

A land of rising opportunity

Business between Canada and Ireland runs smoothly because the two nations understand each other well – and even share a similar sense of humour, writes **Lorraine Mallinder**

A YEAR AGO, the employees of a small family-owned company based in Cork gathered round a table to discuss new overseas markets for their products. That night, after putting his kids to bed, manager Tony Ryan went up to his attic office and googled “Canada”. Now the company has a network of dealers across the country selling its detachable sweepers.

For those not in the know, these are cleaning attachments fitted to heavy vehicles such as forklifts and tractors. Mallow Road Engineering has been manufacturing them for the past 20 years, selling primarily to the European market. From his online searches, Ryan discovered that the company would have to set up a dealer network to be able to sell its product in Canada.

The process proved surprisingly simple. With the aid of Enterprise Ireland in Toronto, Ryan put together a list of potential candidates. Within months, the company had started shipping demo machines to dealers, with Ryan making repeated trips to train sales people and meet their customers.

His major coup was finding a master dealer in Ottawa through which sales to the rest of the country could be funnelled. Next year, the company plans to set up a permanent base in Canada.

“Canadians are pretty straightforward,” says Ryan. “They’re very black and white. If they say they’re going to do it, they do it.”

The company had also been trying to interest the US market in its product but found it a lot harder to get hold of decision makers. “Trying to contact people in the States is a nightmare,” says Ryan. Canadians, on the other hand, were “willing to talk, to look at new products and discuss ideas”.

It used to be said that Canada was the poor man’s US but, having emerged from the recent economic crisis relatively unscathed, the vast country with the relatively small population (34 million) is proving its credentials as a great business bet, with a wealth of untapped opportunities from east to west. According to the Economist Intelligence Unit, it will be the top place to do business in the G8 over the next five years.

More and more Irish companies are looking to Canada for export growth, with an average of six to eight deciding to set up shop there each year, says Nick Marmion, senior vice-president of Enterprise Ireland for



Canada. “The key message we’re hearing is that Irish companies see the Canadian market as a good place to assist them in diversifying and growing,” he says.

Canada is viewed as a steady market that offers long-term prospects. The decision-making process can tend to take longer, with more people involved in discussions. Canadians, after all, are known for their love of consensus. But, once that foot is in the door, relationships tend to be lasting.

Sunrise over Toronto: Irish companies are attracted to Canada because it is mainly English-speaking, has high levels of disposable income and acts as a gateway to the wider North American market

“Canadians are serious buyers and serious business people,” says Marmion.

For many Irish companies, the attraction is clear. Canada is a predominantly English-speaking country with high levels of disposable income that can act as a gateway to the wider North American market. But the province of Quebec, which is French-speaking, should not be overlooked. Although the language barrier made preliminary research difficult, Ryan managed to set up relationships with two dealers in Quebec through his

partners in Ottawa, who spoke French.

The attraction between the two countries is a two-way street. Culturally speaking, Canada has always been open to Europe. Indeed, Irish companies coming to Canada with European references should find that doors open fairly easily.

More importantly, however, with nearly three quarters of its trade activity directed at the still-vulnerable US economy, Canada is increasingly setting its sights on European markets for its growth. It’s a trend that hasn’t

Facts and figures

■ Irish exports to Canada have grown by 25 per cent over the past six years

■ The main Irish exports to Canada are chemicals, pharmaceuticals, electronic components, machinery and beverages

■ Canada receives almost one quarter of Ireland’s direct investment abroad

■ Ireland is the fifth largest recipient of Canadian direct investment abroad

■ There are 48 Irish companies, with 65 branches, in Canada employing close to 5,500 Canadians

Sources: Enterprise Ireland and the Department of Foreign Affairs

escaped the attention of Arran Walsh, marketing director of Dublin-based software manufacturer Ocuco, who noticed that his company’s Canadian client was “extremely interested in finding out how things are done in Europe”.

Ocuco has also hit bull’s-eye in Canada. The company manufactures software for the optics market, linking networks of opticians with laboratories and medical specialists. After three years of tenaciously courting fledgling Canadian chain FYI Doctors, it has just landed a \$1.6 million deal.

The case was noteworthy since it involved a brand new company that was in the process of acquiring a network of firms and building a laboratory. Ocuco was there from the start, with Walsh making repeated trips to meet company representatives and introduce the software. Eventually, his persistence paid off. The deal was sealed after a breakfast with the Canadian ambassador, Enterprise Ireland and the heads of both companies.

The cultural similarities between both countries help. According to the last Canadian census in 2006, 14 per cent of the population has an Irish background. As a whole, the Canadians “get” the Irish humour and character. Ryan would be the first to attest to this. His deal with the Ottawa dealer was sealed after the chief executive discovered the company was from Cork. He’d been on holiday there two years previously.

People tend to be “straight”, says Marmion. “If you send a Canadian company information about a product, they’ll tell you if they’re interested. And, if they’re not, they’ll tell you why. It’s very transparent.”

Irish networking in Canada

NETWORKING opportunities for Irish companies are plentiful, with six branches of the Ireland-Canada chambers of commerce spread out across the country; in Montreal, Toronto, Edmonton, Calgary, Ottawa and Vancouver. Through their events, the chambers aim to unite companies and business people with links to Ireland. Visit

ireland-canada.ca for more information on the various chambers and their work.

Eamonn O’Loughlin, executive director of the Ireland-Canada chamber of commerce in Toronto, recommends that companies consider western cities such as Calgary and Edmonton. “There are opportunities coast to coast,” he says. “But it’s competitive just like

it is at home. The streets are not necessarily paved with gold. You have to be on top of your game.” The Irish, he adds, are highly regarded and liked in Canada.

