

**Minutes of the 170<sup>th</sup> Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.**

**Tuesday 31<sup>st</sup> January 2017 – InterTradeIreland (12.30pm – 14.30 pm)**

Present:

Board Members:

Mr Ken Nelson	Chairman
Mr Paul O’Sullivan	Vice Chair
Mr Micheál Briody	
Mr Timothy Cairns	
Mr Terry Crossan	
Ms Rosemary Delaney	
Mr Paul Greenfield	
Mr Patrick Joy	
Ms Ann Rudden	
Prof Terri Scott	
Ms Joanne Spain	
Mr James Spratt	

In Attendance:

Executive:

Mr Thomas Hunter McGowan	CEO
Mr Aidan Gough	Director of Policy and Strategy
Ms Margaret Hearty	Director of Programmes and Business Services
Ms Orla McGlennon	Board Secretary

#### 170.1 Apologies

An apology was received from Mr Laurence Lord.

#### 170.2 Opening Remarks

The Chairman welcomed all Board members and particularly the new Board members to the meeting. On behalf of the Board he expressed their condolences to Thomas Hunter McGowan on the recent death of his mother. He also asked that the Board’s condolences be sent to the family of the former

Board member Kevin Norton who had recently passed away. The Chairman advised that although he had never met Kevin he is aware of the valuable contribution he had made to the organisation. All members agreed with noting within the minutes, the significant contribution Kevin had made to InterTradeIreland, citing examples of his helpfulness and support.

The Chairman thanked all Board members for their encouraging remarks following his introductory email to them. He reported that he had met with InterTradeIreland staff on 11<sup>th</sup> January and was impressed with the work being carried out. The Chairman thanked the Executive for the information they had provided and their support to date.

The Chairman recommended that as a newly constituted Board, it would be beneficial if all Board members undertook Corporate Governance Training, which he would cover under the Chairman's Business. He also suggested having two off-site Board meetings which would provide Board members with the opportunity to engage with some beneficiaries of InterTradeIreland support, meet with stakeholders and generate some PR activities.

Board members, particularly new members, were invited to tour the InterTradeIreland facilities immediately after the Board meeting.

### 170.3 Conflict of Interest

The Chairman asked members to declare any conflicts of interest relating to today's agenda. The Chairman declared a potential conflict of interest arising from his position as CEO of LEDCOM, which as a member organisation of Enterprise Northern Ireland, which is involved in the delivery of the Co-Innovate programme.

No other conflicts were declared.

### 170.4 Noting of Previous Minutes

The minutes of the November 2016 Board meeting were agreed as a true record of the meeting.

Mr Nelson noted the outgoing Chairman's authorisation of the Minutes of the 29<sup>th</sup> November 2016 Board Meeting.

### 170.6 Overview of the work of InterTradeIreland and Draft 2017 Business Plan and Draft 2017 – 2019 Corporate Plan

Mr Gough provided an overview of the 2017 draft Business Plan and 2017 – 2019 draft Corporate Plan. He advised that to date, no indications have been provided by the sponsoring Departments regarding the budgets for the 2017 Business Plan or the 2017 to 2019 Corporate Plan. He provided a summary of the targets and outputs for the Corporate Plan.

Mr Gough reported that InterTradeIreland's strategy is based on the key drivers of trade and innovation and the operational challenges of building connectivity and capabilities in SMEs across the island. Evidence based research will continue to underpin the development of InterTradeIreland activities. All programmes are individually monitored and evaluated and are found to be delivering. Mr Gough

advised that Business Value is reported as an aggregation of impacts from our portfolio of programmes and incorporates additional revenue generated, efficiency savings and investments made as a direct result of a company's participation on an InterTradeIreland programme. Going forward, innovation and trade will be the key focus of activities. Mr Gough reported that the creation of jobs for small businesses on the island will also continue to be a key focus for the Body. He informed the Board that demand for InterTradeIreland's initiatives remains high and considerably above places available. A key challenge for the organisation is managing the demand for our programmes. The targets continue to be stretched for next Corporate Plan.

