

American Thanksgiving

In association with the American Chamber of Commerce

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Enduring relationship pays rich dividends

Barry McCall

US investment in Ireland has been hugely beneficial to both countries: talent and tax measures can help ties to stay strong

Throughout the pandemic and more recently during the massive disruption caused by the war in Ukraine, US multinationals have continued to make an enormous contribution to the Irish economy and society in the form of increasing employment, corporation and other tax payments, investment in innovation, and support for communities.

"US investment is extremely important to the Irish economy from multiple perspectives," says Deloitte tax partner and technology, media and telecommunications industry leader, Daryl Hanberry. "In pure tax receipt terms, the increasingly significant corporation tax revenue is driven by US multinational investment in addition to a disproportionate amount of income tax receipts."

"The latest Annual Taxation Report published in September 2022 by the Department of Finance, stated that foreign-owned multinational firms accounted for about one-third of all income tax receipts and around 80 per cent of corporation tax receipts. While much of the commentary has focussed on the dependence on corporate tax receipts, it is clear that the Irish economy is very much dependent on the high-skilled and better paid jobs created by US investment into Ireland."

According to American Chamber chief executive Mark Redmond, the best way to understand the importance of American investment to Ireland is to imagine what things would be like without it.

"For a start, a total of 342,000 jobs would disappear

overnight – that's 190,000 people employed directly by American companies and another 152,000 people who are employed indirectly as a result of their activities here," he says. "The spend in the local economy would be down by almost €30 billion. That's €12.4 billion in payroll, €8.8 billion in goods and services, €6.5 billion in capital expenditure, and other spending. One third of the country's income tax revenue would disappear overnight, as would 80 per cent of corporation tax revenue. And 7,300 community projects supported by American companies would also suffer."

The scale of that investment has a ripple effect across the rest of the economy, Hanberry notes. "Ireland ranks first for the export of ICT services globally according to the latest IMD report. We also outperform in other industries such as the aviation leasing industry, where 50 per cent of the world's aircraft are managed or leased in Ireland. The presence of a significant level of cutting-edge in-

“We are probably more similar to Americans in how we work than we are to people from mainland Europe

novation across multiple industries has elevated the skill levels of Irish talent. This has the effect of attracting even more investment into Ireland, but it also creates the environment for a thriving indigenous sector in the financial services, technology, and life sciences industries."

There are political and social dimensions as well. "US investment has been so important in so many ways," says William Fry partner Paul White. "The relationship between the two

countries has manifested itself in political support for the Good Friday Agreement, for example. There are social aspects too. Ireland has transformed over the last 30 years and that has been influenced by the presence of American companies here."

Ireland's success in attracting US investment is due to a number of factors, according to Hanberry. "Ireland has been very focussed on attracting US investment for decades and the results of those efforts can be clearly seen today. The 12.5 per cent corporate tax rate is always seen as the key totem to attract inward investment but while it is an important factor, other less talked about factors play a significant role. Ireland is the only English speaking member of the EU and the euro zone which is very attractive for US investment. The presence of a young and educated workforce, the number of transport connections to the US and Europe, a common law legal system and an environment where it is recognised as easy to

do business all play a significant role in attracting US investment to Ireland."

White agrees that the favourable tax regime is just one of the elements of Ireland's attractive proposition for US FDI. "The two countries are quite similar culturally," he says. "We are probably more similar to Americans in how we work than we are to people from mainland Europe. We have a young and mobile workforce, both Irish and European, and that gives us a talent advantage. People are coming here and bringing their skills to Ireland. We are moving from being a nation of emigrants to one of immigrants. We have a lot of Irish people returning as well and they are bringing their skills and expertise back with them and adding them to the melting pot. They are also bringing business know-how, that makes a big contribution to Ireland's FDI success story."

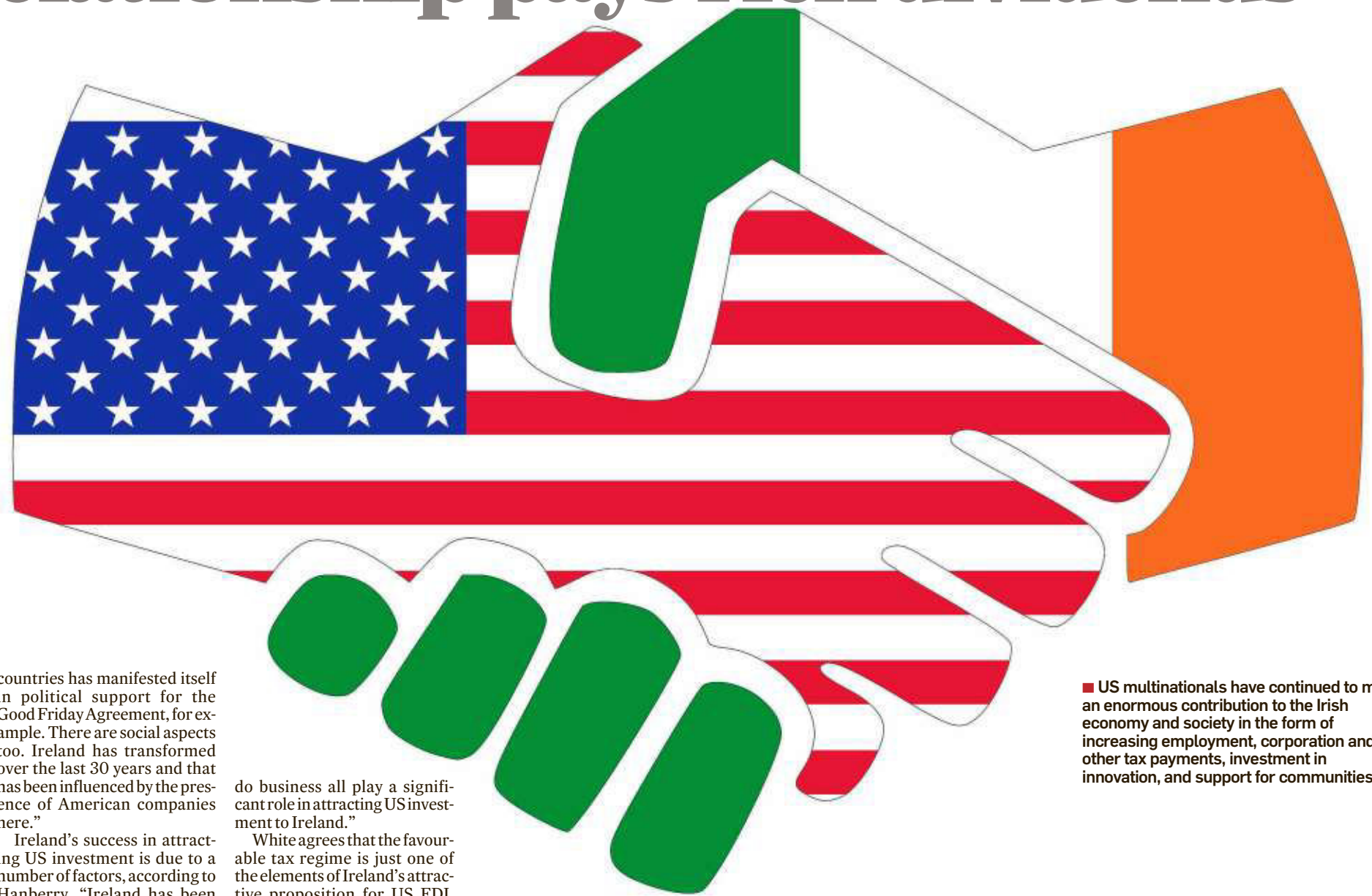
Our geographic position helps, he adds. "You can be in London in an hour and Amsterdam or Frankfurt in two hours."

Threats

Hanberry points to two broad threats to future success in this regard. "Firstly, our high rates of income tax are a barrier to locating staff in Ireland particularly in an environment where international remote working is playing more of a role in the war on talent. Moves, for example, to limit the application of the Special Assignee Relief Programme will have a detrimental effect on inward investment. Secondly, there are a number of infrastructural issues that need to be addressed in Ireland such as the availability of housing, a growing cost base and the supply of electricity to name a few."

White emphasises the importance of talent. "Companies are under a lot of pressure, and we have seen some of them reducing headcounts," he says. "I hope that will be a short-term trend, but we need to monitor it and see where it goes. We still need continued investment into education to have the workers here to support both US and domestic companies. It always comes back to talent. When we speak to companies in the US, a big priority for them is maintaining a stable workforce."

The need for consistency is highlighted by Redmond. "Certainty in economic policy is very important. The consistent approach to corporation tax policy over the last seven decades must be maintained. And when we look over the horizon at the next opportunities in areas like AI, machine learning, robotics, supply chain integration and automation where Ireland can be a world leader, we need to ensure we have the investment in the research and education ecosystem to support those opportunities."



■ US multinationals have continued to make an enormous contribution to the Irish economy and society in the form of increasing employment, corporation and other tax payments, investment in innovation, and support for communities



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Ireland is a great base for talent and needs to remain so

Sandra O'Connell

Euro zone's fastest-growing economy offers easy access to EU markets and international supply chains

Ireland was recently ranked first in the world for attracting and retaining talent by IMD, an international business school. In a tight labour market, that's a great advantage to have. But what's driving it and is it at risk?

"Ireland is a great place to work and live," says Anna Scally, international tax partner, head of technology and media, fintech lead at KPMG Ireland. "A winning combination of talented people, an enduring commitment to the EU and international trade and an exceptional track record sets us apart."

The exceptional level of talent available is a key factor. "The Irish workforce is highly skilled and adaptable," says Scally. "Attainment in higher education is high among 25 to 34-year-olds in Ireland at 58 per cent, which is 17 per cent above the EU average. All of these factors continue to attract investment from multinationals, who continue to not only utilise our exceptional domestic talent but also bring new talent into the country from every corner of the world."

Quality of life

Ireland also offers a great quality of life.

"The United Nations Human Development Index places Ireland eighth in the world for quality of life based on each country's health, education and income. While job losses have recently been announced in some tech companies, it is really hoped that those who find themselves out of work will remain in Ireland and help fill some of the other open positions in similar companies," says Scally.

In addition to a high-quality workforce, Ireland is the fastest-growing economy in the euro zone and offers easy access to the EU market and international supply chains.

"The quality of our professional services ecosystem is of a very high standard in Ireland, creating a pipeline of talent that US multinationals can rely on. For example, at KPMG, we've had over 400 recent graduate hires. Post-training, many of our graduates end up working in the US multinationals across all sectors, so having that consistent access to quality staff is a major bonus for them when setting up in Ireland," she adds.

In addition, Ireland's corporate tax and incentives for business such as the R&D tax credit and Knowledge Development Box (KDB) create a very business-friendly environment.

However, while Ireland's personal tax system is highly progressive, "the entry point for paying the top rate of tax is relatively low, notwithstanding the fact that the bands were increased somewhat in the recent budget to counter inflation. The problems currently facing the Irish economy are largely out of our control and due to global events and, unfortunately, they are not going away any time soon, so more will need to be done to keep Ireland competitive for talent," she cautions.

