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ENCOURAGING NETWORKS
AND PARTNERSHIPS
ON THE ISLAND

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Chairman's Statement

The InterTradelreland Board's vision is one of a globally competitive all-island economy characterised by the optimal utilisation of the island's resources, particularly knowledge resources, to drive competitiveness, growth and wealth creation across this island.

We consider the use of our resources through the medium of our programmes to be an investment in the strengthening of the all-island economy. As with any investment, we expect a return. Our experience over the past five years of running value-enhancing collaborative initiatives across a broad spectrum of economic activities such as research and development, technology transfer, supply chain management and transport logistics, procurement, benchmarking, equity capital, sales and marketing, leaves us in no doubt that there is mutual benefit to be found in cross-border collaboration.

Businesses on both parts of the island share undeniably common challenges to maintain competitiveness in a market that is growing more global by the day. In pooling our resources across the island we can create a cooperative advantage which is a source of real competitive advantage for both Northern Ireland and Ireland.

InterTradelreland will continue to take the lead in establishing and developing those trade and business development partnerships and networks which will be the conduits through which the island's business resources can be shared and exploited, and we will continue to create new all-island facilities and new all-island resources to make those networks ever more effective.

Making this happen will be a challenge. We cannot do it alone. Success depends upon us developing effective strategic partnerships with economic agents on both sides of the border. In this regard I would like to record my thanks to those individuals, businesses, agencies and institutions who have helped make the period of our first corporate plan so successful. We look forward to extending and deepening these relationships over the next three years to enhance the global competitiveness of this island.

Martin Naughton
Chairman, InterTradelreland

2005-2007 Corporate Plan Summary

InterTradelreland's Mission is

To enhance the global competitiveness of the all-island economy to the mutual benefit of Ireland and Northern Ireland through measures such as the creation of knowledge-intensive all-island trade and business development networks and the implementation of all-island trade and business development programmes.

Strategic Framework

InterTradelreland will enhance the global competitiveness of the island economy by creating new, and developing existing, all-island trade and business development networks that are supported by knowledge-intensive network enabling tools.



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Strategic Objective & Performance Indicators

InterTradelreland's key strategic objective for the period 2005-2007 is to increase the number, effectiveness and value of all-island trade and business development networks.

Performance Indicators

- Type 1 The number of networks and the outputs of those networks.
- Type 2 The increased number of firms engaged in developing cross-border business.
- Type 3 The value of trade and business development activity generated by all-island collaborative networks and by firms engaged in cross-border business.

Targets will be set within our Business Plans for 2005, 2006 and 2007 and achievement against these targets will be reported in our Annual Review of Activities.



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1. InterTradelreland 2002-2004 Policy and Performance Review

InterTradelreland, the Trade and Business Development Body, is one of six cross-border bodies established under the Belfast Agreement, 1999. This is InterTradelreland's second Corporate Plan, the first having covered the period from 2002 to 2004.

A key objective of our first Board was to establish InterTradelreland as a body with a clear economic and business rationale. It was important therefore to develop a strategy that would differentiate InterTradelreland from other economic development agencies and add value in terms of cross-border trade and business development.

The organisation is described in its enabling legislation as 'A Body to exchange information and co-ordinate work on trade, business development and related matters'. Our first Corporate Plan (2002-2004) developed these themes of 'information' and 'co-ordination' into a strategic framework built upon 'knowledge' and 'networks'.

Knowledge - its creation, dissemination and exploitation - across the island of Ireland, particularly across the north-south axis, was identified as the unique value proposition which would distinguish the work of InterTradelreland as it sought to develop the capability of businesses to trade and compete not only on an all-island basis but also, as a consequence, more effectively in international markets. As we outlined in our first Corporate Plan the focus is 'not on knowledge for its own sake, but rather knowledge which is vital to better business and policy decisions'. We defined knowledge therefore as 'that sum of economic and business information and the technical and commercial expertise which will accelerate the generation and exploitation of ideas to deliver significant trade and business development benefits to businesses in the two economies'.

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A strategic framework built on three knowledge domains – *Knowledge Capital*, *Knowledge Channels* and *Knowledge Carriers* – was developed to translate our strategy into action. Within these three knowledge domains we designed and delivered over thirty all-island initiatives to drive the creation, dissemination and exploitation of knowledge relevant to all-island trade and business development.



