus is helping companies to decarbonise and digitalise their operations to meet Climate targets and to meet future customer demand and we have supports under the National Recovery & Resilience Fund (NRRF) to support companies in these areas.

Enterprise Ireland and the Local Enterprise Offices have stayed close to our clients throughout that time and will continue to do so.

Current issues facing business which we are helping them with include:

- The availability of labour and skills
- Dealing with inflation and supply chain challenges and maintaining competitiveness
- Decarbonisation and planning for future sustainability requirements
- Accelerating the transition to more digitally enabled operating models
- Funding of businesses for ongoing operations and growth

Notwithstanding the challenges, underlying business sentiment is strong and there are many opportunities for Irish companies in our global markets.