



choices

The All Island approach to business

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An All Island Perspective

By Liam Nellis, Chief Executive of InterTradelreland



Liam Nellis

In global terms, neither jurisdiction on the island can boast of a significantly sized domestic market. This has encouraged a healthy attitude among businesses to look outward for markets and resources. However, given our history it's not surprising that we have also often overlooked the opportunities and synergies that lie on our own doorstep. InterTradelreland was formed to help redress the balance.

That said, there is a long tradition in some sectors of businesses working throughout the island and benefiting from such a strategy. Banking is probably one of the best examples where consolidation and all-island operations have provided firm foundations for expansion across the water and further afield.

It's my firm belief that other industries could and should maximise the advantages that all of the island has to offer. This applies to every aspect

of business – from supply chain management, logistics, sourcing labour, new sales opportunities and so on.

InterTradelreland however isn't in the business of telling businesses how to run themselves. That's not our responsibility. InterTradelreland's focus is as a facilitator – ensuring that decision-makers have the information and the knowledge at their disposal to enable them to make informed commercial choices.

One of the best examples of this approach is EquityNetwork, a major programme by InterTradelreland to drive forward the uptake of private equity on the island. Empirical research shows that companies which avail of private equity finance are more competitive, grow faster, export more and create more jobs than their counterparts who use traditional financing methods. Equity empowers

companies to achieve a step-change in their growth.

Companies on the island, particularly outside the Greater Dublin area, are not taking advantage of the opportunities that private equity brings. Research commissioned by InterTradelreland revealed that the problem lay primarily not with the availability of funds, but with the quality and level of demand.

To counter this the EquityNetwork programme was launched in October 2001. Apart from raising awareness of equity, the team of all-island experts is providing companies with free and impartial advice, and is linking them with potential investors. It is also developing a network of business angels and non-executive directors to raise the quality of corporate governance on the island.

Another approach which

InterTradeIreland has undertaken is the Knowledge Transfer Initiative which incorporates two distinct strands – Focus & Fusion. These schemes, which were launched last summer, have been a resounding success and are helping to match the talents of graduates, diploma holders and third level education institutions with SMEs across the island.

Fusion is an innovative all-island scheme designed to facilitate the commercialisation of research skills in hi-tech sectors such as Software, Polymers, ICT, Life & Health Sciences

and Design, while Focus is based on sales and marketing.

It's clear that SMEs throughout the island can face difficulties when trying to recruit high calibre staff who have recently graduated from university or college. There is a misconception that SMEs do not offer the same opportunities or scope for personal development as their larger multi-national counterparts.

However, the reality can be very different. SMEs with their flatter organisations often allow for greater

responsibilities earlier on in a career and call upon staff to work across a diverse range of business disciplines. Focus & Fusion are helping SMEs to tap into human capital resources that may not otherwise be available to them.

These are few of the projects that InterTradeIreland will be rolling out over the next few years. We're here to help. If you believe that we can, or if you want to find out more, please visit our website at www.intertradeireland.com or phone 028 (048 from RoI) 3083 4100.

In the hot seat... Clare Fleming, Corporate Banking, BOI NI



What attracted you to banking, and how long have you worked in BOI?
Given the pace of change in the banking industry, I deemed it to be a challenging career and was awarded a degree scholarship from NatWest Bank. After completing a degree in Finance and working throughout the NatWest Group, I decided to move back to Belfast and have worked in Bank of Ireland for 5 years now.

What do you do in Bank of Ireland?
I work with Corporate and Business customers dealing with all aspects of their banking requirements from lending to ensuring they have access to independent investment advice.

What do you do in your spare time to relax away from work?
I try and keep fit and enjoy walking / visiting the gym. I have a very active social life and enjoy eating out.

Is there a social club in BOI?

I am a member of the Sports and Social Committee in BOI, and we organise 3/4 events a year - from concerts, to paint-balling. I consider myself very fortunate having such sociable and friendly colleagues.

Who would you like to be stranded with on a desert island with?

Of course I would be choose to be stranded with my husband Simon.

What is a typical day in Belfast?

One of the best aspects about living / working in Belfast is the low commuting time - I spend all of about 15 minutes getting too and from work which is a real bonus when work demands an early start or a late finish and I am not a morning person. Spend a busy day in the office, home by 6.30, gym or walk, dinner, meet friends / time with Simon - bed usually later that I should. Who said banker's were boring?

How would your work colleagues describe you?

I would presume that words like confident, passionate, enthusiastic would be used along with hard-working and ambitious.

What is your proudest moment?

Getting accepted for a place on the Leaders for Tomorrow programme at Harvard.