Mr Gough outlined new initiatives which will be introduced to enhance SME growth prospects through new trading and innovation opportunities including:

- Information service of Brexit;
- Sectoral clusters;
- Value adding connectivity; and
- Digitisation of services

Ms Hearty informed the Board that trade and innovation will continue to be key areas for InterTradeIreland. The Body will concentrate on identifying and working with micro and small to medium size enterprises that are generally serving local markets but have the ambition to become exporters. This ambition to grow will be a requirement for increasing the number of businesses benefiting from support programmes such as Acumen, Public Procurement initiatives and Elevate. InterTradeIreland will continue to deliver its innovation programmes of Fusion, Challenge and Funding for Growth.

The Board discussed the 2017 Business Plan and 2017 – 2019 Corporate Plan including the uncertainty over budgets, the importance of critical mass and future challenges including the significant budget commitments going forward. The need to embrace the digital environment and the need to monitor risks was highlighted.

The Board noted the draft 2017 Business Plan and the draft 2017 – 2019 Business Plan.

#### 170.7 Chairman's Business

The Chairman asked that Board members' profiles be circulated to Board members for information.

He thanked Board Sub Committee members, including new members, for their willingness to participate on the Committees.

The Chairman advised that he had met with the former Chairman, Mr Martin Cronin and had a very constructive meeting with him.

Appreciation for Mr Cronin's work as Chairman was again expressed by the new Chairman and other Board members who had served with him.

The Board agreed that corporate governance training would be beneficial for Board members. It was agreed that training would be provided by David Nicholl, On Board Training and Consultancy Ltd, for all Board members following the next meeting on 28<sup>th</sup> February. It was agreed to re-schedule all Sub Committees to before the Board meeting on 28<sup>th</sup> February to facilitate the corporate governance training in the afternoon.

The Chairman proposed holding two off-site Board meetings which would provide Board members with the opportunity to engage with some beneficiaries of InterTradeIreland support and meet with stakeholders. He advised that he would consider the matter and bring forward proposals to the Board.

#### 170.8 CEO Report

Mr Hunter McGowan presented his CEO report. He advised the Board that the Senior Leadership team had recently met with Trevor Connolly, Director of Business Engagement for the Department for the Economy. The CEO reported that he had briefed the Economy Committee in Stormont which was very well received. Representatives from two companies which had participated on InterTradeIreland programmes presented to the Committee and discussed their experiences. A wide range of issues regarding the challenges facing InterTradeIreland was discussed. Committee members complimented InterTradeIreland on the valuable work being undertaken.

The CEO advised that the Co-Innovate Letter of Offer was signed last week. Recruitment for positions to the InterTradeIreland Co-Innovate team is now underway with interviews scheduled to commence next week. The Executive are working with programme partners to finalise partnership agreements. Mr Hunter McGowan reported that expenditure on the Co-Innovate programme must comply with EU programme rules but there is some uncertainty whether expenditure on Co-Innovate must also comply with the Body's Financial Memorandum. In this regard, the Executive are of the opinion that it would be prudent to have Board approvals for Co-Innovate tenders which would be requested later in the meeting.

Mr Hunter McGowan informed the Board that he had participated in a Department for Jobs, Enterprise and Innovation (DJEI) Engagement Event on the 30<sup>th</sup> January. The sectoral briefing was attended by Minister Mary Mitchell O'Connor and the implications of Brexit on the economy were a key focus of the event. The CEO reported that InterTradeIreland has worked extensively on building a positive response to give guidance and advice to SMEs on how to respond to Brexit. A number of workshops have been piloted and further workshops are planned for 2017. Mr Hunter McGowan advised that a research programme to investigate topics related to cross border trade, examine current exports performance and the potential impact of WTO tariffs on export activities was underway. This research is being undertaken by the Economic and Social Research Institute on behalf of InterTradeIreland. Support will also be given to assist businesses to navigate the uncertain landscape, including the introduction of Brexit Readiness Vouchers which will provide £1,000 (or euro equivalent) towards expert advice. The CEO advised that the results from the InterTradeIreland Business Monitor Q3 2016 have indicated that:

- 97% of businesses have no plans in place for Brexit;
- 91% of cross border traders have no experience with dealing with tariffs; and
- 80% of business say that TV is their main source of information on Brexit

The Chairman thanked Mr Hunter McGowan for his report.

## 170.09 Board Sub Committee Reports

### *Innovation Sub Committee Report*

Mr Spratt reported back from the Innovation Sub Committee meeting held on 29<sup>th</sup> November 2016. The Committee considered eight new Fusion applications and two deferred projects. Five projects were approved, two projects were deferred (and following submission of additional information in December were subsequently approved) and one project was rejected.

