

# Building Company Competitiveness in Ireland

Jan Gallagher & Mike Devaney  
Enterprise Ireland

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LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Ministère de l'Économie

Observatoire de la compétitivité



L-Università  
ta' Malta

STATEC



UNIVERSITÉ DU  
LUXEMBOURG

LU<sup>EMBOURG</sup>  
LET'S MAKE IT HAPPEN

**Enterprise Ireland was established in 1998 as the Irish State Agency tasked with providing an integrated holistic approach to enterprise development.**

**Enterprise Ireland is responsible for;**

Supporting Irish businesses in the manufacturing and internationally traded service sectors to build scale and expand reach in global markets

Working with research institutions, to secure commercial purpose, leading to jobs and sales and exports, for technologies and ideas developed in Irish research institutions


Providing direct funding to researchers to commercialise their and drive the commercial return on the State's research investment

**Enterprise Ireland's Resources**

€385m Annual Budget

10 offices across Ireland and an International Network of 33 overseas offices

650 Staff




**Global Ambition**  
**If you've got the ambition we'll  
help you take it global.**

## **What we do**

- Enterprise Ireland helps companies start, innovate and scale internationally
- Work with 5,000 Irish owned businesses across all sectors of manufacturing and internationally traded services
- Offer leadership, competitiveness, innovation, networking and financial supports made to match ambition at every stage of company development
- Mandate to drive collaboration and commercialisation of state-funded research
- 33 international offices; 10 offices in throughout Ireland
- Key focus is the development and growth of Irish companies in global markets
- Responsibility for FDI in food

## ENTERPRISE IRELAND STRATEGY 2017-2020



**BUILD SCALE**



**EXPAND REACH**



**DELIVER  
GLOBAL AMBITION**

<https://www.enterprise-ireland.com/en/Publications/Reports-Published-Strategies/Strategy-2017-to-2020.pdf>

## How we will deliver - Dual approach for Companies

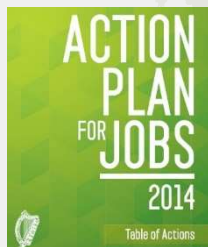




# **Improving Competitiveness Using Lean Principles**

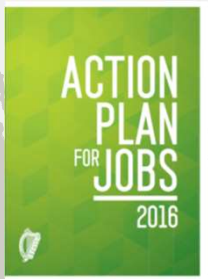
## **The Irish Experience**

# Lean - Action Plan for Jobs 2014 to 2018



## Disruptive Reforms 2014

- Entrepreneurship
- Export Sales
- National Productivity Step Change
  - EI Response - Lean Business Offer & Supporting activities



## 2016- Lean Ireland Initiative

IDA, Enterprise Ireland,  
Udaras Na Gaeltachta LEOs Shared Lean  
Support....working together



2015 Action: Additional funding  
of €1.5 million for IDA  
Manufacturing, Step Change  
Programme



## 2017 & 2018- Lean Ireland Initiative continues

- Lean essential to ability to compete in global markets,
- More than 3 out of 4 participating companies have reported improvements in productivity and / or capacity increases

- A structured yet flexible “Lean” approach to performance improvement could effect change at National level
- A tiered response appropriate to company absorptive capacity and stage of development
- Starting a process will embed lean in the culture of the organisation



# Key Points of the Approach

1. Lean Business not Lean Manufacturing
2. Based on Applied Benchmarking for Competitiveness
3. Three tiered offer
4. Developed & Managed Lean Consultants
5. Results orientated (measurement)

# Competitiveness Benchmarking

## What is it?

Measuring company performance against the competition across a range of business functions

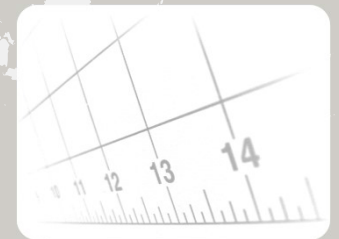
Metrics on profitability, marketing, operations, innovation, productivity and human resources.

Examining the practices in place and the performance being achieved from those practices.

**Goal:** To improve competitive position.

## Key Principles

- It is a context for performance / can't compete in a vacuum!
- You can only effectively manage & improve what you measure



# Competitiveness Benchmarking

## What You Get?

- Hard facts on how well your business is performing
- Objective comparison against industry norms via international databases
- Company strengths & weaknesses identified
- Ability to make decisions based on facts
- Ability to prioritise opportunities for improvement
- Helps aim for superiority rather than parity (learn & surpass)



# Benchmarking .... A reality Check

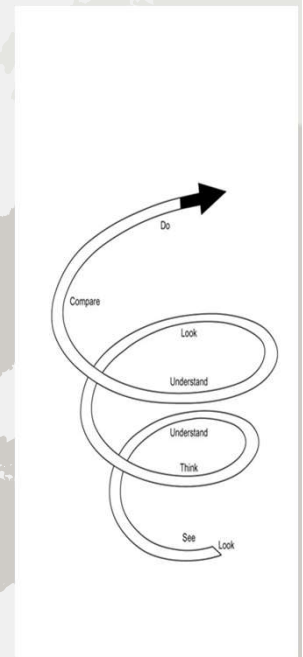
- Tell it as it is
- See it as it is



How does the company  
view itself?

