

If you can't beat them, join them

DIANE CUSACK

Some unlikely partnerships are securing the future for a host of firms, writes Sandra O'Connell

At the risk of sounding like a mobile phone company, together really is better for small business.

Denise O'Callaghan set up Delicious, a gluten-free bakery, in Cork in 2006. When she wanted to extend her sales nationwide, she turned to the owner of a complementary business, Diarmuid Crowley of Wild Orchard smoothies, to ask if he could deliver her products.

When O'Callaghan wanted to cut the cost of her ingredients, she turned to rival bakeries and joined forces with them so that they could order as a group, securing discounts of up to 20%. She did the same with her packaging.

"Small businesses are too often distrustful of one another when, if they would just think about ways to work together, they could secure benefits for all," said O'Callaghan.

Collaborations sometimes come from the most unlikely source. Eddie Rocket's, the hamburger restaurant chain, recently teamed up with Unislim, the weight-loss company, to create healthier dishes such as a bikini burger. This joint promotion is aimed at boosting business for both companies.

According to Eddie Rocket's operations director, Ken Brown, the move was a response to customer demand.

"We get six to eight emails a day from customers asking for nutritional information, and we reckoned that if customers are asking about nutrition, then they are interested in it," said Brown.

"The move was a response to that. We've always been interested in healthy eating and nutrition ourselves, but never had the backing of an organisation with the healthy-eating pedigree of a Unislim before.

"It gives us another vote in a family where the kids want nuggets, dad wants a hamburger and mum wants to eat something right."

The objective for Eddie Rocket's, which reported pre-tax profit of €1.5m for 2010, up from a €400,000 loss the previous year, is to increase footfall. "That's the metric we are using, not a crossover from existing customers," said Brown.

For Ciaran Walsh of Le Cool Dublin, an online events magazine launched two years ago, moving into shared business space has given rise to opportunities for collaboration. Walsh worked from home for a year, but moving into South Studios in Dublin has resulted in invaluable benefits.

Walsh is keeping costs as low as possible by turning to fellow businesses for help, favours and the bartering of services. His magazine



Taste of success: O'Callaghan works with her competitors to expand and spread the word. 'Small businesses are too distrustful of one another when they could secure benefits for all,' she claims

is entirely dependent on advertising and has revenues of only €50,000 a year, so every little helps. The space, run by professional photographers and used for television and photographic shoots, is also home to self-employed architects, graphic designers, stylists and illustrators. For Walsh, the neighbours are a source of practical and free help, and also provide a creative stimulus.

"We get great pictures for our magazine from the guys here, which helps build profile for them," said Walsh. "The architects have helped us design display stands and, for a promotional movie screening we ran for subscribers, they built a set — a confession box — into which people could record their views which we then uploaded to the magazine. All that help was for free and on a barter basis. No money changed hands."

In return Walsh can promote events in his magazine.

"It's about doing favours for one

another, knowing that as we grow and as they grow, there will eventually be money and paid work in it," he said. "Everybody's talking about the DIY culture in business now. Collaboration is more prevalent than ever."

By collaborating with one of the city's best-known bicycle shops, the owners of Urbanfrog, the cycle-wear manufacturer, have come up with a way to promote the business at no cost. Angie McMenemy and Viv Horkan, both keen cyclists, got fed up with the limited appeal of the cycling gear available to them. "It was all very Tour de France, and that's not us," said McMenemy.

The company should make sales of €60,000 in its first year and the aim is to sell online, where the margin is biggest. But the company must get the brand known, McMenemy said, and the cheapest and most cost-effective way of doing that is to sell through retailers.



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In the meantime, with no budget for promotion, McMenemy had to think creatively. The result was a decision to supply clothing to 2Wheels, a bicycle shop in Sandy-mount, to be worn by a triathlete whom it sponsors.

"He wears Urbanfrog goods with our logo as well as the 2Wheels logo," said McMenemy. "Triathletes are a small community, so they will all pick up on that fact. His wearing Urbanfrog is the best imprimatur that we could get, and it doesn't cost us anything, so everybody wins."

"In the current environment it's all about helping each other out to your mutual benefit, and to do that you have to think outside the box."

Last year, 130 independent opticians around Ireland took a clear-sighted view of what was required to help them cope with the downturn. By joining forces under a new brand, EyeZone, they hope to boost busi-

ness for each other. According to Ray Bissett, the group's spokesman, EyeZone is a collective organisation accounting for about one-third of the opticians in Ireland.

The move was a response to research that indicated independents were losing market share to multiples in the market. "Our market research indicated that, while people had no issue about quality among independent opticians, they were worried about pricing," said Bissett. "Also, young people in particular were favouring the multiples."

The members of EyeZone do not lose their independence, and each retains its own trading name but with the addition of the EyeZone brand after it.