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Full descriptions of the projects and their outputs and impacts are contained in the organisation's Annual Review of Activities for 2002 and 2003. Highlights include;

- providing targeted technical and market information to more than 4,000 companies, for example through our Cross-Border Trade Guidelines seminars and our Network and Getwork buyer-supplier events.
- working directly with more than 300 companies to develop their capability in the fields of sales, marketing, product and process development, and private equity funding, through our FOCUS, ACUMEN, FUSION, Benchmarking and EquityNetwork initiatives.
- creating new formalised all-island networks such as BioMed Ireland, Supply Chain Ireland and the All-Island Non-Executive Director Network.
- creating unique all-island facilities such as, the all-island research and development portal (expertiseireland.com) and the all-island public procurement directory (go-source.com).
- raising the profile of the all-island economy as a source of competitive advantage through our business and economic research projects, which have resulted in a series of publications and associated policy recommendations.

We forecast in our 2002-2004 Corporate Plan that the spillovers and synergies of such a strategic knowledge-based approach 'will be reflected in and assisted by the development of new all-island networks which involve the exchange of knowledge between firms, industries, universities and other centres of knowledge'. The development of networks such as the Irish Benchmarking Forum, the All-Island Supply Chain Forum, BioMed Ireland and Universities Ireland are tangible evidence that this is occurring.

Such networks drive the knowledge diffusion process across the island. Since competitive advantage for the firm depends as much on leveraging external knowledge resources as it does on maximising internal potential, all-island networks become a new and relatively unexploited source of competitive advantage.

Going forward therefore InterTradeIreland will continue to build its initiatives around the core themes of 'knowledge' and 'networks' in line with our legislative mandate to 'exchange information' and 'co-ordinate work'. We will continue to develop initiatives that drive the creation, the development and the exploitation of knowledge. We will, however, put an increased emphasis on assisting networks - particularly sectorally-based networks - giving increased focus to our range of initiatives and more outreach as an organisation to the business community.

2. InterTradelreland's Mission 2005-2007

InterTradelreland's Mission is

To enhance the global competitiveness of the all-island economy to the mutual benefit of Ireland and Northern Ireland through measures such as the creation of knowledge-intensive all-island trade and business development networks and the implementation of all-island trade and business development programmes.

This mission statement unites the wider vision of a globally competitive island economy with our legislative all-island remit and the primary means through which we will deliver it i.e., the creation of new all-island networks, the development of existing all-island networks and the exploitation of both to build competitive advantage.

InterTradelreland will consolidate and build on the achievements of the previous three years, simultaneously increasing the focus of the organisation, while developing its outreach to the business community. We will develop our range of activities during 2005-2007 in line with our existing legislative remit and as agreed by the North/South Ministerial Council.

Our Mission is consistent with recent statements on enterprise strategy in Northern Ireland and Ireland in 2004, which emphasise the importance of global competitiveness, innovation, knowledge and value-enhancing collaborative networks.

3. Strategic Objective 2005-2007

InterTradelreland's key strategic objective for the period 2005-2007 is to increase the number, effectiveness and value of all-island trade and business development networks.

Through the manner in which we will seek to achieve this strategic objective, InterTradelreland will enhance the trading, business development and ultimately the international competitiveness capability of businesses on the island.

The InterTradelreland Performance Management Framework in place to capture performance data against the strategic goals for the 2002-2004 Corporate Plan will be updated to provide the methodology and the means to capture performance data against this strategic objective. Targets will be set within our Business Plans for 2005, 2006 and 2007 and achievement against these targets will be reported in our Annual Review of Activities.

3.1 PERFORMANCE INDICATORS

Organisationally Specific Indicators:

- Type 1** - The number of networks and the outputs of those networks.
- Type 2** - The increased number of firms engaged in developing cross-border business.
- Type 3** - The value of trade and business development activity generated by all-island collaborative networks and by firms engaged in cross-border business.

Contextual Indicators:

These are broader indicators on trade and competitiveness that InterTradelreland will seek to influence but which are subject to significant influences outside our control. The most visible of these indicators is the level of North/South¹ trade at aggregate and sectoral level. InterTradelreland will continue to provide this information to industry and policy makers through a new internet-based North/South Trade Statistics facility. The InterTradelreland Survey of Business Links in Ireland provides other contextual indicators. At December 2003 this survey provided the following benchmark data, given in Table 1 below. We will carry out this survey again in 2006.