Mr Spratt advised that the Committee had expressed their deep sympathy on the sad passing of their esteemed colleague Kevin and recognised his significant contribution to the Innovation Sub Committee. He asked that their condolences be passed to his family.

The Board noted the decisions of the Innovation Sub Committee and the Chairman thanked Mr Spratt for his report.

### *Trade Sub Committee Report*

Mr Joy reported back from the Trade Sub Committee meetings held on 29<sup>th</sup> November and 15<sup>th</sup> December 2016. He advised that the Committee comprises representatives of InterTradeIreland, Local Enterprise Offices, Invest Northern Ireland, Enterprise Ireland and Údarás na Gaeltachta. The Committee considered twenty-six Acumen applications in total. Twenty projects were approved two projects were deferred for further information and four projects were rejected.

The Board was advised that there is still a strong pipeline of applications coming forward. There was some discussion regarding applications from companies availing of more than one programme. The Executive commented that businesses would be expected to progress, for example from Elevate to Acumen or Fusion to Acumen. The Board asked the Executive for some analysis on the level of multiple applications for InterTradeIreland supports.

The Board noted the decisions of the Trade Sub Committee and the Chairman thanked Mr Joy for his update.

## 170.10 For Consideration, Discussion, Decision &/or Approval

### *Operations Directorate Progress and Activity Report*

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that all 2016 targets had been achieved or exceeded and budgets were on target despite significant exchange rate fluctuations. Outreach activity was an important aspect of 2016 with extensive activity planned for 2017 including various Brexit events. An event took place on 26<sup>th</sup> January to acknowledge the 2016 Fusion Exemplars. These projects were selected on criteria such as level of innovation, benefits achieved and overall contribution to the Fusion programme. Awards were made to the company, academic and graduate who all appreciated the recognition by InterTradeIreland. The event created significant publicity at local and regional level.

Ms Hearty informed the Board that the Tender team have ambitious plans for 2017. She advised that previously, generic Meet the Buyer events had been organised but following a successful pilot last year, sector specific supplier engagements events are planned for 2017, including one which will focus on the housing strategy, North and South.

The Innova collaborative R&D programme has now completed and an independent post project evaluation completed which reported significant results. The new Interreg funded Co-Innovate programme will continue to support this important innovation activity in Northern Ireland, the Border Counties and Western Scotland.

The Chairman thanked Ms Hearty for her report.

### *Governance and Financial Matters*

The CEO presented the Governance and Financial Matters report. He advised that all Board members are required to complete a Statement of Interests form on an annual basis to identify any potential conflicts of interest. Board members were asked to return these forms (which have been circulated to all Board members) to the Finance Manager by 28<sup>th</sup> February 2017.

Mr Hunter McGowan advised that due to the changes in the composition of the Board, the Body's Bank Mandates require updating to amend the details of the Chair and Vice Chair as authorised signatories. The Board passed resolutions authorising the Chair and Vice Chair as bank signatories which was proposed by Prof Scott and seconded by Mr Crossan. The Board also passed a resolution authorising the opening of a new bank account) to accommodate funding for the Co-Innovate programme which was proposed by Prof Scott and seconded by Mr Crossan.

He reported on the 2016 expenditure against budget set out in the summary financial statements (included in the Board papers).

The CEO informed the Board that as yet the 2017 Business Plan has not been approved by Sponsoring Departments.

The Chairman thanked the CEO for his report.

### *Tenders and Variations to Letters of Offer/Appointment*

Mr Hunter McGowan advised that there were five requests to go to tender relating to the Co-Innovate programme including those to be procured by InterTradeIreland and those being procured by its partners. He detailed the two tenders which relate specifically to the InterTradeIreland Co-Innovate budget:

- Procurement of a Management Information System
- Co-Innovate Stand 4 – to establish a process that will match academic expertise with individual company research and innovation requirements on a cross border basis

The Board approved the request to go to competitive tender for these procurement exercises.