"It is a non-profit-making move to build market share for all," said Bissett. While there are no official figures, EyeZone has, anecdotally, led to a "significant lift in sales

among under 35s". Bissett said: "It's all about growing back market share, and this collaborative approach is proving effective, so much so that I've been told that independent pharmacists are watching our success closely."

Heather Finn, a knitwear maker, is hoping to benefit in a similar fashion when she and 11 other design and craft workers move into a shared studio and retail space off Grafton Street in Dublin.

"It will give us a platform where customers can come and buy or commission, and buyers, stylists and journalists can visit," said Finn.

"By working together we would hope to organise trade shows and fashion events together that we wouldn't have been able to afford on our own. Also, I never in a million years thought that I'd be trading just off Grafton Street. I couldn't have done that without partnering up with the other businesses involved."



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HOW I MADE IT

FRANK WILSON, owner manager of Ceramicx

WHEN Frank Wilson, the founder and director of the Cork-based manufacturer Ceramicx, went to the 30-year reunion of his old school, Blackrock College, he was disheartened by what he found.

He was the only person in the room who had gone into manufacturing. "All the rest were in the professions," he said. Wilson feels strongly about what he regards as an over-representation of lawyers, bankers and assorted consultants in Irish business. It is, he said, symptomatic of a failure on the part of Irish parents.

"They have elevated these positions too highly in the minds of their children, thinking there is more job security in them, which as we can see now isn't the case. As a result, we have ended up with an Ireland in which very few people are oriented towards primary production and that's just wrong."

The need to foster indigenous industry is something about which the 52-year-old entrepreneur feels passionately. His own earliest years were spent in Libya, where his father, an electrical engineer, worked for oil giant Esso.

He remembers being airlifted out when Muammar Gaddafi unseated the king, returning en masse to the family farm north of Bantry in west Cork. Soon after, he was sent to school in Dublin. Boarding at a young age wasn't always easy, but it had an upside. "You learn to



Wilson wants more people in manufacturing, but not in multinationals

grow up and get on with life, be independent," he said.

After school, he turned down a university place to study agriculture in Clonakilty, and today describes himself as "a farmer by vocation". The family farm has gone but he still has a "piece of mountain" on which he keeps sheep.

Initially, he kept the farm going part-time while working for an injection moulding company.

At the age of 27, in a change of direction prompted by his wife Grainne's family background in fishing, he opened a fish shop in Schull, working days there and night shifts for the injection moulding company.

Wilson built the fish shop up to a point where it was supplying restaurants throughout the southwest and then sold it. With the proceeds he bought the equipment from an infrared heating products manufacturer that

was relocating to Wales in 1992, and opened his own factory in Schull.

"Initially I called it Ceramics, but people assumed I was making crockery so I added the x," he said. Having started with a staff of three, today he employs 32 and had annual sales of more than €2m last year, up 19% on the previous year. The business is profitable but he admitted that it would be more so if he didn't continually plough money back in. Last year he spent €150,000 on marketing and engineering development. The company supplies ceramics components to automotive, aviation, consumer electronics and white goods manufacturers, as well as print and packing companies.

Wilson set up the business because there was a lack of career opportunities in west Cork. "I don't have time for office politics," he said. "We have a very flat structure here, and I'm Frank to eve-

ryone. As I see it, the only difference between me and my employees is that if they want something the logic of it has to add up, whereas I get to do things on gut feeling because it's my money."

Central to his success is a positive predisposition to change, he believes. "Change is opportunity. I've often said to [employees], 'You are making a good contribution, but change is catching up with you and you are going to have to change with it, because the company can't afford to sit still!'"

On his farm, in his fish shop and in industry, change has been a constant for Wilson. Entrepreneurs have an ability to spot and make changes, he said, but too many potential entrepreneurs get sucked into multinationals. "The cream of the people who could have run indigenous companies here are in multinationals and that is sad," he said. "The talent we have is so under-utilised as a result. Again, it goes back to how parents teach their kids."

In Ceramicx, one of the biggest challenges was to grow a global business from a remote part of a remote island. "Because of our location, we have to be smarter than businesses in other countries in relation to things such as supply, and must operate in a way that allows us not just to service our customers, but to delight them," he said.

With customers in 68 countries, Wilson is often asked how he develops export sales. To evaluate the potential of a new country, he finds the largest exhibition or trade fair in his sector and buys the catalogue. "I then look at what companies there are already doing," he said. "I select six, prepare a presentation of samples, brochure and price lists, send the six parcels out and follow them up. There isn't a country in the world I haven't cracked in that fashion. It's just common sense. But then, when you have built a business from the ground up, common sense is pretty much how you approach everything."

Sandra O'Connell