Minister for Finance Paschal Donohoe's comments in the budget speech were a very welcome indicator that the Government is going to explore more ways to maintain Ireland's competitive edge, says Scally.

"One such measure mentioned was a potential move towards a territorial tax system, which would help to simplify our tax regime, which would be a very welcome. The Minister also announced that the Government will create a medium-term roadmap for personal tax reform considering the findings of the Commission on Taxation and Welfare. We suggested in our pre-budget submission that Ireland should introduce a medium tax-band for middle-income earners and that the government should also consider enhancing the R&D tax credit for sustainability-related R&D activities, which would not only enhance our competitiveness but also encourage a more sustainable future in Ireland," says Scally.

Ireland has a proven track record as a hub for investment. "Our nation's attitude enables companies to set up swiftly, with



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The Irish market has experienced continued economic growth and increased demand for talent. We have had great success in attracting FDI to our shores, with the 2021 Global Talent Competitiveness Index ranking Ireland as number one globally in this regard

minimal red tape, in a connected English-speaking and common-law environment. We offer certainty to the multinationals, certainty of our commitment to the EU, certainty of legal and tax treatment, and certainty of access to the EU's single market and global talent and skills," explains Julie Galbraith, employment law partner at law firm Eversheds Sutherland.

"Our talented and youthful workforce is well-educated, mobile, ambitious and adaptable. As a country, Ireland combines competitive salaries with a high standard of living to attract talent from every corner of the world. It is the people, rich with creativity, skills and culture, who drive Ireland's and its FDI investors' success."

Despite all the challenges of the past couple of years "and notwithstanding the ongoing accommodation situation", Galbraith believes that Ireland will continue to develop as an international platform and legal hub.

Ireland has also long been known as a hotbed of creativity and innovation, says Mitchell Cash, director of talent acquisition and people analytics at Fidelity Investments Ireland.

It has an international reputation for producing some of the best scientists, engineers and technologists in the world. "But with this reputation comes a responsibility: it is vital that Ireland has a strong pipe-

line of STEM talent and cohorts of academically outstanding future research leaders with the skills and knowledge required to address the future challenges of an ever-changing work environment," says Cash.

His company's feedback from relocating talent is that Irish people are by and large warm and hospitable. However, he cautions that "systematically Ireland is less welcoming". Concerns with the housing shortage, the cost of living and the complexities and inefficiencies within the immigration process are among the most-cited reasons talented people have declined opportunities here.

"Ireland is a great place to live and work but we need to make it easier for new talent to move and settle here," says Cash.

Unique

As well as being the only English-speaking country in the EU, the Irish market is unique in that it is the European base for several global organisations across many industries, including technology and pharmaceuticals, points out Valarie Daunt, partner and human capital management lead at Deloitte Ireland.

"The Irish market has experienced continued economic growth and increased demand for talent. We have had great suc-

■ While Ireland's personal tax system is highly progressive, 'the entry point for paying the top rate of tax is relatively low'. PHOTOGRAPH: ISTOCKPHOTO

cess in attracting FDI to our shores, with the 2021 Global Talent Competitiveness Index ranking Ireland as number one globally in this regard. To put this into perspective, the American Chamber of Commerce, in its 2022 US-Ireland Business Report, stated that US multinationals alone have 190,000 direct employees in the country with an aggregate payroll spend of circa €12.4 billion annually," says Daunt.

For Ireland to remain attractive in what is an increasingly global talent pool, we need to reflect on not just our successes but also our areas of improvement. "The strong FDI we have experienced in recent years has prompted a strong inward migration of talent to the country. This influx of workers, coupled with a pre-existing shortage of housing in Ireland, has dampened the demand to move into an already saturated market. These factors are reflected in the Deloitte 2022 Gen Z and Millennial survey, which found that 56 per cent of Irish millennials consider the cost of living to be the greatest challenge for their generation compared with a global average of 30 per cent," says Daunt.

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Improving lives and building sustainable businesses

Jillian Godsil

US companies contribute hugely to the communities around them

While the relationship between the United States and Ireland is based on ancestral, historic and cultural ties, today it is further strengthened by the immense contribution made by American companies to communities across the country.

Claire Cronin, United States ambassador to Ireland, reflects on the powerful connections: "Since my arrival in Ireland nine months ago, I have visited every county and one of the highlights has been meeting the amazing people working at American and Irish companies, whether in the board room or on the factory floor. The people I have met are truly passionate about the companies that they represent, the work that they do, and their contribution to both the US and Irish economies."

"Many of the companies I have visited are engaged in corporate social responsibility practices that improve lives as well as build sustainable businesses. American companies are now more than ever considering how they use resources such as water, land and energy, the welfare and wellbeing of their employees, and how they respect local communities."

Climate change
"They are investing in schools and infrastructure projects, responding to disasters, making available new technologies, providing medicines and much more. US companies in Ireland are also at the heart of important conversations on combating climate change and on green transition and decarbonisation," she says.



“We all want to live in a world where future generations have ample resources and opportunities. I'm proud that US companies are demonstrating this commitment in Ireland
– Claire Cronin, US Ambassador to Ireland

In one example, US giant Google's Irish workforce has engaged with more than 500 non-profit organisations and social enterprises in Ireland, whether as donors or volunteers.

Rachael Bleakley, programme manager at Google.org says: "We are very proud to support our neighbours in the Dublin office with the fantastic work they are doing; from the Irish Nautical Trust who are training local youth in the maritime skills they need to obtain jobs skipping the boats in Dublin Port, to Ring-send Community Services Forum who are training local community leaders as trainers working with early school leavers in the local area, providing pathways to employment."

"Nationally, we have funded projects such as Rethink Ireland's Rural Recovery Fund, which is working with organisa-

tions supporting education, job readiness and training programmes for underserved communities in rural Ireland."

Google's well-known philanthropic arm Google.org also works to tackle big social problems by connecting non-profits and social entrepreneurs through four key aspects including expertise, products, funding and 'Googler Giving'. The company matches key Google professionals with non-profits, social enterprises and civic centres, gives away free products, and grant-aids early ideas, bold solutions and thoughtful community-led work.

"We also work to support Googlers' personal philanthropy where we match each employee's personal donations up to \$10,000 (or equivalent) to eligible causes each year," says Bleakley. "Google also allows employees to use up to 1 per

cent of their work time to volunteer with eligible organisations, which amounts to 20 hours per year for full-time Googlers."

Other US companies are not left behind. Toast, the all-in-one restaurant point-of-service system, hosts two major volunteer campaigns each year internationally: Season of Giving and Toast to the Earth.

Volunteer events

Paige Marino, senior programme manager, employer brand at Toast, also hails local initiatives.

"The local committees select organisations in their own communities to set up ad hoc volunteer events, or events in honour of special days, like Earth Day and World Bee Day."

For Earth Day this year, the Ireland Toast.org local committee organised a beach cleanup on Dollymount strand in conjunction with the Bull Island Action Group. For World Bee Day, the local committee invited Gilly Taylor and Brian O'Toole from Wild Acres – a large nature reserve, honey farm and biodiversity education experience centre in Wicklow – to educate the local staff on gardening for biodiversity.

"The technology contributions Toast has made to the industry have been transformational given the unique intersection of the food ecosystem, restaurant industry and technology space, and so we also push ourselves to amplify our impact in the technology space whenever possible," says Marino.

"For example, the theme for our last hackathon was 'Hack for Hunger' and Toasters from all around the world were given the opportunity to work on projects focused on fighting food insecurity."

Ambassador Cronin concludes: "We all want to live in a world where future generations have ample resources and opportunities. I'm proud that US companies are demonstrating this commitment in Ireland."

Leading remotely without growing remote

Sandra O'Connell

Leaders must guard against proximity bias and nurture a culture rooted in trust and flexibility

The pandemic may be receding but it looks like hybrid working is here to stay. For those tasked with managing teams from a distance, both opportunities and challenges exist.

John Shaw, country head at Legato Health Ireland, has seen staff numbers grow from zero to 145 over the past year. In a tight labour market in which the IT skills he seeks are in particular demand, the kind of workplace Legato offers has played a significant part in its recruitment success.

"We follow a radical hybrid model," explains Shaw. "The majority of people work from home the majority of the time and we create meaningful events for the purpose of getting together."

That includes a recent event to celebrate its first anniversary, a two-day event which on the first day included talks from the president of the company, a government minister and expert speakers.

Day two was all about innovation and "looked at how we move from having a start-up mindset to having an expanding mindset", says Shaw.

Every six to eight weeks his teams find a reason to come into the office to meet, work and socialise. "Every time we get together we include a social dimension, to celebrate our success," he explains.

Delivery

In order for this way of working to succeed, a certain kind of leadership is required. "We are delivery-focused as a team," says Shaw. "We are building a culture based on trust. We are not interested in presenteeism or micromanagement. If you study high performance teams you will see that they always have a high level of trust."

But presenteeism was always an "illusion", and a dangerous one for organisations, reckons Shaw.

"What drives success is your culture. It's not about getting everyone in front of you," he says. "We follow the servant leadership philosophy. My role is to enable people in the team to be successful, not to dictate. You hire smart people and you listen to them."

The desire to pull people into the office, simply so that you can see them working, is wrong-headed. "People want to be trusted," he says. "It's personally offensive to be distrusted."



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Anyone changing jobs now is likely to be looking for particular ways of working, such as saying 'I'll do one day a week on-site'

Not every organisation has established its position so clearly. "Over 50 per cent of our workforce does jobs that mean they need to be on site, whether in care, in hospitals, retail or transport," points out Mary Connaughton, director of CIPD Ireland.

Leaders in such establishments are presented with a completely new set of challenges that didn't previously exist.

One of growing concern is how to compete for talent in a labour market that wants flexibility, if you can't offer it.

To succeed requires fresh thinking about how jobs are composed, suggests Connaughton.

Being open to new ways of doing things will be especially important in organisa-

tions where you have both on-site and remote workers, says Connaughton. Keeping a common culture will be harder as a result. "When everyone did the same thing, it was much easier for managers," she says. "The variability in ways of working is resulting in challenges that leaders just didn't have to think about before."

The issue comes into sharp focus at recruitment stage. Connaughton says that new employees can be particularly demanding about remote working rights. That's not necessarily younger Gen Z entrants either, "but anyone changing jobs now is likely to be looking for particular ways of working, such as saying 'I'll do one day a week on-site,'" she explains.

■ Many talented employees are seeking greater flexibility in working arrangements

In some cases, remote workers want to live abroad, causing fresh challenges. While Ireland has consistency of employment law under EU principals, there are difficulties in relation to tax, social insurance and conditions of employment. If you establish an overseas office it's straightforward but Connaughton says "it's tricky if you are employing a single person abroad in relation to things like pensions and tax and, at the end of the day, employers are responsible, not employees."