Mr Hunter McGowan outlined the three tenders which relate specifically to Co-Innovate Project Partners:

- Procurement of external expertise in order to recruit companies onto the programme, to assess their eligibility for Co-Innovate, conduct an Innovation Ready Reckoner on each company and ensure that they attend. Co-Innovate Strand 1 - Project partners – ENI/LEOs
- Procurement of expertise to conduct a Business Status Review on companies that have attended strand 1 workshops and that have expressed an interest in participating on further strands of the Co-Innovate programme. Co-Innovate Strand 2 – Project partners – ENI/LEOs
- Procurement of external expertise to conduct Innovation Audits on companies expressing an interest in progressing to Strand 3, 4 or 5 of the Co-Innovate programme. Each Innovation Expert will produce a bespoke Innovation Action Plan for each company with a recommendation on the next stage of each company's innovation activity.

The Board approved the request to go to competitive tender for these procurement exercises.

#### *Communications 2016 Performance Review*

Ms Delaney updated the Board on the progress and performance in relation to InterTradeIreland's communication strategy during 2016.

She advised that the Communications team prioritised five key areas in 2016:

- PR Value;
- Web Visitor Numbers;
- Social Media Followers;
- E-zine Subscribers and Open Rates; and
- Brand Awareness and Understanding

Ms Delaney reported that 2016 was a very strong year in terms of performance with most targets met. The team had to work with the smallest total communications budget to date but had driven efficiencies from all activities to deliver best value for money. Website statistics exceeded targets by 23% mainly due to the introduction of a digital advertising campaign. The number of corporate ezine subscribers dropped as a result of the system filtering out inactive subscribers but the open rate (those who open the ezine) continued to grow averaging between 33% and 35% against an industry norm of 20%. These improvements were driven by the introduction of the monthly blog amongst other things. Ms Delaney reported that PR value target for the year was surpassed despite a much reduced PR budget. Exposure throughout the year was driven by a corporate advertising campaign, active social media, and regional outreach events and through other vehicles such as the corporate ezine, partner ezines and websites. The corporate blog launched in January 2016 was very positively received with over 12,000 views.

Ms Delaney informed the Board that in 2016 public affairs activity was lower than in previous years, mainly due to operational pressures, including the Co-Innovate application and changes in the political environment. She advised that engagement in all cases was very receptive and positive. The priority for 2017 will be to engage with the new N.I. Executive following the March 2017 elections and to re-engage with Irish TDs with a specific focus on the Economic Committees North and South.

Ms Delaney reported that a new Communications Strategy will be drafted in support of the 2017 to 2019 Corporate Plan. The focus for 2017 will be continuing to build relationships with relevant key

government stakeholders, particularly in terms of InterTradeIreland's Brexit role and supports and by increasing awareness of our services across the island both to SMEs and stakeholders. New communications metrics and targets are being set for 2017 for consideration by the senior leadership team and will be presented to the Communications Sub Committee in February.

The Board noted the Communications 2016 Performance review and the Chairman thanked Ms Delaney for her update.

*Interreg V Update*

Mr Gough gave an update on the Interreg Co-Innovate Programme. He advised that the Letter of Offer had been signed and mobilisation of resources to run the programme was underway including the drafting of Partnership Agreements. The Board discussed and asked that a written Co-Innovate Programme report be prepared on a monthly basis and included in the Board documentation. It was also agreed that the Co Innovate Executive summary should be distributed to the Board for information. The Board commended the Executive on the work undertaken to date in this area.

The Chairman thanked Mr Gough for his update.

*Business Plan Budget Variance and Milestone Exception Report*

The Board noted the Business Plan Budget Variance and Milestone Exception Report.

**170.11 AOB**

Mr Hunter McGowan advised that the Venture Capital Conference would be held in Dublin on 8<sup>th</sup> March with over 300 delegates due to attend.

Mr Briody expressed concern regarding the lack of focus on Brexit and its implications for SMEs in the 2017 Business Plan and the 2017 to 2019 Corporate Plan, given the high number of companies on the island exporting to the UK. The importance of securing additional funding for Brexit activities was highlighted, as was the need to build Brexit into the business planning process. The Board asked that time is set aside at the next meeting to discuss Brexit and its implications for InterTradeIreland. The Executive were asked to prepare a presentation on Brexit to aid discussion.

The Chairman indicated that the Board meeting agenda on 28<sup>th</sup> February would be arranged to allow adequate discussion time on Brexit.

The Chairman thanked Board members and the Executive for their contributions to the meeting.

.....Authorised by:

Mr Ken Nelson  
Chairman, InterTradeIreland  
28<sup>th</sup> February 2017