The GAA, which promotes Gaelic football and hurling, also has a strong network of business people in most major urban centres across the country.

Firms are attracted by our tax, skilled staff and door to Europe

Ireland is an attractive prospect for Canadian companies that want to expand into Europe, writes **Barry McCall**

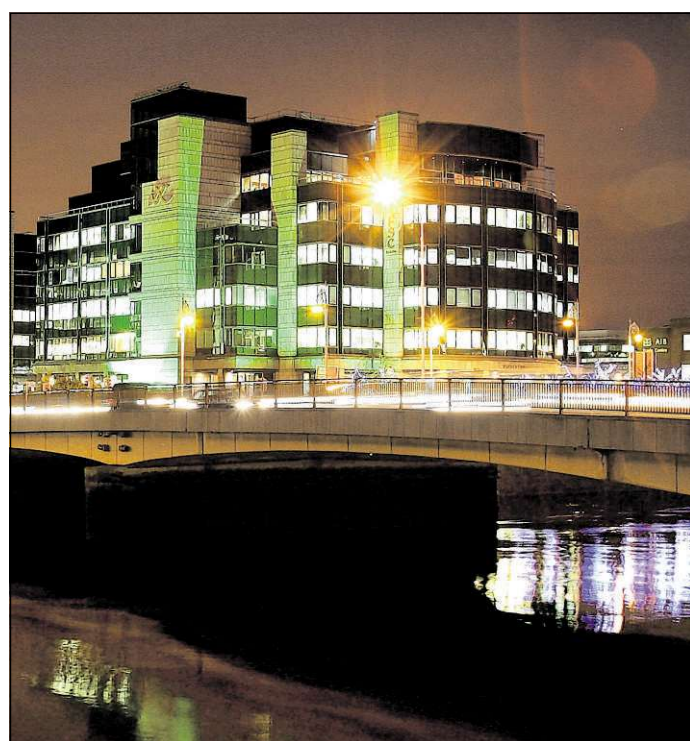
IRELAND’S success in attracting investment from the US over the years has been well documented, less well known is our excellent record in relation to Canada. Ireland is the fifth largest recipient of foreign investment from Canada and some 80 Canadian companies have operations in Ireland. The relationship is very much a two-way street with Canada receiving almost 25 per cent of Ireland’s foreign direct investment abroad. There are 220 Irish companies exporting to Canada and 45 Irish companies employ 5,500 people in Canada.

Sales in the Canadian market by Irish-owned SMEs have trebled in the past five years to reach more than €100 million.

Possibly the best known and longest established Canadian firm in Ireland is Canada Life. “We have been here since 1903,” says Canada Life Ireland managing director Ruairi O’Flynn.

“And we have grown the business over the years in a very good reflection of modern Ireland. In addition to the original life and pensions business we now have Canada Life Europe, which is our German business, headquartered in Ireland. We have an IT centre employing more than 100 people and we have Setanta Asset Management – a very significant funds management operation in the IFSC. We now have well over 500 staff here making us the largest Canadian employer in Ireland.”

And this growth reflects the company’s positive experience of Ireland. “Ireland is a very good



Thirty-six of the 80 Canadian companies operating in Ireland are in the IFSC in Dublin. Photograph: David Sleanor

place to be,” says O’Flynn. “It is part of the EU and the Eurozone and is a very good place for financial services businesses.”

“Setanta continues to market its services to other group companies in Canada and I’m very confident it will continue to win new business for Ireland because it is good at what it does and Ireland is recognised as a good place to carry out fund management.”

“Canada Life Ireland will continue to remind our parent of the value of operating in Ireland and we will play our role in helping to attract further inward investment to Ireland from Canada.”

Ireland has been particularly successful in attracting Canadian financial services firms to Ireland. Of the 80 Canadian companies

operating in Ireland, 36 of them are in Dublin’s IFSC. These include global players such as the Bank of Montreal, Scotiabank and RBC Reinsurance.

“All the major banks are here,” says Enda Newton of Byrne Wallace solicitors. “They are attracted by the fact that we are English speaking, a member of the Eurozone, and we have the skilled workforce they require. The tax regime is also important. Many of them see Ireland as an ideal jumping off point to the European market.”

The high-tech and software sectors are also well represented through firms such as robotics manufacturer Allen-Vanguard Corporation, sensor manufacturer LMI Inc, telecommunications giant Nortel, electronics manufacturing services firm

Celestica, GIS developer QC Data and software company Dialogic leading the way.

“Canadian companies tend to be firms with intellectual property to manage and Ireland has a good regime in that regard,” says Newton. “We also have a positive tax regime, particularly with the R&D tax credits and so on, and we have the talent to support these companies.”

Ireland Canada Business Association chairman Malachy Smith, who works for Canadian technology company DNM Technology, agrees. “We have the young well-educated people, the positive tax environment and we offer open entry to the EU market,” he says.

Ruairi O’Flynn believes there is also a deeper connection between the two countries. “There is a great affinity between Ireland and Canada and the cultures in the two countries,” he says. “That’s a softer dimension to our relationship that definitely helps attract Canadian investment and that can be leveraged in the future to attract more.”

Smith also points to the two-way nature of the relationship. “We are holding the first Ireland-Canada Business Summit in Toronto in the week before St Patrick’s Day next year,” he says.

“We are doing this to promote trade and investment in both directions. We are hoping that this will be a Farmleigh-type of event where we can identify opportunities for Canadian firms to invest in Ireland and for Irish firms to expand into Canada.”

“The summit will run for three days and will culminate with our attendance at the Ireland Fund of Canada dinner on the Friday where we will be able to deliver our message to an audience of 1,200 people.”

“This will be a tremendous opportunity for us to put the Ireland story centre stage with the Canadian business community.”

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