Where an organisation sells itself in the labour market on the basis of the flexibility it offers, leaders must live up to that by role-modelling it themselves, she explains. "If they agree that we need two days a week in the office for collaboration and to be available for social conversation, then they can't stay at home or locked in an office at work," she adds.

Management has to walk the talk for this to work. Leaders must also actively guard against proximity bias. "There are very real fears around it," says Connaughton. "It's about making sure leaders are aware of, and respectful of, those who are not in the office as much as others, whether in relation to pay raises or promotional and development opportunities."

Fast-track

Leaders need to get across all of this, and fast, cautions Caroline Reidy, managing director of the HR Suite, particularly as the government has signalled that it is to fast-track remote working legislation. It gives employees the right to request remote work and will now be included under the Work Life Balance bill, which is due to be delivered before the end of the year.

"It means the right to request remote working will be here quicker than we expected," says Reidy. "It is very positive because it will bring clarity and there will be a code of practice around it."

It will also encourage business leaders to face up to change. "A lot of leaders are just doing things the way they have always done them," says Reidy. "It's now time to press pause and look at what learning can be taken from the period when we had the emergency move to remote working and think about how to do things now."

The first step for most organisations will be to set up a working group with stakeholders representing "all the different categories of workers in it, so that it takes all the various challenges facing people into consideration, such as maybe people who travel a lot for work," she says.

That process will feed into the drafting of policies for remote and hybrid working. "It's important that there is clarity in relation to the process and how to apply for it," she explains.

Next up comes training for managers, to help them give feedback and ensure they communicate effectively remotely.

"Overarching all of this is culture, which is what binds things all together," says Reidy.

"Starting with the working groups, drawing up the policies and then providing the training will help to support the new way of working you introduce. It will make it work. What you don't want in an organisation is for the approach to hybrid and remote working to come down to a chance factor such as whether someone has a good manager or not."



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Barry McCall

Ireland can remain attractive for FDI if it continues innovating

American Chamber of Commerce chief executive Mark Redmond is optimistic for the future despite the current challenging economic environment. He points out that US investment in Ireland has reached an all-time high, as has investment by Irish companies in the US. Indeed, Ireland is now ranked as the ninth biggest investor in the US.

"In spite of the global turbulence, US confidence in Ireland remains steadfast," says Redmond. "Last July, we carried out a survey of the leadership of American companies based here and 94 per cent of them reported that their HQ in America had a positive view of Ireland as a location. And 61 per cent said their firms intended to increase employment in Ireland in the next 12 months."

Political and social stability are key factors underpinning Ireland's success in attracting US investment, he notes. "Ireland is the only English-speaking country in the EU with a common law tradition. It offers a gateway to the EU for American companies. Also, the country is seen as stable both politically and socially. Our economy and society are underpinned by rule of law. We exhibit all those hallmarks of democracy which are being eroded all over the world."

Society

Social progress is also important. "We have been on a journey for some years and are now seen as a very enlightened society," he says.

"Social attitudes have changed greatly. Ireland was the first country in the world to introduce marriage equality following a popular vote. Social rights which we take for granted are under attack in countries all around the world. All these things con-

tribute to making Ireland a location of choice for US companies."

And then there is the trust factor. "We are also hearing leading figures in the US administration like treasury secretary Janet Yellen talking about the concept of friend-shoring. What she is referring to is trusted locations around the world where it is safe for American companies to invest. Ireland demonstrated how it could step up during the pandemic and companies here played a critical role in global supply chains. Ireland is one of those trusted locations for investment."

Looking to the next phase of industrial development here, Redmond believes innovation will be critically important. "We need policies that will foster and encourage innovation right across society," he says. "When we look at areas like industry 4.0 and the growing importance of technologies like AI, machine learning, robotics, supply chain integration, smart data analytics and integrated automation – these are all areas of great opportunity for this country. Ireland can be seen as a centre of excellence in these areas and that will help us to continue to attract FDI."

But there are some areas that require attention. "The Research and Development Tax Credit needs to continue to evolve to remain competitive with other locations," says Redmond. "We also need to look at what we are doing in the third-level sector. We welcome the establishment of the technological universities, for example. The consolidation of the institutes of technology into world leading technological universities of scale is already having an impact on the innovation ecosystem in the regions and engagement with multinationals there is going from strength to strength."

There is also a need to continue to invest at primary and post-primary levels to foster aptitude in STEM subjects and other relevant areas, he believes. Softer skills are important as well. "The ability to work in teams and collaborate is now more important than ever. That needs to feature in schools. People working in multinationals now need to work as part of collaborative and inclusive teams as they develop solutions to new problems. Ireland is well placed in that regard. We have an extremely diverse talent pool and many US multina-



“If the full potential of the Shannon estuary for offshore wind is harnessed, it could meet the energy needs of a country the size of Germany

tionals here have more than 100 nationalities working for them in Ireland."

Ireland also has a proven capacity to deal with uncertainty. "We have been through the global recession, Brexit, the pandemic, and are now dealing with spiralling inflation and energy costs and the disruption caused by the Russian invasion of Ukraine," he notes. "We are going to be dealing with an uncertain environment for a long time to come. But for a small country we have an extraordinary impact. Ireland has just 0.06 per cent of the world's population yet four-fifths of the medical stents used globally are manufactured here. We have demonstrated a capacity to deal with uncertainty and come up with solutions over a long period."

There are challenges, of course. "In our survey, 100 per cent of the leaders said cost competitiveness was a critically important issue. We have seen a significant increase in inflation and dramatic energy cost increases. For some companies, their energy bill has gone up sixfold. That

additional cost pressure means budgets have to be cut elsewhere. It's very challenging."

While energy prices may be beyond our control, in the short term at least, there are other areas that can be addressed. "There are difficulties with the planning process, and it is not fit for purpose for a small open economy like ours," he says. "We are not looking for certainty of outcome, just certainty of timelines and process. The attorney general is looking at the issue and we are awaiting his report."

Energy

On energy, he says the American Chamber sees three phases to the issue. "We are currently in the middle of responding to the immediate problem. After that we need to look at the medium-term demands on the system. In the longer term Ireland definitely has the capacity to be fully self-sufficient in renewable energy. If the full potential of the Shannon estuary for offshore wind is

Minister for Finance Paschal Donohoe (right) was the guest speaker at an Independence Day lunch organised by American Chamber in July. Also pictured is American Chamber's chief executive Mark Redmond and American Chamber president Catherine Duffy.

PHOTOGRAPH: CONOR MCCABE PHOTOGRAPHY

harnessed, it could meet the energy needs of a country the size of Germany. That will need significant investment and a careful step-by-step strategy, but the opportunity is there to be grasped."

And he believes it can be. "We have done this before. The Ardnacrusha hydroelectric scheme cost one quarter of the country's GDP at the time. That was a phenomenal achievement for the country. We need to adopt that Ardnacrusha mindset now. Given the development of a very strong research and development ecosystem, great opportunities now exist, similar to Ardnacrusha, in the renewable space."



Ireland goes from strength to strength as a global digital hub

Peter McGuire

Talent, coupled with constant innovation, make Ireland an attractive location

In recent weeks, many multinational tech companies have either made staff redundant or implemented hiring freezes. All eyes have been on Facebook's parent company Meta, Stripe, and Twitter but, as Irish Times business and technology correspondent Ciara O'Brien pointed out in an interview for this newspaper's In the News podcast, "when these companies come to Ireland people have left Google, Intercom and Stripe and gone on to found their own companies, so there is a vibrant start-up industry in Ireland".

The current woes of the tech industry are not likely to be its death knell. Years ago, Dell Technologies closed its manufacturing plant in Ireland but the company now employs more people in Ireland than before – just in different roles. Since then, Ireland has gone from strength to strength as a global digital hub, with a strong indigenous base alongside a range of multinationals with their Europe, Middle East and Africa (EMEA) headquarters here. More than 200,000 people are employed in the sector here and it accounts for 13 per cent of Ireland's GDP.

But why has Ireland become so strong in this sector and, in such an uncertain time, what does the future hold?

Mark Cockerill, vice-president at ServiceNow, a cloud-based platform and solutions company, says that Ireland's highly diverse, innovative, young and skilled workforce has made it into a global digital hub.

"Alongside this, you have strong cultural similarities be-



“Digitalisation is opening up a brand new set of opportunities for market participants across the board

tween the US and Ireland; we share the same language and a common law system, which helps companies expanding into Europe [to] maintain operational and brand cohesiveness."

Tadhg Young is country head of State Street Ireland, a provider of financial services to institutional investors. He agrees that talent, coupled with constant innovation, make Ireland an attractive destination – and he adds that the country's time zone makes it key for support purposes outside the US.

Extensive collaborations

Jason Ward, vice-president and managing director of Dell Technologies, says that the extensive collaborations between industry and the third-level sector have helped to foster a vibrant digital sector, and that collaboration between industry, academia and Government is vital for Ireland to realise its digital ambitions.

"At Dell Technologies Ireland, we have developed strong partnerships with leading universities across Ireland. Through the use of our AI platform powered by a supercomputer, researchers at MTU are

now able to accelerate their cutting-edge projects in areas ranging from manufacturing and finance to marketing and agriculture."

Ward says that Ireland's strength as a digital hub positions it to become a global leader in Edge Computing, that 5G is a game-changer for Irish businesses and that the Dell Technologies team is working on products and services in these and other spheres.

"5G is more than just enhanced connectivity," he says. "It can help us accelerate the creation of digital cities in Ireland and a surge in new smart mobility services from autonomous vehicles to connected scooters."

Young says that there are still many opportunities in the digital sphere.

"Digitalisation is opening up a brand new set of opportunities for market participants across the board. New digital technologies, including artificial intelligence and robotics, have enabled us to bring together data and intelligence to help in the creation of new digital products and services, as well as the enhancement of traditional ones with digital features. One such

innovation is the growth in blockchain technology, which is set to cause a dramatic shift across all sectors of our industry, including asset owners and asset managers."

Ultimately, much of Ireland's success comes from years of companies investing here and an ecosystem being built over time.

Young says that the investment in Ireland from international corporations has created a multiplier effect.

"Subsidiary jobs emerge and feed into the wider economy," he says. The availability of Cloud services and EMEA hubs in Ireland, such as Microsoft and Amazon, is second to none as it allows companies to use their ramps for connectivity globally."

The country's long-established reputation in technology and the amazing ecosystem that has emerged over the past 20 years make it a really attractive place to be, says Cockerill. "While Ireland is home to nine out of ten of the top global software companies, it's worth remembering that they are just part of a much larger tech community of almost 1,000 tech companies."

Life sciences continues to thrive post-pandemic

Danielle Barron

Attracting skills is key to keep contributing to a golden period of innovation

Ireland continues to punch above its weight when it comes to life sciences. The sector directly employs over 50,000 people across medical devices, pharma and biotechnology and exports exceed €45 million annually. All but one of the world's 25 largest biotech and pharma companies have a significant presence in Ireland, and many of the world's most prescribed drugs are manufactured here.