TABLE 1 - BUSINESS LINKS

INDICATOR	NORTHERN IRELAND	IRELAND
Percentage of firms engaged in cross-border export activity	34%	28%
Percentage of firms engaged in cross-border import activity	27%	20%
Formal linkages ²	3%	3%
Informal linkages ³	4%	7%

1. The terms North and South refer to Northern Ireland and Ireland respectively.

2. Formal Linkages e.g., export, import, purchase of raw materials, joint marketing effort, shared technical capability.

3. Informal Linkages e.g., general business meetings, visit to production facilities, informal networking.

4. Strategy into Action

4.1 STRATEGIC FRAMEWORK

InterTradelreland will seek to deliver its Mission and achieve its objectives within the strategic framework shown in Figure 1 below. The internal logic is simple:- InterTradelreland will enhance the global competitiveness of the island economy by creating new and developing existing all-island trade and business development networks that are supported and facilitated by knowledge-based 'network enabling tools'. More detail on each of the layers contained in the framework is outlined below.



InterTradelreland, Trade and Business Development Body

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This layer relates InterTradelreland to its legislative genesis as the Trade and Business Development Body established by the Belfast Agreement, 1998. The organisation's legislative remit is 'to exchange information and co-ordinate work on trade, business development and related matters, in areas where the two administrations specifically agree it would be in their mutual interest'.

Two sponsor departments - the Department of Enterprise, Trade and Employment in Ireland and the Department of Enterprise, Trade and Investment in Northern Ireland - jointly fund InterTradelreland. InterTradelreland has an Executive Board that reports directly to the North/South Ministerial Council.

In the all-island environment we recognise that there are many bodies within Northern Ireland and Ireland involved in specialised industrial development activities. InterTradelreland is unique in that it is the only such body with an all-island remit. Delivering this mandate requires the negotiation of successful and effective relationships with our partners - government policy makers, economic and industrial development agencies in particular Invest Northern Ireland and Enterprise Ireland, business and trade organisations in particular IBEC, CBI, the North-South Roundtable Group, the science & technology community and organisations engaged in economic and business research.

Globally Competitive Island Economy

The deepening of economic links across the border is a unique and relatively unexploited source of competitive advantage for businesses in both Ireland and Northern Ireland. At one level economic links can foster a more competitive environment through closer collaboration in addressing key strategic and policy challenges to mutual benefit in terms of economic efficiency, effectiveness, leverage and transparency. At a more practical business level, the island economy concept can augment competitiveness through: inter-firm co-operation; joint ventures and trade promotion; the opportunity to address a larger domestic market; exposure of products and services to a wider range of demanding customers; exploiting international opportunities; and improved supply-side characteristics in the area of skills, training, technology, telecommunications infrastructure and energy.

All-Island Trade and Business Development Networks

The nature of competition is changing. Global niche markets are replacing mass markets. Customers are searching for increasingly specialised products as managers and entrepreneurs struggle for increased technological and organisational flexibility. Individual firms can no longer retain internally all the knowledge and skills they require to address their customers' need. There is simply too much to do, too much to know and too much to learn. Innovation, the key to business development, thrives in dense networks of collaboration in which knowledge is created, disseminated and exploited. Firms must therefore seek and develop their unique value proposition and simultaneously learn to combine their capabilities with those of other firms and organisations in a manner that transforms collaboration into a form of competitive advantage. Companies are increasingly finding that business networks, defined as:- collaborative arrangements that provide a competitive advantage for the participants, fulfil this need.

Networks are increasingly seen as a strategic tool to be used by business managers and entrepreneurs to improve the performance of their business. The benefits of networks are that they allow participating firms to combine resources, to gain knowledge, achieve economies of scale, acquire technologies, skills and resources and enter markets that are otherwise beyond their reach. Membership of a network enables entrepreneurs to seize opportunities that they would not be able to if they relied entirely on the resources within their control. Business networks can provide a valuable source of support, information and a means of sharing resources. Through networks, small or medium sized companies can gain the necessary critical mass in key areas without surrendering any of their sovereignty.

As companies become more specialised and information and knowledge become more abundant and more dispersed, networks are increasingly critical to both trade and business development. Through the creation of all-island trade and business development networks InterTradelreland will provide businesses and other agents with the opportunity to engage directly and to construct business ventures that will both complement and enhance industrial development in both jurisdictions.