What three items would you bring on a desert island?

A boat, loads of fuel and money to enable me to get back to reality and spare me from going mad.

Which pin up did you have on your wall when you where a teenager?

George Michael and James Dean.

If you could invite any 6 people dead /alive to dinner who would they be?

Pretty tough one - Michaelangelo, Bill Clinton, JFK, Princess Diana, Richard Branson, Colin Firth.

What's your ideal car?

I know precious little about cars, but Audi TT's look pretty good.

What would you do if you won the lotto?

Travel the world and then start my own business.



Postcard from Pakistan ...an Irishman living and working in Punjab



I have been dealing with BrightWater since July 2000 when they placed me as Financial Controller with an online betting and casino company in the lovely Caribbean island of Antigua, home to 365 beaches. After my contract finished there I returned to Ireland with a desire to continue working abroad. In March of this year, BrightWater Selection secured me a position as Finance and administration manager with ESBI, the international investment arm of ESB, in Pakistan. I have always wanted to work in this particular part of the world as it is an area full of opportunities and challenges both professionally and culturally.

The plant is located in the Punjab province of Pakistan near the border with India. The nearest cities are Multan, which is 90 mins away, and Lahore, which is a 4-hour drive. The Punjab is a very agricultural area and the countryside is very reminiscent of Ireland at this time of year during harvest. The main crops are mangoes, sugar cane, cotton and wheat. The average temperature for the year is 35c but can get as high as 50c.

The plant has a capacity to produce 412 MW, which directly feeds into the national grid.

The plant is manned by a combination of ex-pats and local staff. Currently there are 5 ex-pats on site. The local staff are very friendly and the professionalism that they show towards their work is comparable to anywhere else I have worked.

We are allocated 3 weeks leave after every 10 weeks working on site. During that time we are restricted to the site for security reasons. This is probably the most frustrating part of the contract as Pakistan has a very rich countryside that begs exploration. However the facilities on-site are excellent. We each have our own house and there is also a soccer pitch, swimming pool, 2 squash courts, tennis court and a gym. We have satellite TV so we get to see all the English premier league games, which is important when you are tracking Arsenal's progress to their 2nd consecutive league title.

The food on-site is very good and we have our own chef who prepares Western type food from Irish stew to Pizza. The only food not available is pork as Pakistan is a Muslim country, however occasionally someone manages to smuggle in a packet of Galtee

rashers, which is always much appreciated. We have a small bar on-site, available only to the ex-pats, which serves the finest Pakistani beer money can buy. The company, Muree, also produce vodka, gin and whiskey. It is the only brand available and is very much an acquired taste.

From a personal perspective the terms and conditions of employment are very good and provides an opportunity to live and work in another culture. The main down side is the security aspect. During recent tensions between Pakistan and India we were temporarily re-located to Abu Dhabi, UAE and any travel outside of the site requires a security escort.

Working in such a restricted environment puts a greater emphasis on the ability of individuals, especially ex-pats, to get on with each other not only from a work perspective but also socially.

So far the experience has been very rewarding although working here would not suit everyone. Pakistan is a lot different to what I had expected and it is a country that has the potential and the resources to become one of the most successful countries in the world and hopefully over the term of my contract I will get a chance to see it happen.

**Michael Kilcommons -
Financial Controller**

Institute of Chartered Accountants Practice Conference 2002

The Institute of Chartered Accountants in Ireland held its Practice Conference in the Grand Hotel, Malahide on April 11th and 12th, 2002.

There was a convivial atmosphere from the moment that the Registration Desk opened at 8am on Thursday morning. The buzz continued to rise as delegates met each other for coffee and a chat before the sessions began – and some even agreed to pose for photos!

The theme of the conference was “Enhance your Value – strategies for building a successful practice”. An impressive line up of speakers travelled from far and wide for the two days, including Sir David Tweedie, Chairman International Accounting Standards Board and Charles Mc Cann, a practising CPA from Kansas City who consults with CPA firms throughout the United States on topics including succession issues, compensation methods and exit strategies. Mr Mc Cann’s trip was sponsored by BrightWater Selection. Speakers from closer to home included Prof. Robert Kirk, Pat Mc Ardle, John Butler, Harry Carvill, David Simpson and John Mc Carthy.