And despite concerns about geopolitical and economic headwinds, Ireland continues to attract large-scale investment from multinationals. The recently announced €1 billion investment by Pfizer in its new Clondalkin plant, medical device manufacturer Boston Scientific's €100 million expansion of its operations in Galway, and Merck's €440 million expansion in Cork, are just some of the headline-making investments in Ireland by major multinationals this year. The challenge now is to ensure this impressive growth continues.

Ireland's biopharmaceutical industry is particularly strong, with clusters of manufacturing, research and commercial operations sited in regions across the country, says Bernard Mallee, director of communications and advocacy for the Irish Pharmaceutical Healthcare Association. "Our industry is a geostrategic asset," he notes. "Medicines innovation raises healthcare standards, allowing people to live better for longer but it drives economic performance, too. Ireland's economic buoyancy is, in part, attributable to tax revenues, export activity, and payroll and jobs generated by our industry."

Crucial

While the Covid-19 pandemic paralysed whole sectors, the biotechnology and pharmaceutical industries were called upon to play a crucial role in innovating our way out of the crisis.

Garrett Murray, head of life sciences at Enterprise Ireland, agrees that the pharma, medtech and health sectors weathered the pandemic better than most, being integrally involved in many of the necessary innovations.

"The life sciences sector is agile and innovative by nature and one of the most research-intensive sectors of the Irish economy," he says. "Companies in the life sciences sector demonstrated their resilience and agility in how they responded to the



pandemic, with companies supported by Enterprise Ireland at the forefront of meeting the challenges Covid-19 posed through the application of their research and the delivery of solutions."

According to Michael Lohan, IDA head of life sciences, the life sciences industry globally "excelled" in its response to the Covid-19 pandemic. "The development of effective vaccines and therapeutic medicines so quickly has saved countless lives and greatly reduced the impact of the virus on all our lives," he says. "The industry in Ireland has certainly played its part and is part of the global supply chain that has produced the vaccines and medicines that were so badly needed. Throughout the pandemic all the biopharma manufacturing plants in Ireland continued to operate successfully without any interruption in the supply of the essential innovative medicines that are produced in Ireland."

Unsurprisingly, the life sciences sector has continued to grow and thrive in Ireland post-pandemic. IDA client companies in the sector now employ over 42,500 highly qualified people directly; Lohan says

there have been 15 announcements of new investments or expansions in the sector in the past 12 months.

"These new investments span all modalities, from small molecules and biologics to advanced therapies, such as cell and gene therapy, across all regions of the country, ensuring that the recent growth in employment and innovation continues."

"We are living through a 'golden period' of innovation, but Mallee says that if Ireland is to capitalise on that and remain competitive, we will require a robust pipeline of talent.

"Scientists say that we are living in the 'bio-century'," he says. "This is a period characterised by profound innovation, with the discovery of new medicines catalysed by the intersection of a better understanding of human biology and the new tools of technology, artificial intelligence and machine learning. It is an exciting time for medicines innovators and for students weighing their career options."

Inevitably, this translates to an all-time high in demand for skills across the entire industry. "We want people with know-how

in a range of areas, including biotherapeutic research, bioprocess design and operations, bio-analytics, engineering, chemistry, toxicology, regulation, licensing, commercial operations, digital marketing, and public policy and reputation. We want people with a mix of technical, teamworking and strategic thinking capabilities," Mallee says. "A globally networked industry, with a mandate to translate science for the public good, should interest a generation yearning to make a difference in the world."

Challenges

Murray agrees, noting that a recent survey of Enterprise Ireland client companies that attended International Markets Week found that more than one in four (26 per cent) had cited skills and talent shortages as being the biggest challenge to their business.

"When I speak with Enterprise Ireland-supported life sciences companies, they consistently highlight three key challenges in their sector; the impact and im-

plementation of new regulations, the cost of doing business and, what is usually first on their list, attracting and retaining skills," says Murray. "This reality reflects the situation in many other countries with whom we collaborate and compete." It's not all bad news, however, as Murray adds: "It is important to note one in four third-level graduates in Ireland is in STEM, the highest per capita in Europe."

Access to talent is the leading factor in international location decisions and it is the core foundation of Ireland's value proposition for FDI, Lohan notes. "IDA is actively engaged with a number of Government departments on the skills, talent and innovation agenda, an example of which is the current Expert Skills Group, which is defining the future skills needs for the pharmaceutical sector," explains Lohan. "Client companies rate Ireland's talent base and our education sys-

tem highly." However, as in many other countries, these companies face increasing difficulties sourcing the skills they need as technology becomes ever more ubiquitous across sectors. Organisations cognisant of the global skills gap in life sciences are continually looking at innovative ways of attracting and retaining talent across all functions. "Many companies are now looking to attract talent earlier in the career life cycle, and more intensively support the professional development of those team mem-

bers. Other companies are looking outside of their traditional pools of recruitment and are instead intensively training team members who are open to a new challenge but have no experience in the sector. Some companies are also looking to apprenticeship models to form a career development path for new employees." Lohan adds that the life sciences sector engages intensively to build linkages with Irish higher education institutions, SkillNet and other initiatives, and he says: "many of the client companies we work with have cited this as being critical for them in identifying and attracting talent."

Maximising industry-Government collaboration in the design and delivery of education and training programmes for tomorrow's medicine innovators will be critical to avoid complacency and ensure future success for Ireland as a global life sciences powerhouse, agrees Mallee. "That means higher education institutions, alongside SFI-funded research centres like the Science Foundation Ireland Research Centre for Pharmaceuticals (SSPC) and APC Microbiome, and the National Institute for Bioprocessing Research and Training (NIBRT), the education and training institute, continuing to work with industry on the research and skills needs of the future," he says. "Covid-19 has taught us the value of co-operation. We should work together on the needs of a scaling industry and enhance public engagement with science."

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Collaboration with education a key priority for many US multinationals

Danielle Barron

Partnerships between industry and academia offer benefits to both

The corporate world and the academic world are colliding as businesses increasingly forge links with higher education institutes. Meaningful collaboration with higher education institutions is now a key priority for many US multinational companies.

Industry-academia collaboration can take many forms - from internships to course development to research partnerships - but the benefits to both parties are manifold.

According to Lorna Martyn, Ireland regional chair and SVP technology with Fidelity Investments, the technology and financial services industries are constantly evolving. "This means academic courses need to expand and focus on the emerging skills required to develop the next generation of the workforce and upskill those already in employment," says Martyn.

Fidelity connects with academia on multiple levels, she says, from funding programmes that support access to third-level education to engaging in academic collaboration aimed at solving business problems. This generates new intellectual property and contributes to the development of postgraduate curricula.

Not only are these long-term relationships mutually beneficial, they fuel the knowledge economy, Martyn says. "We

are convinced that ongoing collaboration between industry and academia is one of the essential pathways to address the skills and pipeline challenges."

These kinds of collaborations have been evolving over many decades, she points out. "The scale and level of connection between industry and academia in Ireland over the years has created a highly connected ecosystem focused on identifying synergies for R&D and development of emerging skills." Investment in education and R&D is crucial to future innovation and skills development in Ireland, she adds.

"Industry can offer practical opportunities for undergraduate interns to practise and evolve their skills and prepare for the world of work, while R&D relationships with the various centres connect the latest academic thinking with real world challenges to develop new intellectu-

al property and innovative products and solutions."

Another organisation working directly with academic institutions is Schneider Electric, a sustainability and efficiency

“

We have to keep ourselves fresh with emerging ideas in our sector

partner for the data centres of large American-born multinationals in Ireland. This can have very tangible results. One example is the recent design and delivery of a new data centre cooling infrastructure for

University College Dublin, says Rhonda Doyle, director of operations, services and projects at Schneider Ireland. "Our cooling solution is more scalable and efficient and provides resilient cooling for the university's IT infrastructure," explains Doyle. "The cooling solution helps make the facility more energy efficient and unlocks valuable real estate for re-development and new educational facilities."

Like many businesses, Schneider Electric face challenges due to the gap in science, technology, engineering, and maths (STEM) related skills needed to drive the sustainability agenda forward and support the roll-out of decarbonisation technologies. "Across the wider economy we see a general lack of applications for jobs like the day-to-day running of manufacturing facilities, automation of processing plants, which need engineering and IT skills," says Doyle. "This is why we find it important to engage with organisations such as the Electrical Industries Federation of Ireland (EIFI) as part of our commitment to supporting electrical and engineering talent in Ireland."

The organisation is also actively involved in mentoring female electrical and engineering undergraduates as part of the ESTEEM programme with Technical University Dublin. Part of the program includes administering the annual Schneider Electric Award, which gives one female student in a STEM subject €3,000 to support her studies.

Skillnet Ireland plays a key role in facilitating the engagement between enterprise and the higher education sector in the co-creation of new programmes to meet future skills, a model often called the triple helix.

Many US companies have engaged with Skillnet Ireland to develop new programmes for skills in emerging technologies including in artificial intelligence, data science, blockchain, life sciences, advanced manufacturing, fintech, robotics and cyber, says Tracey Donnery, director of policy and communications at Skillnet Ireland.

Partnerships

"These programmes are largely developed and delivered through Skillnet-directed collaborations with industry and the higher education sector," she explains. "These partnerships between companies, both US companies and indigenous companies engaging with the higher education sector, drive innovation and support economic development across the economy."

One example is the Higher Diploma in Engineering in Automation and Digital Manufacturing that was launched earlier this year in association with Atlantic Technological University (ATU) and Skillnet Ireland. This course grew from the partnership between Cobotics Skillnet companies in the advanced manufacturing sector, ATU and the Regional Skills Forum West. The programmes in automation, robotics and digital manufacturing will enable companies to transform and future-proof their businesses and help workers to further develop their careers in robotics.

"This demonstrates the importance of collaboration in driving talent development and will address the skills needs of Irish manufacturing companies in transitioning from manual to automated processes," Donnery says.

John Shaw is country manager with Legato, which pro-

■ Collaboration between businesses and researchers fuels the knowledge economy

vides IT and business operations services for US health insurers. He says collaboration with academia is a must for their organisation given the nature of their work.

"In our world, the technology changes fast, as does the philosophy," says Shaw. "We have to keep ourselves fresh with emerging ideas in our sector." Legato does this by working closely with Science Foundation-funded multi-academic research centres such as Cedar, Insight and Adapt.

"The original goal of connecting with these research centres was to access talent through their alumni network but now in the next phase we are looking at how we learn more, innovate more and evolve a business via their framework," Shaw explains.

"We encounter people who are studying perhaps for a Master's degree or PhD, and they are seeking their next move but we are also encountering ideas we hadn't come across before. We might then decide to invest in this research or take a stake in the start-up company. If we find something in the health tech ecosystem in Irish universities, perhaps we can bring that back to the US."

The benefits extend beyond the company in question, Shaw stresses, noting the "job multiplier effect" and adding: "For every job created in the health tech ecosystem, we see several other jobs created around that."

Forging a more sustainable energy future

EDEL CORRIGAN

With the recent hikes in the price of electricity and gas, as well as the ongoing concern around climate change, energy security and being more energy-efficient has become a top-of-mind concern for people and businesses around the country. How can Ireland's race to net zero by 2050 help businesses become more energy-efficient?