InterTradelreland will seek to develop sectorally specific all-island trade and business development networks by working directly with selected industry and trade associations from Northern Ireland and Ireland with whom we will build successful collaborative partnerships. Sectors will be identified on the basis of findings from our all-island research program and a willingness from the sector concerned to collaborate. InterTradelreland will support the use of network facilitators, portal provision and other ICT tools to develop networks, particularly these sector specific networks. These networks will be encouraged to develop international linkages to enhance their trade and business development potential.

We will continue to develop and support networks among various Communities of Interest such as Micro-Enterprises, Universities and other Third-Level Institutions and around specific Areas of Excellence such as Public Procurement, our EquityNetwork initiative, the All-Island Benchmarking Forum and All-Island Supply Chain initiatives.

Knowledge

Competitive advantage for the island economy, will depend on the ability to manage the transition from being investment-driven to being knowledge and innovation-driven. The creation, distribution and exploitation of knowledge is the main driver of growth, wealth creation and employment across all industries. A focus on knowledge underpinned InterTradelreland's previous corporate plan, which, outlined a series of initiatives within the three domains of Knowledge Capital, Knowledge Channels and Knowledge Carriers. Knowledge will continue to underpin all our activities over the next three years. In knowledge-based economies the tacit knowledge gained by individuals through experience is now as important, if not more important, than the codified knowledge that exists within organisations. Tacit knowledge is not as easily transferable as codified knowledge, and is a significant reason why formal and informal networks and effective networking are increasingly important for business success.

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Network Enabling Tools

InterTradelreland will provide a suite of knowledge-based initiatives that will enhance the effectiveness of all-island trade and business development networks. We will review our existing portfolio of knowledge-based business support initiatives in the areas of technology transfer (e.g., the FUSION project), sales and marketing (e.g., the ACUMEN and FOCUS projects), science technology and innovation (e.g., expertiseireland.com and INNOVA, the collaborative R&D programme), access to capital (EquityNetwork) public procurement (e.g., GO-SOURCE.com), benchmarking and supply-chain management to ensure that they are utilised effectively to assist business development within specific networks. We will also conduct an analysis in collaboration with our business partners to identify gaps in our support structures.

Through engagement with our networks, our network enabling tools and our trade awareness activities, InterTradelreland will increase the number and capability of firms engaging in cross-border trade and business development ventures.

4.2 RESOURCES & PROCESSES

InterTradelreland is a small organisation with broad strategic and operational objectives and a need to reach the business community across the island of Ireland. It is critically important that we optimise the use of our financial resources and our people. We build and develop close working partnerships, we engage openly with the business community and with other economic development agencies. We view the deployment of our resources as an investment — not a subsidy — towards the strengthening of the competitiveness of the island economy, and we will measure our performance to show a positive return on that investment. InterTradelreland will review the current deployment of our resources to ensure optimal utilisation in pursuit of our corporate objectives.

Financial Resources

InterTradelreland is funded by the Department of Enterprise, Trade and Employment in Ireland and the Department of Enterprise, Trade and Investment in Northern Ireland, in a 2:1 ratio. Funding will be provided on the basis of approved annual Business Plans.

The following expenditure forecasts apply for the period of this 2005-2007 Corporate Plan, see Table 2 below. Detailed budgets will be included in each of the Annual Business Plans for the period.

TABLE 2 - EXPENDITURE FORECAST⁽¹⁾

YEAR	TOTAL BUDGET £GBP	TOTAL BUDGET € (€1=£0.67)
2005	9,300,000	13,900,000
2006	9,500,000	14,300,000
2007	9,800,000	14,600,000

⁽¹⁾ Inflation has been assumed, under guidance from our sponsor Departments, at 3% per annum from a base of the 2004 Business Plan Budget. The figures in the table above have been rounded after the application of the 3% from the 2004 base.

InterTradelreland is mindful of its obligation to efficiently utilise the public funds at its disposal. Our key measure of efficiency is the ratio of operating costs to programme costs. In 2002 this ratio was 1:1.5 moving in 2003 to 1:1.8. We aim to improve this ratio to 1:2.5 over the period 2005-2007.

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People & Skills

InterTradelreland has an approved staff complement of forty-two people. The organisation was staffed progressively towards this complement, which was met during 2003, as strategic and operational plans were approved and implemented.