Of course, no ICAI Practice Conference would be complete without its fair share of evening entertainment and this year was no exception. The entertainment had a decidedly World Cup theme. Packie Bonner delivered an entertaining after dinner speech, recounting tales from the Glory Days when he played under Jack Charlton. The World Cup theme was carried further into the night as an auction took place for a leather football and football jersey (modelled for all by the Conference Chairman, Jack Crowley) which had already



David Tweedie, Chairman International Accounting Standards Board and Henry Saville, President Institute of Chartered Accountants in Ireland



Roger Ashe, Compliance Executive ICAI, Aidan Lambe Deputy Director Quality Assurance Dept ICAI and Anne Sykes, Technical Executive ICAI

been signed by Mick Mc Carthy and to which Packie kindly agreed to add his signature. Proceeds of the auction were in aid of the Benevolent Association of the Institute of Chartered Accountants in Ireland. Once all of the serious business was out of the way, the band began to play and the singing didn’t stop until the small hours of the morning!! There was no respite for the fun loving delegates who, despite the previous nights festivities, turned out in large numbers once again on Friday morning to attend more conference sessions. The conference closed at

lunch time on Friday and the more energetic of the delegates, still not having their fill of fun and festivities, took to the golf course for Friday afternoon. Some people never get enough!!

The event was a great success and attracted over 170 delegates from all over the country.



The Market Economy from a HR perspective

Carole Brown of BrightWater Selection talks with Mr Denis O'Flynn, HR Director at Irish Distillers



What is your background?

I have a B.Sc in Industrial Micro-Biology. I have been working since 1984 in the Drinks Industry in the areas of Brewing, Packaging, Logistics, Training and Development and Human Resources.

What are your views on outsourced HR?

For smaller businesses, this is a pre-requisite. They need the expertise.

What advice would you give to a HR professional regarding their own career particularly in relation to specialisms?

HR professionals fall broadly into two categories. 1) Those who go into HR from the start and tend to gravitate into one specific area. 2) Those who have gone into HR later on in their career and who go into a broader area of HR. The specialist HR person has a potential for a skills deficit.

How would you compare the role of a HR Director in a unionised versus a non-unionised environment?

It is important to recognise the differences between the two environments. I have always operated

in a unionised environment. It is crucial to establish a relationship with the trade unions. Understanding their needs helps considerably in dealing with the issues that arise. I would advocate a consultative approach i.e. Partnership 2000.

How do you see that the increased supply of labour is exerting downward pressure on the growth of salaries?

There is a recognition from both an employer's and an employee's perspective that neither the salary increases nor the tax breaks can be sustained any longer. Wage inflation cannot continue. In the EU it is at 2.5% and in Ireland, it is at 5.5%. We cannot continue like this. If people can take a mature view on this, we can agree to wage moderation, which does not necessarily mean pay freezes. If we insist on paying wages above EU standards, we will run erode competitiveness.

In a recent report published by CIPD, it was stated that the economy is not in recession but that the jobs market is in a decidedly sickly state. What is your view on this?

We are effectively at 100% full employment. There is a loosening up of the economy. The danger I would see is unrealistic expectations moving forward particularly for the younger workforce, who as a consequence of the Celtic tiger economy have not experienced a downturn.

Do you think that EU legislation has had a positive/negative impact on Irish Labour Law?

I would say broadly positive. Legislation on minimum wage, max working week, maternity and parental leave has definitely been warranted. Overall it serves as a welcome guide to employment legislation in the workplace.

What is the future of the IT sector in Ireland?

I worry for it. It is largely driven by the US. As the US has been in recession since September 11th, it has had a real knock-on effect on the rest of the world. We have seen the demise of the dot com companies and well known US multinationals. For the next 12 months, I would say that the IT sector will remain changeable.

What is your view on US Investment policy in Ireland?

It is based on the tax breaks and wherever labour is most cost effective. At the moment, in Ireland, because of wage inflation, we have become a very expensive option for the US multinationals. Companies in Eastern Europe are likely to capture the eye of the Investor.

In conclusion, 2003 will see a stronger staff retention, with salaries remaining stable and a continuous highly competitive HR jobs market.

Carole Brown

Who said accountants don't have a sense of humour?

What's the definition of a good tax accountant?

Someone who has a loophole named after him.

What do actuaries do to liven up their office party?

Invite an accountant.

What's an accountant's idea of trashing his hotel room?

Refusing to fill out the guest comment card.

How do you drive an accountant completely insane?

Tie him to a chair, stand in front of him and fold up a road map the wrong way.

There are three kinds of accountants in the world.

Those who can count and those who can't.

How can you tell when the Chief Accountant is getting soft?

When he actually listens to Marketing before saying no.

What do accountants suffer from that ordinary people don't?

Depreciation.

What do you call an accountant without a spreadsheet?

Lost.





A selection of events sponsored by BrightWater



PWCNI winners of the UCASS Table Quiz, March 2002.