Energy security has two primary components that are key to industry as well as the individual consumer: uninterrupted availability of energy sources, and affordable prices, says Todd Winge, senior vice-president and general manager at Eli Lilly. "Energy security can be enhanced through many different means such as deployment of renewable energy, increased energy efficiency and diversification of energy sources and storage."

"Here in Ireland, our continued economic growth makes the expeditious switch to reliable renewable energy sources even more important. While there are some short-term concerns across industry and the public, early positive steps are being taken to address these risks."

To tackle the climate crisis, the world must eventually end our reliance on fossil fuels, Winge says. "Today, even within the EU, renewables are managed on a national basis with only a small proportion of each country's power imported or shared transnationally. The availability challenges of renewables will impact security in the medium term: the sun doesn't shine at night and wind may not blow when we have a winter high-pressure event."

"This means that until new storage technologies such as higher efficiency electric and thermal batteries or hydrogen systems are improved and scaled up, we will need to look at better sharing of resources across states by the creation of more super-grid infrastructure to get power where renewables are still generating to areas that are in deficit. Undoubtedly, connecting to such infrastructure will be challenging for an island like Ireland but it will be one step towards improving our security and, in time, may lead to Ireland becoming a powerhouse for Europe with its abundant offshore wind energy resources."

Businesses need to change
The Climate Action and Low Carbon Development (Amendment) Act 2021 commits Ireland to reaching a legally binding target of net-zero emissions no later than 2050, and a cut of 51 per

cent by 2030 (compared to 2018 levels), says Dave Dorney, vice-president and general manager, industrial refrigeration field division, Johnson Controls, Inc. "Under the 2021 Act, Ireland's national climate objective requires the State to pursue and achieve the transition to a climate-resilient, biodiversity-rich, environmentally sustainable and climate-neutral economy."

And how...

Sustainable energy production is now at the core of most progressive businesses, says Winge. "While for many this has been driven by social and environmental objectives that are aligned with their customers, employees and shareholding stakeholders, now for others, it is a matter of survival due to escalating energy costs, which may be with us for many years. Ireland is fortunate as many of its leading companies fall into the former category and for many years now have been looking at ways to reduce their carbon footprints by reducing the energy intensity of their operations, leveraging new technologies and supporting renewable energy sources."

Forging a more sustainable future cannot be achieved by one company alone, says Conor Neylan, head of public affairs, communications and sustainability at the Coca-Cola Company Ireland. "As a company, we know we have a responsibility to work in partnership with consumers, industry, local authorities and policymakers to create a true world without waste."

"With the growing impacts of climate change, there is an urgency for businesses to play their part in building a sustainable world."

Helping business to change
Businesses are supported by the EU Recovery funding, and the four Project Ireland 2040 funds - comprising the Climate Action Fund (CAF); Disruptive Technologies Innovation Fund; the Urban Regeneration and Development Fund; and the Rural Regeneration and Development Fund - will have a collective budget amounting to an estimated €4 billion to 2027, notes Dorney.

The CAF will continue to fund initiatives that contribute to the achievement of Ireland's climate and energy targets in a cost-effective manner. It offers the potential for innovative interventions in these sectors that, in the absence of support from the fund, would not otherwise be developed. By requiring a minimum contribution from each project, the fund's commitment will leverage a total investment of over €300 million.

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Global minimum tax rate offers Ireland opportunity

Jillian Godsil

Ireland needs to address outstanding issues, such as personal taxation, to stay competitive for FDI

Agreement was reached almost a year ago on the global minimum effective tax rate of 15 per cent. However, it has yet to be introduced. What is causing the delay? When is it likely to be introduced? And what impact might it have on Ireland's competitiveness as an FDI location when it is?

The OECD corporate tax reform poses additional opportunities for Ireland to ensure that the Irish tax regime remains competitive, effective and appropriate in an ever-changing global trading landscape.

It is not disputed that Ireland has a proven track record as a successful location for world-leading, established and high-growth multinationals from around the globe. Ireland's performance as a hub for FDI is unrivalled. One-third of the multinationals already in Ireland have had operations in the country for over 20 years. This record illustrates the longevity, resilience and commitment of these companies to Ireland and indeed, of Ireland to those companies.

However, in October 2021, 136 Inclusive Framework member countries agreed to the implementation of a global minimum tax in line with the OECD Pillar Two model rules. This was swiftly followed by a proposed EU directive on Pillar Two on December 22nd, 2021. It was initially intended that this directive would be adopted by June 2022. However, a consensus was not



provided for under Pillar Two should be in effect for periods beginning on or after December 31st, 2023, with the undertaxed profits rule coming into effect from 2024 onwards, with exact timing remaining unclear," says Griffin.

"Ireland has been a major beneficiary of globalisation, and while there are a range of factors responsible for economic success in the past decade, we cannot ignore the reality that the 15 per cent minimum tax will to some degree level the playing field with other competitor countries," she says.

Mick Murray, senior vice-president of AIB and head of AIB international corporate banking, also strikes a note of caution. He, too, points out that the EU directive on Pillar Two proposals will be transposed into law by December 31st, 2023 by EU member states, including Ireland.

"Hungary still has to sign up to proposals and of course it will be interesting how the results of the US midterm elections might impact US ratification. There appears to be significant political will in Europe to press forward with the proposals," says Murray.

Alan Connell, managing partner of law firm Eversheds Sutherland is confident Ireland will continue to perform despite these challenges: "Ireland has much to offer outside of tax. EU membership and the ability to serve global markets as an EU jurisdiction, common-law framework, English language, skilled and adaptable workforce, ease of connection to the EU and US with direct flights, and a business-friendly environment.

"In addition, amid global tax changes and policy shifts, Ireland has been at the forefront in ensuring long-term stability and certainty for businesses, whilst also adhering to best practices and regulations emanating internationally."

Griffin is confident overall but says Ireland needs to address outstanding issues such as personal taxation: "Accordingly,

other areas of the tax system and economy must be adequately served to ensure that Ireland remains a competitive location in which to invest and grow business. While Ireland remains competitive in terms of our well-educated workforce and focus on innovation and the knowledge economy, several areas requiring attention include our relatively high rates of personal tax and the complexity of our taxation regime, particularly cumbersome interest relief rules and double taxation provisions," she says.

Lessen

Murray also believes that corporate tax rises in other countries help to lessen the overall impact. He also praises Irish institutions, in particular the IDA.

"It is not expected to significantly impact Irish FDI as there are bigger hikes planned in corporate tax rates in the UK and US in coming years and the new Irish 15 per cent rate still is quite low by European standards. Ireland's FDI performance indicates that there is much we are doing right as a country. Our value proposition for FDI is strong and our pro-business environment and consistent government policies will provide a platform to grow into the future. The IDA does a tremendous job in attracting new FDI companies and will continue to do so," says Murray.

It is also important to note that when Ireland signs the OECD International Tax agreement, it still allows for the retention of Irish statutory 12.5 per cent rate for businesses with annual revenues of less than €750 million – there is no increase in the corporate tax rate for over 160,000 businesses representing approximately 1.8 million employees. This is significant in terms of Ireland's continuing attractiveness as a preferred jurisdiction of choice for ongoing and future investment.

Connell also feels there is a general sense globally that corporate taxes are on the rise.

■ When Ireland signs the OECD International Tax agreement, it still allows for the retention of the Irish statutory 12.5 per cent rate for businesses with annual revenues of under €750 million

"We see that trend in the US and, indeed, in the UK. So, organisations are preparing to pay a little more. As a result, large multinationals are generally sanguine about the minimum tax proposals. As it is multilateral, then such global organisations will be less concerned, as the playing field so to speak will be level.

"Ireland will likely remain competitive into the future, and we will remain an attractive location when multinationals look to investment locations. The outlook for Ireland remains really positive as multinationals and indigenous entities can avail of the possibilities presented, including the continued availability of the 12.5 per cent tax rate for many. As part of the bundle of FDI benefits, Ireland will continue to have an attractive tax offering," Connell says.

Multinational leaders call Ireland home and we need to attract more

EDEL CORRIGAN

Ireland is increasingly being chosen as a base for leaders with global roles and global teams in large multinational corporations. This is due in part to Ireland's reputation as a location of choice for business and talent – and our position as the transatlantic gateway to Europe for the US. What other reasons make Ireland such a good location for international businesses and how can we continue to attract them?

Ireland's position in the global market as an international business hub has become even more important, especially given the internationalisation of the economy, says Alan Connell, managing partner of Eversheds Sutherland. "Ireland now has the highest FDI per head of population within the top 10 FDI destinations in Europe.

"Put simply, Ireland's offering is a powerful combination of benefits. In addition to providing the free movement of goods, people, capital and services within the EU's single market, Ireland offers a low-tax, EU and euro zone jurisdiction with a pro-business environment, talented workforce and the necessary physical, legal, regulatory and commercial infrastructure of a highly developed OECD jurisdiction, with the ease of connection to the rest of the EU and US with direct flights.

"As such, Ireland provides an attractive platform for multinationals and their leadership teams to do business both in Europe and beyond."

Ireland's approach enables companies to set up swiftly, with minimal red tape, in a connected English-speaking and common law environment. "The talented and youthful workforce is well educated, mobile, ambitious and adaptable," says Connell. "As a country, Ireland combines competitive salaries with a high standard of living to attract talent from every corner of the world. It is the people, rich with creativity, skills, and culture, who drive Ireland's – and its FDI investors' – success."

Brexit benefit

Ireland has benefited positively from Brexit, says John Patrick Shaw, country head at Legato. "Our nearest neighbour chose to leave the world's biggest marketplace. Where Ireland can easily operate without restriction, the UK now faces barriers, which causes friction.

"We know businesses have relocated to Ireland because they want frictionless business. The other thing about Brexit is

the uncertainty. For a long time it was a mystery, there was no clarity. Businesses couldn't price in the risk, so they couldn't invest. If it was clear, they could have made a decision. Whereas with Ireland as part of the euro zone there was no uncertainty."

Home-grown talent

Historically when subsidiaries were being set up in Ireland they weren't coming with senior roles, which were going to the UK or other parts of the EU, explains Mark Jordan, chief strategy officer, Skillnet, adding that senior roles are now being based here.

"That speaks to the type of talent that's being developed through these organisations as they set up their presence and footprint," continues Jordan. "They're seeing there's a lot of home-grown talent and see that there are a lot of candidates here in Ireland to choose from and develop a strong workforce from."

Jordan says that can be attributed to the education system, the learning development, training and talent creation that exist afterwards, and Ireland being a hotbed for career progression and opportunities.

How to overcome barriers to attracting more leaders

Colin Forbes, partner and head of global employer services at Deloitte Ireland, says a key consideration when determining substance is where the company's senior leaders are located. Ireland must remain competitive from a personal taxation perspective to attract these senior global leaders.

