

NEWMARKET Partnership **NEWS**

Accountants, Tax Advisors, and More...

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ARE YOU READY FOR THE UPSWING?

In the present economic climate, we are all aware that Uncertainty reigns. What do you do? How do you deal with this challenge? Preparation is the key. The job now is to ensure that you are prepared for the downturn, and are in a better shape to face forthcoming challenges than your competitors. If the past few years have been good to you, then hopefully you have built up some financial reserve. Use this reserve wisely and don't squander it while hoping it will all get back to the way it was before.



Here is Newmarket Partnership's programme to help you ensure that you are Fighting Fit for the upswing.

We call it our C.U.R.V.E. Programme.

- C. CASH FLOW** This needs to be stabilised in the short term. All other actions below can be built into a 6-month plan. Sell off surplus stock and assets, even if it means making a loss. Actively manage customer credit limits and keep your communication with your suppliers and bankers open, honest and constructive.
- U. UNDO** your expectations based on previous years. The biggest impediment to this programme is a mindset based on last year's climate. Start with a clean slate and assume that the reduced level of business is here for the next two years.
- R. RIGHT-SIZE** your cost base to suit. Then cut a bit deeper to allow for investment and unexpected knocks. Surprisingly, this will build confidence with your staff, suppliers and bankers because they will see that you are tackling the issues in a proactive way.

- V. Create a VISION** for your business. Identify the future shape of the market you are in and where you will have a defining edge. Define what your company should look like in order to be Fighting Fit when the opportunity comes. Many companies fail after the worst of the downturn is over because they don't have sufficient internal resources, or the confidence of their bankers. Define the path from current position to future.
- E. Become internally EFFICIENT**, through cutting loss-making lines and investing in integrated business IT systems. Most companies realise only half the value from their systems because they do not implement them fully. Build into your system design strong and timely performance information so that you can keep on track.
- E. ENERGISE** your people, suppliers and customers through sharing your vision. Invest in your people and their skills to deliver this new business vision.

If you would like help in developing your own **CURVE** programme then give us a call, or drop us an email. Newmarket Partnership is all about *helping you achieve your Goals*.



A one-minute management lesson!!!



A little bird flying south for the winter was so cold he froze and fell to the ground. While he was lying there, a cow came by and dropped some dung on him. As the frozen bird lay there in the pile of cow dung, he began to realize how warm he was. The dung was actually thawing him out! He lay all warm and happy, and soon began to sing for joy. A passing cat heard the bird and came to investigate. The cat discovered the bird under the pile of cow dung, promptly dug him out, and ate him!!

Morals of the story:

- (1) Not everyone who sh!ts on you is your enemy.
- (2) Not everyone who gets you out of sh!t is your friend.
- (3) And when you're in deep sh!t, it's best to keep your mouth shut!

... *Helping you achieve your goals*



Ready To Lead! Pictured recently at the Newmarket Partnership VAT seminar in the Louis Fitzgerald Hotel, in front of a Graham Knuttel painting of our Taoisigh were Michael O'Scathail, Gerry O'Reilly and Gary Moffatt from Newmarket.

DOING BUSINESS ABROAD –

A practical summary from some of the experts

"In the Middle East people seem to almost expect confrontational negotiations, whereas the Chinese will try to avoid confrontation at all costs. What works in one place may be very much frowned upon somewhere else!" So says Brian McGlynn of Outback®.

This article is focussed on the hard earned lessons from some of Ireland's most experienced entrepreneurs working in the International workplace. With domestic markets looking tighter for the foreseeable future, this article looks to see how you might approach overseas markets for sources of supply as well as new customers.

All the contributors - each of them clients of Newmarket Partnership - have agreed to share their experiences, having gone to the international stage as small fledgling companies with a good knowledge of their market and a belief that they can get the deal they need. It is not intended as a comprehensive guide to doing business abroad, but hopefully, in a time when all businesses need to be involved with International developments; their experiences will be useful to you.

Hear are some initial thoughts.

"The Irish have always been travellers and talkers. We don't carry any colonial baggage and we are sensitive to local customs and cultures. This combined with our recent economic success means that people want to hear the Irish story and do business with Ireland" says Gerry Forde of Pro Audio. Pat McGuane of 2wo Seasons says that no matter where you do business you need someone on the ground with local knowledge and who can ensure that the quality is exemplary. **"What are often**

overlooked are the hidden costs of being away from base, as well the extra costs of customs, shipping, banking facilities, and long lead times. When all these are taken into account it may be easier to deal with a European supplier" says Pat.

Paul Byrne of Castlebrook Furniture says that when dealing specifically with the UK market, it is important to remember that bidding and contracting is a more formal process, where previous history or experience with the client does not necessarily count. This is in direct contrast to the Irish method, where more value is placed on personal contact and previous experience.

Brian McGlynn of Outback® feels that you should **never forget to show courtesy and respect**, because many others amazingly don't do so.

Most of the contributors are sourcing abroad, but what about selling abroad? Patsy Carney and Tom Brennan of EirGen Pharma started their business as developer and manufacturer of High Potency Generic Drugs, one of only 3 to 4 companies in the world which offer these services. EirGen won the David Manley Entrepreneur Award in 2007 and is shortlisted for the 2008 Ernst & Young Emerging Entrepreneur Award. Patsy has found the support available from State Agencies, particularly in the less well known markets, to be invaluable. **"We saw an opportunity in South America, Enterprise Ireland undertook detailed research at a very modest cost and when we were ready to travel they arranged introductions and meetings with many potential customers.** Overall a very good experience", Patsy says.

Gerry Forde of Pro Audio is experienced in dealing with mainly well established large corporate companies from the Far East, USA and Europe. His experience has thought him to plan meticulously and

respect the corporate values. "I always arrive early and leave last" he says. Arrive early and get settled in as there may be a social opportunity to discuss off the record the issues of the day and get their opinions, or find common ground. Leave last, as the social opportunity can arise again. "Throughout my engagement with my suppliers I will always aim to be consistent. **Respect the brand, the products, the people and the corporate values, and be prepared to talk about them. Use their language.**"

About our Contributors:

Brian McGlynn is the owner of Outback® He started the company in Ireland in 2001 by initially becoming the agent for the Outback® range of barbecues in the local marketplace. Within a year Brian had bought the brand itself and now sells throughout all of mainland Europe, the Middle East and South America.

Paul Byrne is MD of Castlebrook Furniture and Design. He started manufacturing furniture in Wicklow in 1982 supplying the Irish market, and had his first export order to UK in 1992. Paul has since outsourced some of his manufacturing to places as diverse as China, Europe and Egypt.

Pat McGuane started 2wo Seasons in 2005, a retail business specialising in Seasonal Homeware. Having started working life in Dunnes Stores in Cork, his career took him as far as Managing Director of Atlantic Homecare before deciding to venture out on his own. Pat has long experience of sourcing in the Far East.

Gerry Forde is MD of the agent in Ireland for Roland, Sennheiser and many other manufacturers of musical instruments. He has built a company which provides the highest level of professional representation for all his brands.

EirGen Pharma is based in Waterford. The promoters saw a niche based on their own experience in Pharmaceuticals. "Many drugs are coming off patent over the next few years. However there are only a few facilities in the world that are capable of producing High Potency Drugs typically used in cancer treatment, and we are one", says Tom Brennan.

Newmarket - Accountants, Tax Advisors, and More.....
.....helping you achieve your Goals.

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