



Cut the red tape, give us a break and we'll do the rest

New start-up bosses tell **Louise McBride** what the Government should be doing to make building new businesses easier



THE economy will be restarted by smart, young entrepreneurs setting up new businesses. Some of our youngest, most dynamic and freshest entrepreneurs tell the *Sunday Independent* what they believe the new Government should do to cut red tape and make doing business easier for start-up companies.

RED TAPE

Deirdre Collins set up her organic food business, Dee's Wholefoods, in 2008. Collins believes the Government should stamp out the "huge amount" of red tape faced by those starting up a business.

"If you're setting up a food business, you have to get an external consultant in to do your HACCP (Hazard Analysis and Critical Control Point) plan before you can do anything," she said. "They can cost anything from €700 to €2,500."

It is against the law not to have a HACCP plan — which helps businesses prepare food safely — in place when setting up a food business. Though Collins agrees with the principle of the HACCP, she said: "It can really delay things."

Ogie Sheehy set up his software company, You Comply, in late 2008 — and started trading last year. He is frustrated at the amount of red tape around government tenders.

"When entrepreneurs get to a stage where they have a good product, trying to sell that product is what will make

or break them," said Sheehy. "I was recently told that one of my products would be great for the Health Service Executive — but I'd grow old trying to sell it to them. The red tape around getting any sort of government agency to look at your product is unbelievable. If the Government could put a scheme in place where they would review the products of entrepreneurs, it would be a big help."

Another entrepreneur who has grappled with red tape is Cork chicken farmer Tom O'Brien, who owns O'Brien's Free Range Eggs Direct. Last April, O'Brien won a start-up business award for selling his free range eggs to the public through vending machines. He wanted to sell his eggs in a shop but had to get a barcode to do that. "One Irish company charges an upfront fee of about €500 for that barcode — and an annual fee of about €120," said O'Brien. "Costs like that are a barrier to small businesses. In the end, I bought a certified barcode over the internet for €40."

BROADBAND

A Cork couple, Graham and Anne Ferguson, set up Ocean Addicts, a scuba-diving cruise

business, in May 2009 after they both lost their jobs. One of the biggest challenges for the firm is poor broadband coverage — a problem Anne Ferguson, business development director, believes should be immediately tackled by the Government, particularly in rural areas.

"I'm half-an-hour from Cork city but I spent all of last weekend with no broadband coverage," she said.

As many of Ferguson's customers are coming from abroad, her business depends on the internet. "With my poor broadband coverage, I can't answer email queries from prospective customers — so I'm driving to local hotels to get a broadband connection to do that," she explained. "We were trying to get a payment to Britain for a generator last weekend — but we couldn't even get on to online banking."

RATES

Commercial rates, paid on business premises, have long been an albatross for Irish companies. Some businesses have to cough up hundreds of thousands of euro a year to cover commercial rates.

Deirdre Collins believes start-up companies should not have to pay rates for their first three years in business.

"I was liable to pay rates for 2008 even though my business was not up and running at that stage," said Collins. "It would be another 12 months before my product was ready to go to the market. I could not



TOP SELLERS: Clockwise from top, Robin Blandford, Deirdre Collins and Marc Buttery

afford to pay rates until 2009. A lot of companies cannot afford to pay rates when starting up. You don't make any money in the first few years and you're spending your own salary on marketing, advertising, new equipment and so on."

FINANCE

Many entrepreneurs are finding it impossible to get off the ground because they cannot get the finance they need to start their business.

"The doors of the banks are closed to many small businesses," said **Wilson Boardman**, director of Unique Voice, a

Kerry translation and language teaching company that provides interpreters to the courts and gardai. Boardman set up her company about eight years ago. "The new Government should put a system in place so Enterprise Ireland can give loans to entrepreneurs — or show entrepreneurs how they can access loans," she said.

Under the Back to Work Enterprise Allowance, unemployed people can keep a percentage of their dole payment if they set up their own business. You usually have to be on the dole for a year, however, to qualify. This is a big disincentive to unemployed people

who would like to set up their own business a bit earlier than that — but can't afford to give up a regular dole payment.

"I know a lot of unemployed people who would like to start their own company — but they can't do it until they're on the dole for a year," said Robert Blandford, director of Decisions for Heroes, which develops software to help rescue teams save more lives.

One of Fine Gael's proposals is to merge city and county enterprise boards and other employment agencies into business support centres.

Marc Buttery believes such a move could destroy the

autonomy of enterprise boards. In 2009, he set up oddsfutures.com, which allows people to predict trends in sports betting and trade prices or 'odds' online.

"We found Enterprise Ireland's hands were tied in assisting us so we went to South County Dublin Enterprise Board," said Buttery. "We got a quick decision. Enterprise boards should be left intact. It's their autonomy which makes them efficient. Councils can't even run themselves let alone decide who is a good entrepreneur."

TAX

Tax is a savage burden for young entrepreneurs and many believe they should be exempt from certain taxes or have their tax bills reduced.

"One of the things that's crippling is the high PRSI and VAT," said Boardman. "If PRSI and VAT could be reduced in the first five to 10 years of a business, it would make things a lot easier for start-ups."

"PRSI prevents me hiring people," added Ogie Sheehy.

STAFF

One of the biggest challenges facing entrepreneurs is being able to find, and afford, the right staff. "Finding good developers is incredibly hard," said Blandford. "The likes of Google and Microsoft and so on have sucked up a lot of the talent as they can afford to pay the high salaries."

Blandford believes the Government should build up a pool of highly skilled graduates so that entrepreneurs find it easier to get the right staff.

Sheehy believes the Government should pay the salaries of staff taken on by entrepreneurs for their first year-and-a-half in business. He described the Fas work placement scheme as "useless and riddled with red tape".

RED TAPE
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