"Ireland's 52 per cent marginal tax rate is one of the biggest barriers that companies face when trying to relocate senior leaders and their teams to Ireland," says Forbes. "While we have one of the highest personal tax rates in the world, the marginal tax rate also applies at a much lower income level in Ireland than in other countries. The Government will need to consider an overall reduction in the marginal personal tax rate to compete with other jurisdictions for senior talent."

The Special Assignee Relief Programme (SARP) is an important measure to attract senior leaders to Ireland, says Forbes. "It is important to note that many other jurisdictions offer similar regimes to expatriates, such as the Netherlands and France, to name but a few. Therefore, it is vital that Ireland has a best-in-class regime when compared with those countries."

“

Our value proposition for FDI is strong and our pro-business environment and consistent government policies will provide a platform to grow

reached at the ECOFIN meetings on April 5th, 2022 and June 17th, 2022 on the Directive – the delay here would appear to be driven in part by the complex nature of the rules and also by the refusal of key member states to agree to the Directive.

Lorraine Griffin, head of tax at Deloitte Ireland, notes that there was some dissension with Poland, in particular, previously maintaining its position that Pillars One and Two should be viewed as a "package deal".

"While under the current state of play Poland appears to now be ready to accept the directive, new concerns were raised by Hungary in June 2022 which remain outstanding. Significant further work is still required regarding Pillar Two both on substantial technical and administrative issues, however, the sentiment from EU-centric business is that Pillar Two is on its way to approval in the coming months. The current view is that the Income Inclusion rule

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Pictured are Terri O'Donovan, Sean Coomey, Joanne Sheehy from Janssen Sciences Ireland, winners of a 2022 AmCham Award.

Pandemic surge in digitalisation leaves business more adaptable

Danielle Barron

Organisations who take advantage of new technology will be the winners of the future

Digitalisation is having an inevitable and unfolding impact on business operations as we progress through the fourth industrial revolution. Yet the Covid-19 pandemic hastened this inevitability, necessitating an immediate acceleration in digital transformation programmes for many organisations.

Dr John Bustard is a senior lecturer in digital transformation at Ulster University Business School.

He says the Covid pandemic "exponentially accelerated" the more subtle, steady, and incremental process of digitalisation already unfolding within many organisations at that time. "The nature of Covid's business 'shock' also led to many examples of evolved digital transformation, where an entirely new business model or supply chain process was adopted and implemented and this saw an increase in process innovation in a number of sectors take place, most notably in relation to digital products."

Bustard notes that much of this was due to the adoption of more online behaviours by consumers during the pandemic - this has reduced "a little", he says, but behaviours show no sign of resorting to pre-pandemic levels.

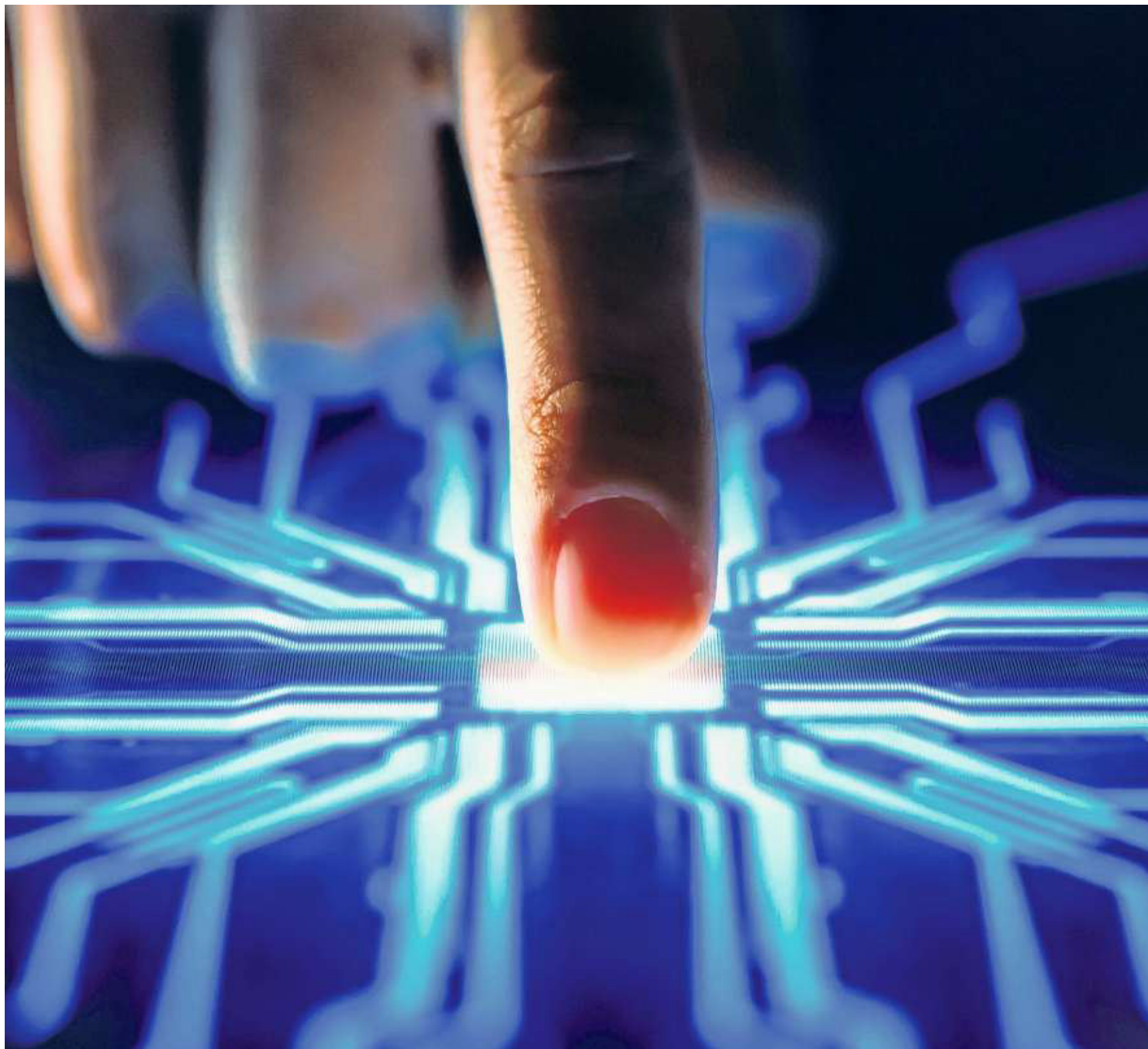
Businesses that successfully navigated this pandemic surge in digitalisation are now more adaptable to the evolving nature of new business paradigms, Bustard says. "Robotic process automation, blockchain technology and connectivity are yielding delivery of further value to both customers and the companies serving them."

Leadership

He believes, however, that the levels at which this digitalisation will be required will be "very much dependent on the vision, mission and aspirations of the organisation's leadership". Ulster University has developed the EAS3EL model of digital transformation, which offers organisations a framework to explore the stages and processes of digital transformation in a considered and strategic manner. "Organisations who focus on digitalisation will remain competitive but those who are adept at reengineering their business models to take advantage of new technology to create new competitive advantage will be the winners of the future."

"Websites, social media, smartphones, content-sharing platforms, e-procurement systems, blockchain, automation technology, robots, and wearable devices have paved the road for firms to efficiently engage in innovation and R&D activities and capitalise on new market possibilities," says Alessia Paccagnini, assistant professor at the University College Dublin School of Business.

Paccagnini adds that using digital platforms to minimise operational expenses, bureaucracy, and expenditures connected with commuting and business trips can result in significant savings for employees



■ The pandemic accelerated the more subtle, steady, and incremental process of digitalisation already unfolding within organisations. PHOTOGRAPH: ISTOCKPHOTO

and the minimisation of the environmental footprints of businesses.

And according to Leo Moore, partner in the William Fry Technology Group, pandemic impact notwithstanding, small, medium and large companies are engaging in digital transformation for numerous and diverse reasons. "Evolving with business and market demands, engaging digital technologies that improve business processes, and enhancing customer experiences are examples of some of the drivers of change and the benefits that we have seen

digital transformation bring to companies."

Moore says that critical to the success of teams driving digital and data strategies in an organisation is the presence of a digital or data-driven culture. This, he explains, stimulates the use of technology and data to gain valuable insights and understand customer behaviour. "It allows organisations to provide customised products and services and achieve improved efficiency in customer experience."

William Fry's recent Europe for Big Data report confirmed that companies across all industries and sectors are already data-driven companies. The reality is that digitalisation is a must, Moore admits. "Our research shows clearly that digitalisation allows companies to do things

faster, better and more efficiently. To maintain and grow competitiveness and market share, digitalisation is or should be at the heart of many companies' strategies as we enter this new quickly evolving digital environment."

One of the main challenges facing organisations that have been slow to adopt digital transformation is the reduced scalability and efficiency in their work flows, Moore says. This can lead to increased human errors, operational costs and employee turnover.

Impediments

Paccagnini sees one of the main impediments to successful digital transformation as the lack of the necessary expertise in dig-

italisation and IT expertise to keep pace with new tools. "These new opportunities are creating new jobs but also place more senior workers, who are less quick to adapt themselves to new tools, in difficult positions. For this reason, continuous investment in digital formation can support the workers in this transition."

Moore notes, however, that an important challenge not to be overlooked by businesses playing catch-up is identifying what their competitors have done. "While early adopters reap the benefits of getting in at the start, they also bear the cost burden of being a pioneer. Organisations playing catch-up may not need to make the large R&D investments that their competitors have, and this is an advantage. By looking at the market, businesses coming to digital-

isation later in the game may find it easier to identify their business needs."

In order to compete in global markets, companies need to be at the top of their game in terms of their operations as well as their product or service offering, says Ruairi O'hAilin, manager, operational excellence and digital at Enterprise Ireland.

"Operational effectiveness is about delivering the right product to the right customers, at the right time, and at the right price. Companies need to focus on quality, reliability, flexibility and cost," he asserts. Digitalisation is invariably the answer to this and he echoes Moore, saying the key

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The up-front cost of investing in digitalisation can seem prohibitive. This is where industry partnerships can play a more prominent role

message is that a strategic cultural transformation is the bedrock of a successful digital transformation.

"Businesses need to be aware that technology is not the solution but a tool. Organisations could buy technology that is not aligned with their business or get wonderful technology and all it does is automate chaos. It is not a given that you will increase productivity and you may cut costs but only if you are clear with what you want to achieve with it."

Modernisation and the innovative use of digital tools have created more certainty and put organisations in a better position for long-term, sustainable growth, says Chris Collins, country president Ireland with Schneider Electric. He also says that the acceleration in digitalisation has brought significant benefits in efficiency and sustainability while at the same time reducing business costs.

"The energy crisis has ratcheted up the need to use digital tools, energy automation and analytics to eliminate energy waste. We can't wait for expensive new technologies to be invented - we need to take advantage of what can be done immediately to manage costs. Failing to address this sooner rather than later means running the risk of losing competitiveness."