# Lean Business Offer

- **Lean Start:** Introduction to Lean concepts /understanding of what lean tools & techniques can do, 7 day interaction, over 1 to 2 months
- **Lean Plus:** Medium-term business process improvement project resulting in sustained use of Lean techniques, related methodologies & achieves significant measurable gains in capabilities & competitiveness, 3 to 9 months of activity
- **Lean Transform:** A large scale and holistic company transformation programme, 2 years activity



Companies over 10 employees in ICT, Industrial Products & Food Sectors

At the 833 Projects stage:

- Start      Average Savings +€55k
- Plus      Average Savings +€145k
- Transform      Significant 😊

Employment up an average of 11%

Sales up 40%

Product & Service quality up 30%

11,426 people trained in programme

Delivery adherence up 43%

58% appointed Lean Champion

Sales per Employee up €37k = 20% Productivity Improvement

Total productivity gains circa €1,254 million

# Lean for Micros Pilot Outcomes

## Companies up to 10 employees in local economy

- **Annual Cost Savings:**

- Average: €41,000
- Range: €8,600 to €151,000
- 1% to 25% of Turnover

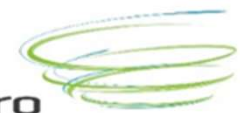
- **Output / Capacity:**

- Average: 45%
- Range: 10% - 100%

- **Other Benefits:**

- Enhanced work environment, teamwork

Lean for Micro



**Objectives:** Improve project delivery model, increase transparency, reduce defects....

**Challenges:** Employee appetite, new ways compatibility concerns, customer communication concerns...

**Changes:** Two projects to pilot new model for planning, delivery & continuous improvement, from one large project to multiple small projects....

**Results:**

- 500% faster project delivery to market
- Fewer defects
- Project visibility dramatically increased
- 35% productivity increase



# Topflight Travel Company

- **Objectives:** Map processes, Eliminate waste, Improve communications, Align strategy across entire organisation, Break silos, Instil Lean Culture across entire organisation
- **Challenges:** Processes complex and not very visible, Multi site, Lean service comparator difficulty
- **Changes:** Increased Customer focus, Challenge status quo, Culture.....
- **Results:**
  - 32% reduction in costs per guest (€250k savings)
  - 45% reduction in planning time
  - 45% improvement in transfer efficiency
  - Improved customer service, reduced poor responses by 36%

# Lessons Learned

- 1. Need for a client centric approach**
- 2. Need to provide a “support” structure for companies over time (including close working relationships)**
- 3. Need for resources**
  - SMEs didn't/couldn't know who is a good or a bad consultant,
  - SMEs didn't want to be sold “old rope” or the consultant's favourite solution, they wanted their real issues addressed
  - SMEs required “local” support, typically within an 80 km radius.
- 4. Development of the Lean Service Providers Directory**
- 5. People like to hear success stories from their peers**
- 6. Need committed team comprising, company core group, Enterprise Ireland, trainer consultants, who accept the challenge to support companies to develop & achieve Lean Best Practice**

## Addressing company & industrial sector competitiveness based on a National Development Plan for Ireland

Competitiveness	Reach	Innovation
<ul style="list-style-type: none"><li>• Price</li><li>• Service levels</li><li>• Quality</li><li>• Delivery / logistics</li><li>• Project completion</li></ul>	<ul style="list-style-type: none"><li>• Pricing model</li><li>• Operations – sales interrelationship</li><li>• Developing new processes for markets</li></ul>	<ul style="list-style-type: none"><li>• Lean design</li><li>• Value stream mapping</li><li>• ERP</li></ul>

**The 3 pillars – Brexit challenge**

**Lean facilitates achievement of the three pillars**

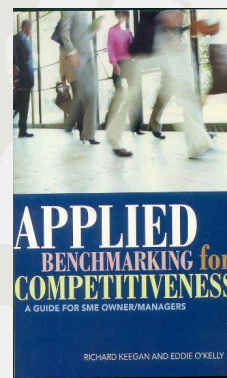
**Data on impacts & improvement feed into current and future strategy**

# Need for further research

A clear, focused academic analysis of the program to study the method & the impacts

Expect insights gained to have the potential to be of significant interest to regions and countries that are challenged by improving the competitiveness of their SMEs

# Supporting Documentation



Oak Tree Press



<http://www.enterprise-ireland.com/en/Becoming Lean>  
[Becoming a Lean Service Company](http://www.enterprise-ireland.com/en/Becoming a Lean Service Company)

NSAI – SWIFT 11:2013 Driving Competitiveness using Lean