The staff of InterTradelreland has contributed skills, knowledge and island-wide contacts in both business and economic development disciplines. It is important that we retain and develop this island-wide perspective. Our people are encouraged to be innovative, professional and flexible in their work and to deliver added value in all of our initiatives.

InterTradelreland will strive to address the challenges of knowledge and skills retention and to maintain high levels of staff motivation through continuous training and development appropriate to the achievement of the organisation's objectives and individuals' needs, and through structures that recognise and reward achievement.

Governance

The nature of InterTradelreland as a cross-border body gives us a very specific governance model within which to work. The implementation of strategies and work programmes requires that we take our overall policy direction from the North/South Ministerial Council, that we put potential strategies and work programmes to our Executive Board for approval and authorisation, and that we consult appropriately with the two government Departments which fund our activities, DETE in Ireland and DETI in Northern Ireland.

InterTradelreland is committed to the highest standards of corporate governance.

We have developed robust and effective governance procedures covering financial affairs, strategic planning and performance measurement, the management and security of information, codes of conduct, the management and development of staff and compliance with statutory legislative requirements. During 2003 the Financial Memorandum that regulates the organisation's financial affairs was the subject of a review conducted with Department of Enterprise, Trade and Investment, Department of Enterprise, Trade and Employment, Department of Finance and Department of Finance and Personnel, culminating in the approval of a revised Memorandum.

The organisation conducts an annual Internal Audit, and is the subject of separate annual External Audits by the offices of the Comptroller and Auditor General in Ireland and Northern Ireland.

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InterTradelreland's audited Annual Accounts are published within the organisation's Annual Review of Activities.

Equality

InterTradelreland is committed to the development and delivery of successful all-island trade and business development programmes, provided to improve the competitiveness of the island economy and in a manner that provides equal opportunities for all citizens in both jurisdictions.

InterTradelreland is committed to the implementation of our approved Equality Scheme and to the fulfilment of the obligations that it contains. We will also contribute as appropriate to the development of targeting social need initiatives.

In the delivery of our Corporate Plan we will:-

- Screen all new policies and programmes which are to be adopted, to assess equality impacts;
- Consult widely and develop positive working relationships with interested groups and individuals, in order to learn how our policies affect their needs in terms of equality of opportunity;
- Provide staff with the skills necessary to deliver equality objectives in their roles and areas of responsibility in InterTradelreland;
- Conduct a programme of Equality Impact Assessments in line with our Equality Impact Assessment (EQIA) timetable and publish all results;
- Identify targets for operational activities, where possible, for the promotion of equality of opportunity and targeting of social need; and
- Develop monitoring systems, review arrangements and measures to collate quantitative and qualitative data to assess equality impacts of the Body's work.

4.3 CRITICAL SUCCESS FACTORS

- The establishment and maintenance of effective two-way relationships between InterTradelreland and industry, academia and key economic development agencies.
- The preparedness of industry representative organisations to co-operate in the development of all-island networks.
- Access to specialist expertise, internal and external to the organisation.
- The availability of financial resources as agreed by the two administrations on the recommendation of the North/South Ministerial Council.
- The continued support of our sponsoring government departments
- the Department of Enterprise, Trade and Employment in Ireland and
the Department of Enterprise, Trade and Investment in Northern Ireland.

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4.4 INTERTRADEIRELAND CORE VALUES

Creating Value

We make a difference for those individuals and organisations with whom we work through value-enhancing collaborative all-island trade and business development ventures which drive competitiveness and economic growth.

Partnership

InterTradelreland values partnership with relevant agents in the private and public sectors in the formulation and delivery of its policies.

People

InterTradelreland recognise that organisational achievement ultimately resides in motivated, skilled people working in an environment that encourages innovation and creativity balanced with responsibility.

Flexibility

InterTradelreland appreciates the fast moving environment in which business operates and endeavours to reflect this in the quality, speed and adaptability of our programmes and processes.

Accountability

We are committed to the highest standards of corporate governance to ensure accountability and value-for-money for the public funding which we receive.



The Old Gasworks Business Park • Kilmorey Street
Newry • BT34 2DE • Co. Down

T: +44 28 3083 4100
F: +44 28 3083 4155
E: info@intertradeireland.com
W: www.intertradeireland.com

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