Collins admits, however, that many businesses simply don't have in-house specialists or the technology to map their infrastructure accurately, and access to external consultants may not be attainable. "The up-front cost of investing in digitalisation can seem prohibitive," he says. "This is where industry partnerships can play a more prominent role in ensuring no organisation navigates the challenges alone. We recommend starting with the easiest-to-address areas that will have the most significant impact soonest."

He points out that organisations must recognise their digital transformation will be ongoing. "Recognising that it is a journey without an end is essential. There is always more that can be done."

Solving the inflation equation: Early engagement is the key

Jillian Godsil

Ireland's response to pressures will be critical to ensuring strong FDI

The rapid rise in inflation has resulted in increased costs right along the value chain and is placing severe upward pressure on wages and salaries. Does this pose risks to Ireland's competitiveness as a location for FDI and indigenous industry? And if so, what steps can be taken to protect Ireland's current position, which is the envy of many competitor locations?

Recent statistics from the EU show inflation across the area reached up to 10.7 per cent by October 2022. Ireland's response to the cost-of-living and inflationary pressures encountered by both individuals and companies will be critical to ensuring strong FDI and indigenous growth in the coming years.

Mick Murray, head of AIB international corporate banking, agrees that increased costs and uncertainty always pose risks.

"However, the level of inflation is not unique to Ireland, Irish inflation is running below that of the Eurozone and the UK. The USA is also experiencing high inflation," he says.

Lorraine Griffin, head of tax at Deloitte, is monitoring the situation. She says government supports such as the Temporary Business Energy Support Scheme bring a measure of re-



■ Ireland's qualities could offset some inflationary pressures but there is no cause for complacency

lief in the short term but argues that what will be more critical in the medium to long term is whether the tax and business environment is adequately prepared to support sustainable business growth.

"Companies encounter many challenges throughout their life cycle, and during times of volatility and uncertainty, engaging early is key to weathering the storm," says Griffin. "Every business is unique and it's critical for companies to understand at what stage in their growth life cycle it requires support; this will determine the right blend of expertise and engagement."

Tax reliefs

"Tax reliefs and incentives represent an effective way not only to manage a business's cash flow but to achieve strategic goals such as hiring, talent retention and sustainability targets. As businesses may be looking to expand their workforce, they may face cash constraints in terms of the total remuneration package they can offer to prospective hires. The Key Em-

ployee Engagement Programme (KEEP) from Irish Revenue may therefore play a feature in a company's hiring strategy.

"The aim of KEEP is to help smaller firms who cannot compete with larger firms in cash remuneration terms to attract and retain talent in a challenging labour market. While we will see changes to KEEP included as a committee stage amendment, it is critical going forward that the tax regime remains available to companies in meeting their talent retention goals, particularly when many taxpayers continue to feel the pressure from cost-of-living increases."

Adrian McGennis, CEO of Sigmar Recruitment, points to the added value of the Ireland Inc proposal. "It's not just price, we can offer really talented people with important skill sets to support FDI operations,

so we have some wiggle room with inflation," he says. "However, we probably need to tone down the wage inflation which, over time, will make Ireland uncompetitive, skills or no skills."

In addition, access to capital for growth is likely to prove vital. Based on a recent SME credit demand survey published by the Department of Finance, only 16 per cent of SMEs applied for bank credit in the period from October 2021 to March 2022, with insufficient internal funds being cited by 76 per cent of respondents as the reason for not seeking credit.

Griffin argues: "Going forward, consideration should be given to providing greater access to financing for smaller and medium-sized companies who may not otherwise be able to expand their business in the face of rising borrowing costs."

Murray agrees it is imperative to address competitiveness factors that are within Ireland's control. "Key FDI destinations are in a war for talent and Ireland has been selected because of the strong available, English-speaking talent, access to the EU and lifestyle opportunities. But housing, transport and education are also key to attracting and retaining talent," he says.

John Lowe, who is known as The Money Doctor, remains bullish. "Ireland is currently the blue-eyed boy of Europe: lowest for inflation, best for growth and for prospects. We do have a lot going for us apart from the 12.5 per cent corporation tax. That and Ireland continually rates in the top 10 best countries in which to live."

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Business meets challenge of workplace 'new normal'

Sandra O'Connell

A suitable hybrid strategy can help win the talent war

Organisations continue to grapple with the new normal for working arrangements in the wake of the pandemic. Some are moving to a fixed hybrid solution. Others are settling on more fluid arrangements. Some are happy with full remote, while others still are contemplating a full return to work. The question common to all employers is how best to proceed.

Firstly, accept that there has been a major mindset change, says Jeff Greene, partner in law firm William Fry's Employment and Benefits Group.

Where some employees in the past may have hoped for a degree of remote or flexible work, they now expect it.

"That can be difficult for some managers to accept, as they spent their own working lives full-time in the workplace," says Greene. "However, job applicants are now querying the prospective employ-

er's policy on working arrangements in the same breath as salary and benefits. Employees not offered remote or flexible work in their own workplaces are eyeing up opportunities in competitors that do. The talent war is real, and rather than pumping up salaries and benefits to unsustainable levels, offering some form of remote or flexible working is a less expensive way of attracting or retaining workers."

Currently the employer has the discretion to determine whether it offers remote or flexible working, or a combination of both. To succeed, Greene suggests they ask themselves a few questions.

Brownie points

Can the work realistically be done remotely or outside 'normal hours' without an impact on productivity or service?

Will the culture of the organisation be affected? Can new employees integrate satisfactorily? Can junior employees progress at the same speed without the 'learning osmosis' from in-person senior colleagues?

Are the new challenges surmountable or worth the cost, for example ensuring the health and safety of the employee at their 'home workplace'?

"To answer these queries, the majority of employers in our experience have found the balance to be three days in the

workplace with an option of two at home," says Greene.

Legislation giving employees the right to request remote work is currently being drafted. "Employers can gain brownie points with staff by putting their own policies in place now," continues Greene. "It is another inexpensive win, while waiting runs the risk of a further loss in morale with employ-

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This [remote working] is new for every organisation so it's okay to test, learn and pivot until you find what works

ees feeling the employer only put the policy in place because the law required it."

Without a doubt the pandemic has shifted the way we work and live, agrees Chris Collins, country president for Schneider Electric Ireland.

"As we move towards the new normal organisations should ensure that their people are enabled and empowered to perform at their best while ef-

fectively managing a work-life balance – something that greater flexibility can help with," says Collins.

Schneider Electric Ireland has a 'people first' strategy, which stands on four pillars. "Firstly we have 'leadership', which is about how we can transform our leaders to stay effective in a hybrid working situation," explains Collins. "In the UK and Ireland we have a leadership pulse community. This seeks to support our leaders and allow them to be the best leaders they can for their people in line with our leadership expectations. It looks at how we can drive more collaboration across territory while working in a hybrid situation and how we treat and trust each other."

People excellence

"Next, we have 'talent', this looks at how we can still attract, grow and build our talent in a hybrid working situation versus the needs of a business."

The third pillar is about looking at the organisation in terms of how it can be more agile and meet the needs of this global hub workplace of the future while still fitting in with the culture it wants to create.

"The fourth aspect to consider is about people excellence," says Collins. "This looks at our employee value proposition and considers how we can bring that to life in terms of all the different experiences an employee has during their time at a company, especially when they may not be based in an office five days a week."

There is no one-size-fits-all. "My overarching view is that there is a divergence in the market into hybrid and remote, with a smaller minority of talent happy to return full-time to the office," says Una Rorke, director of business partnering and change at Three Ireland.

"I believe organisations need to be really comfortable with their 'why'. It is perfectly okay for each organisation to build its own unique workplace value proposition or hybrid value proposition, and share with potential talent and current employees," says Rorke.

"Leaders play a key role and, in parallel, have their own change journey to navigate new ways of working while simultaneously managing a hybrid workforce effectively. They are the most critical people in ensuring hybrid is embedded successfully while ensuring a positive employee experience. This is new for every organisation so it's okay to test, learn and pivot until you find what works."

Hybrid system

Three Ireland is continuing to embed its own hybrid working system. "As an organisation we are focusing on understanding how to amplify our culture in this new context," says Rorke. "It has been a year since we committed to our hybrid model, adjusting our contractual terms and conditions to reflect office and home working – with two-days in the office – model for our headquarters in Dublin, which allows employees the choice of which days to attend the office and which to work from home."

"We offer a modified weekly hybrid model for our customer service centre in Limerick, with a week on-site and a week at home rotation, for our customer care employees. The change in terms and conditions

Flexible working arrangements can help companies attract and retain employees

was a very strong commitment to our employees and business that gave everyone some much needed clarity and stability."

Not only is every organisation different, but the landscape is different too. New ways of working need to "bend and flex" to meet the needs of the individual organisation, she says. "Every organisation will have its unique hybrid or workplace signature, and then we all need to keep an open mind on how it may evolve further," adds Rorke.

EDI moves up the corporate agenda

PETER MCGUIRE

A few decades ago, Ireland was almost entirely white, LGBTQ+ rights barely existed and a generation of women remembered being forced out of the workplace just because they got married. Disabled people lacked any significant presence in workplaces.

We're still not perfect, and we have a long way to go. But a growing economy led to more ethnic diversity, LGBTQ+ people organised and ultimately led a successful campaign for marriage equality, women fought back and disabled people and their families refused to be sidelined any more.

But it's also fair to say that the presence of US multinationals in Ireland has helped pave the way for more equality, diversity and inclusion (EDI). Many of these firms have clear policies that support underrepresented groups and many Irish people, working alongside a diverse group of colleagues, have become not just more tolerant, but genuinely accepting. At the same time, employee resource groups (ERGs) – workplace clubs based around a shared interest or identity, such as LGBTQ+, neurodiversity or, for instance, Brazilian groups – have sprung up.

Andrew Campbell-Edie, communications manager at the Irish Centre for Diversity, says that diversity and inclusion have risen up the agenda to the point where a lack of progress is a liability. "Stakeholders on many fronts – current and prospective employees, consumers/end users, shareholders and business partners – are joining and leading the calls for change," says Campbell-Edie. "Progress has also been driven by an element of 'money talks'. Diverse communities and groups have been able to flex their economic muscle and demand change."

But there's still a way to go, says Campbell-Edie, pointing to statistics from the 2022 Altrata/BoardEx Global Gender Diversity Report that show that women are still underrepresented at board level. Just 8.9 per cent of board chairs and five per cent of CEOs at more than 1,600 major publicly-traded companies across 20 countries are female, while black and Hispanic workers in the US are less likely to be in senior positions and are paid less.

Karina Howley, head of corporate citizenship and diversity at KPMG, says that the #MeToo and Black Lives Matter movements have put equality, diversity and inclusion at the forefront, while the shift to home working during the pandemic created new work opportunities for women and people with disabilities – and widened the talent pool for companies.

"Companies have moved from a legal compliance mindset to one of social responsibility," says Howley. "Good intentions are no longer enough and a focus on transparency,

measurable progress and EDI reporting has taken on a much greater role. There is still a strong focus on gender equity; however, the EDI lens has widened to include other traditionally underrepresented groups. We've also seen the shift towards transparency, measurement and reporting with the introduction of things like mandatory gender pay gap reporting and the Business in the Community Elevate Pledge."