Clark Bailie - Chairman, CIPFA Northern Ireland Branch (CIPFA Chairman's Lunch April 2002).



Deloitte Ladies - Winner of the Ladies' Cup (DCASS Annual Football Tournament, August 2002).



Raging H's - Winner of the Men's Cup (DCASS Annual Football Tournament, August 2002).



Attendees winding down with a few drinks (CIMA Post Exam Drinks, May 2002).



Sisters Sheila & Ursula O'Doherty, Paula McGrath, Managing Director BWS and Caroline Walsh (CPA Conferring Evening, August 2002).



Niall Duggan FCCA, Chairman - ACCA Financial Services Network, Cormac McCarthy, Chief Executive - First Active plc, Des Hanrahan FCCA, President - ACCA Leinster Society and David Bloch, Managing Director - BWS (ACCA SMF FS Lunch, October 2002).



Philip Oxley - Ernst & Young, Paul Foxtan - DCASS, Monica Power - LGT Bank, Wendy Hodgson - Director of BWS and Neil Anderson - Tailor Nelson Sofres at the BrightWater Selection Champagne Tasting Evening. A fantastic night was had by all.



Dear David



David Bloch is the joint owner of BrightWater Selection. David commenced his recruitment career in the UK in the 1980s, and moved to Ireland in 1998 as joint MD of BrightWater Selection.

I have been asked many many questions since my last article, but by far the 2 most common have been these two:

Q. Clients ask me: Why are Recruitment fees so high?

Recruitment fees are not too high. In fact they should be a little higher judging by the state of many recruitment companies current financial plight! This question is asked by Clients on a weekly basis, and on a weekly basis I stick within 10% of our Terms – or redirect customers elsewhere. It is a tough topic and I will attempt for once to give a full explanation to this issue - so bear with me!

There is an intrinsic problem with “contingency” (no placement, no fee) recruitment. The basic premise is that Clients ask Recruitment Consultancies to send them suitable CV’s. The Client then selects those they wish to interview – the process continues until (hopefully) offer stage. Upon the candidate’s start date a fee of between 18% and 30% is charged (depending on the level of the individual).

If the system ran perfectly smoothly then these fees could come down. The problem is that the Recruitment Industry is not “Time Apportioned” as in other service professions (every time you ring your Solicitor you are charged for the time you’re on the phone). In effect then the Client, after every successful placement made by a Recruitment Consultancy is paying for the unsuccessful ones: The ones where the Client was just benchmarking against the internal Candidates, where there were 3 recruitment companies sending CV’s, where at the last minute the US doesn’t give approval etc. Add onto this additional costs: staff salaries, advertising, fixed costs, interviewing, added value functions like Client visits and salary surveys and you can begin to appreciate where the fee goes to.

The solution is very clear: all recruitment should be done on an exclusive and retained basis (like the Search firms) where a portion of the projected fee is charged up front. This commits both parties to fulfilling their obligations. Sadly, the Industry is so established, and Client expectations of no risk (no placement, no fee) recruitment so ingrained that it will take considerable time to redress

the problem. In the meanwhile the weaker Recruitment Consultancies will continue to disappear – and recruitment fees will remain high.

Q. Candidates ask me: What’s the market like?

It’s tough, and will continue to be so for a little while.

When I wrote my last article for Choices I based many of my observations on the economy and it’s impact on recruitment, and that is still a good place to start: the economy is tight, but more crucially companies aren’t bullish. When you discuss growth plans for 2003 Clients are cautious.

Recruitment and growth are based strictly on confidence – if you think last quarter 2002 is going to be busy, you take on new staff to facilitate your ambitions. The problem this year was unforeseen by everybody: major fraud in corporate America. In the early 1990s there were clear recessionary factors in place where today there aren’t. However, in the early 1990s (in any slow-down the weakest companies will inevitably suffer) the companies to collapse included BCCI, Polypeck and The Mirror Group. In each case we could point to “dodgy dealers” from abroad; but this time we are looking at Arthur Anderson, Enron and Worldcom!

There are no fundamental problems in the economy, but clearly there are integrity flaws in corporate America. Confidence has remained modest, but stable for most of 2002. So, in short, the market is tough and what we need now is a prolonged period of stability (in Corporate America and over possible war in the Middle East) for real faith and optimism in the future to return. At that point I will be able to answer your question about the state of the market as I would like to: the market is great!

To conclude then: Ireland, which is now firmly linked to the Western world’s economic cycle is having a tough time, but certainly not as tough as it has been. It is possible to make money, win promotion and move job – you just have to be a bit better than the average, and stand out from the crowd. BrightWater Selection is here to help...

Send your questions to David at our Dublin office

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