Feedback

Laura Jane Hennessy, global HR assoc project manager and DE&I lead at PepsiCo, says that PepsiCo creates EDI guidelines based on the feedback of colleagues.

"While we usually compete against our competitors for market share, in the [EDI] space we work together," explains Hennessy. "Our [EDI] agenda is not just internally focused as we partner with the community to sponsor events such as Cork Pride Family Fun Day, Field of Dreams and IT@Cork's DEI conference."

"A space to be you' is our initiative that creates a collaborative, equitable and inclusive space where everyone, regardless of what we look like, where we come from or who we love, has a voice. Our ERGs – Women

Equality and inclusion are not benefits; they are table standards

en's Inclusion Network (WIN), ENABLE (Disability rights) and EQUAL (LGBTQ+ rights) – celebrate awareness days within their space to educate colleagues. These include Autism Awareness Day, International Women's Week and World Aids Day, among others."

Howley says that an inclusive culture that values diversity leads to better decision-making, drives greater creativity and innovation, better meets client needs and motivates everyone.

"We want to bring about a positive integration between work and life that not only promotes career achievement but also provides an environment that enables everyone, regardless of gender, ethnicity, age, disability, religion, socio-economic background or sexual orientation, to reach their full potential by being valued for being themselves," Howley says.

William Organ, senior global quality assurance specialist at PepsiCo, says that companies should go beyond the law by providing fairness and equality for all employees. "We are not competing with other companies when it comes to equality," Organ says. "Equality and inclusion are not benefits; they are table standards. We will choose our competitive edge elsewhere."

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Data: 'It's a bank vault and people want to steal from it'

Danielle Barron

Cyberattacks are rising but there are almost 500 Irish firms offering cybersecurity services

The 2021 HSE cyberattack was a stark reminder of the damage that can be wrought by cybercriminals. With many experts warning that it is no longer a case of if but when organisations will suffer a breach, guarding against an attack is now a priority for firms of all sizes across all sectors.

The reality is that as our digital societies become more evolved, this increased dependence on digital infrastructure makes society more vulnerable to cybercrime, says Gearoid Terry, product area lead in cybersecurity with Fidelity Investments. According to Terry, advances in interconnectivity and technological innovation have served to dramatically increase the risk of cyberattacks. He notes that last year, cyberattack attempts reached an all-time high.

"The worldwide digital system, as well as people's privacy, are under constant threat," he says. "This increases the need for more understanding and knowledge of cybersecurity. Recent years saw some of the largest, most sophisticated cyberattacks on record. We can expect cyberattacks on all businesses, but particularly small to medium sized businesses, to become more frequent, targeted, and complex."

Ciara O'Reilly, head of products,

propositions and customer value management for Three Business, agrees. She says that "phishing" and "smishing" (cyber-breaches by email and text, respectively) attacks have been part of the threat landscape for a long time, but the frequency of them has rocketed in recent years.

"Criminals use classic tactics to create a sense of urgency, and different people will have varying degrees of tech-savviness," O'Reilly says. "Unfortunately, because of this, fraudsters are constantly looking for opportunities and they will often target the more vulnerable, so that's why communications and awareness are key." For these fraudsters, making a huge number of attempts is worthwhile if just one attempt is successful.

Regulatory changes

Ultimately what this means is that cyberattacks should by now be a core priority of any enterprise resiliency planning. Terry points out that regulatory changes in Europe and the United States that require businesses to enhance the protection of personal data have also pushed companies to examine and enhance cybersecurity measures. "These regulations have forced companies to formulate and enact new or enhanced policies, procedures and response structures, should an attack or data breach occur," says Terry. But he adds that recent changes in work practices – the advent of remote working, for example – have probably pushed companies beyond their comfort zone in this space.

O'Reilly says that cybersecurity and the impact of bad practices are at the forefront of businesses' minds, "which can only be a positive thing". But she agrees that remote

and hybrid working practices served to expose businesses' vulnerabilities.

"Because there has been so much going on in recent years with the pandemic, people had to get connected as quickly as possible so they could work from home, and the opportunities went for it," she admits. Yet she believes that these recent high profile attacks have ensured that companies are now more aware than ever of the risks.

Companies need clear planning not just to guard against threats but also to respond and resolve quickly, Terry says. He suggests that businesses should implement a frame-

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Fraudsters are constantly looking for opportunities and they will often target the more vulnerable, so that's why communications and awareness are key

work to drive cybersecurity maturity. "Some frameworks include the National Institute of Standards and Technology's (NIST) cybersecurity framework or SysAdmin, Audit, Network and Security (SANS) top 20 controls. Implementing a defence-in-depth strategy will provide additional layers of protection."

An effective asset inventory is also key "because you can't protect

what you don't know about". Patching (timely updating of software) and technology life cycle management are two other important controls that should be considered. "While some may consider these basic, staying current and patching regularly mitigates a significant number of vulnerabilities," Terry explains. Education and awareness for employees is also critical, he adds.

Training and education

Businesses regularly ask 3 how they can ensure that their company devices such as phones, tablets and laptops are protected, O'Reilly says. "We would always advise customers to adopt some basic steps to ensure their protection from password best practice, implementing cybersecurity training for employees and educating them on what to do if they believe they've shared compromising information, as well as rolling out threat protection on devices and ensuring sensitive data is encrypted."

The good news is that simple and highly effective mobile security is easily available and easily inexpensive. Three offers its customers 3 Mobile Protect, which is an easy-to-use business mobile security solution that protects mobile devices from phishing and malware, preventing data loss on company smartphones and tablets.

"It detects and disables malware, protects against phishing attacks and also offers a remote lock and wipe facility," O'Reilly explains. "It also doesn't collect any personal data, only corporate security critical data."

It's unsurprising that the cybersecurity market is growing by 12 per cent each year - roughly doubling every six years, says Kevin Buckley,

■ Enterprise Ireland hopes to make the country a cybersecurity hub and wants to 'get people excited' about careers in the industry.

senior development adviser in high potential start-ups with Enterprise Ireland. "Anywhere there is data, there is a cybersecurity risk," Buckley says. "It's a bank vault that you have to protect because people want to steal from it."

With the growing demand for cybersecurity services and support, a major focus for Enterprise Ireland is helping emerging new technology in the cybersecurity sector. Buckley says there are over 50 cybersecurity product companies in their portfolio and he believes that Ireland could be a major global hub for this sector.

Conversion courses

"There are almost 500 different firms offering cybersecurity products or services in Ireland and, of these, 56 are Enterprise Ireland clients," he says. "These companies all offer high quality products that make it easier for companies to protect themselves from bad actors. Ireland could be leaders in this area, and this is certainly our ambition."

Obstacles to this include the paucity of talent and the skills gap in this area. Enterprise Ireland is striving, therefore, to "get people excited about careers in the cybersecurity industry," Buckley says. They are also helping to address the skills gap by introducing conversion courses.

"This will benefit not only indigenous Irish companies but the US multinationals who have made their home here. We are all in lock-step on this."

Ireland's pivotal role in transatlantic relationship

Catherine Duffy

EU-US Trade and Technology Council offers opportunities for more investment

In 2023, Ireland will celebrate its 50th anniversary as a member of the European Union (EU). This period has been marked by radical changes in politics, policy and society – but among one of the most significant shifts has been Ireland's positioning as a top location of choice for FDI.

As the largest source of FDI in Ireland, US companies and the US-Ireland trade and investment relationship have been central to Ireland's economic growth. This relationship now stands at an all-time high with record investments in both directions. In 2021, there were almost 900 US multinational companies (MNCs) in Ireland, employing over 190,000 people and indirectly supporting over 152,000 jobs in the wider economy. Meanwhile, Ireland is the ninth largest source of FDI in the US, with more than 700 Irish companies employing over 100,000 people across all 50 States.

Ireland's membership of the EU continues to provide significant opportunities to strengthen and grow the US-Ireland business relationship. The transatlantic economy is the largest and wealthiest in the world and this relationship is set to be further strengthened by the EU-US Trade and Technology Council (TTC), which was established last year to enhance trade and investment, boost innovation, promote emerging technologies and infrastructure, and encourage compatible standards and regulations.

Digital hub

Ireland is already a global leader in innovation with research centres including Insight, CURAM, Nimbus, Tyndall National Institute Research Centre and Lero. The presence of some of the world's leading companies in sectors including tech means Ireland is ideally placed to become a global digital hub. As the only English-speaking, common-law country in the EU, Ireland also acts as a gateway to the EU for the US, meaning that the TTC will provide significant opportunities for Ireland to further grow its trade and investment relationship with the US.

As Ireland continues to be chosen as a location of choice for multinationals, one of my priorities as American Chamber (AmCham) president has been promoting our regions as destinations for FDI. Throughout this year, AmCham ran a series of campaigns – #WhyWestNorthWest and #WhySouthWest and #WhyMidWest – promoting the competitive differentiators that attract business and talent to regional locations. In 2021, more than half of all multinational investment went to regional locations. This is testa-

ment to the talent available in the regions, the great universities, incredible sporting, cultural and entertainment options and a great quality of life available to people. With clusters of world-leading companies choosing to locate in every corner of the country there are opportunities to create balanced regional development, widespread employment opportunities and hubs that reflect the strengths and assets of our various regions.

Ireland's success at attracting FDI has been largely aided by our talented workforce. In a survey of AmCham members 95 per cent of respondents said they are satisfied that Ireland's talented workforce is currently meeting the skills requirements for their organisation. Another one of my priorities as 2022 AmCham president has been promoting Ireland as a base for talent and global leadership teams.

Leader in talent

US MNCs are at the forefront of ensuring that Ireland remains a leader in talent. Many US companies are collaborating with third-level institutions both to develop new courses to meet current and future skills needs and to provide internships for students to gain on-the-ground experience. When Ireland's first Master's Degree in Artificial

“As the only English-speaking, common-law country in the EU, Ireland also acts as a gateway to the EU for the US

cial Intelligence was launched in University of Limerick in 2018 there were 10 US MNCs involved in developing that one course alone.

While Ireland boasts internationally-acclaimed high standards of education and quality graduates, it remains necessary to attract international talent to Ireland and to provide the necessary training and education opportunities to support the development of cutting-edge teams.

STEM topics

In that context, AmCham has advocated for increased focus on STEM topics in primary and secondary education, enhancing the development of key skills for the future, including coding, mathematics and the sciences and for the importance of alternative education routes including apprenticeships, upskilling and lifelong learning.

I am continuously inspired by the work done by the US companies who have based themselves here in Ireland. As we celebrate this Thanksgiving, I am grateful for the wonderful contributions US companies make to our society and our economy and for the opportunities that we have to grow and strengthen the US-Ireland relationship.

■ Catherine Duffy is senior VP, general manager at Northern Trust Limerick and president of the American Chamber of Commerce.

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