

**College:** Cork Institute of Technology  
**Location:** Cork, IRELAND  
**Practice:** Graduate Enterprise Programme Southwest Region  
 Supporting entrepreneurs through a 12-month program, complete with funding, training, and mentoring

*Year Started* 1998

*Budget* IE £300,000 (\$360,000)

*Program Participants* 14

*College FTE* 7,879

*Target Sector* High-tech

*Staff Size* 1 FT, 1 PT

*Structure* Multi-college partnership

*Key Outcomes* New enterprises  
 Job creation  
 Increased economic turnover

## Introduction

Business in Ireland is growing, in part because of the support and training offered at regional institutes of technology. For example, in Counties Cork and Kerry, the Graduate Enterprise Program (GEP) is stimulating and supporting the development of small, technology businesses with a range of assistance. The program is a partnership of the Cork Institute of Technology (CIT), the Institute of Technology, Tralee (ITT) and the University College Cork (UCC), as well as business support agencies such as the Cork Business Innovation Center (CorkBIC) and Enterprise Ireland.

Led by CIT, the GEP aims to build the local economic base by focusing on innovative business ideas and emerging technologies proposed by experienced graduates. Instituted in 1998, the

program has the potential to become a permanent offering at CIT. Its success is undeniable: in its first year of operation, 14 entrepreneurs participated, 40 jobs were created, and IE £1.5 million (\$1.8 million) turned over in the local economy. In addition, demand for the program outstrips available slots, allowing for selective admission that ensures participation of innovative and promising entrepreneurs.

## Community Background

Inhabited since the Stone Age, Cork is Ireland's largest county. Cork City, with a population of 128,000, is the second largest city in Ireland and is home to CIT and UCC. Tralee, the capital city of County Kerry, is small in size and population and is home to ITT. Like most of Ireland, one of the least

Program focus	Sector specific	Economic condition	Economic base			Target populations
			Mfg	Agr	Svc	
Entrepreneurship	No	Growing	N/A	N/A	N/A	Entrepreneurial candidates, small firms

Service Area	Counties Cork and Kerry (SW Region)
Total Population	547,000
Median Household Income	IE £10,000 (US\$12,000)
% Below Poverty Level	16 (national figure)
% Unemployment Rate	5
% Minority Population	1
% Rural Population	46
% High School Graduates	20
% College Graduates	6

densely populated nations in the European Union, both counties are primarily rural.

The economy of the region is growing, as is the population. And while foreign-owned branch plants have been the backbone of the economy, locally owned small- and medium-sized enterprises (SMEs) are becoming the main source of employment in the region. Consequently, and despite the current economic growth, local leaders wish to enhance and enlarge the role of SMEs as insurance against future economic shifts (for example, if there were to be a reversal in the trend of international branch plant locations in the region). As a result, local technical institutes and universities are forming partnerships, such as the GEP, to incubate small technology businesses.

## Program Description

Developed in late 1997, the GEP was first offered in January 1998. Although the Cork Institute of Technology (8,000 students and programs in science, business, engineering, art, and music) takes the lead in managing the program, the GEP is a partnership between the CIT, ITT, UCC, CorkBIC, and Enterprise Ireland. In addition to helping CIT oversee the program, the partners provide both physical and intellectual resources to participants. The programs are housed at CIT and ITT. Cork leases space at a nearby Enterprise Center. The full-time program manager was a community member with start-up experience, found through public advertising, rather than being drawn from the colleges.

Students in the program are mature (ages 23-40), have completed some third-level (post-secondary)

education, have relevant work experience, and most importantly, have a feasible business idea that involves technology innovation. The commitment, motivation, and communication skills of applicants are also considered, as is the job creation potential of their business ideas. Three or four applicants vie for each of the 14 available slots, and the selection process is rigorous.

Because students have not only post-secondary education, but also experience in the field and a solid business idea, the GEP is able to compress what could be a multi-year process into a 12-month program, allowing entrepreneurs to establish their businesses and realize their goals quickly.

Once selected, participants receive salary replacement for those who leave work to join the program, a training grant of IE £4,000 (\$5,000), funding to support product development and market research, extensive business training, individual mentoring, access to professional services, and use of office space and equipment.

Mentoring plays a role beyond merely giving participants advice. It also fosters the creation of networks among participants and mentors—networks that help both participants and mentors now and in the future, and also help market the program. Additional program marketing comes from local press coverage, annual launch and awards ceremonies, and a website that generates international interest.

Funding comes from the Department of Education, aided by the European Social Fund under the Operational Programme for Industrial Development and Enterprise Ireland. Enterprise Ireland is a development agency committed to funding projects that develop new technology-oriented businesses. Funding cycles run three years. The current funding cycle, concluding this year, is for IE £300,000 (US \$360,000), which accommodates 14 participants. Increased funding has been secured for an additional three years, which allows expansion of the program to 15 participants each year until 2003.

## Outcomes

Businesses started in the program's first year include:

- **Saorgus Energy Ltd.** The participant has experience and a degree in geology and earth sciences. With the help of GEP, the participant formed

partnerships with leading energy firms in Ireland and began site development for wind power generators. Saorgus is expected to grow from two to five full-time employees by the end of 2001.

- **PReuroCHEM** The participant has a background in the pharmaceuticals industry and was attracted to GEP because it offered the opportunities and support he couldn't find in his native France. Following the GEP, the participant developed a company that caters to large chemical and pharmaceutical firms in need of specialized chemical samples. PReuroCHEM is expected to grow to six full-time employees by the end of 2001.
- **Meditech** With experience in a large, multi-national company specializing in medical/healthcare products, the participant used GEP resources to study and develop the market niche for medical seating products. Based on research that documented increasing demand for such products, Meditech is expected to grow from four to 21 full-time employees by the end of 2001.
- **Interactive Information Services** GEP helped the participant, with 10 years experience in engineering development and design, to research a wide range of market possibilities and choose the interactive television market. The participant then created a prototype for a high-performance pointing device that allows easy use of televisions for interactive business and entertainment needs. His company is expected to grow from one to eight full-time employees by the end of 2001.

In total, the program created 40 jobs within its first six months of operation. The cost per job created was estimated in 1999 at IE £9,000 (US \$10,000). In addition, the companies, and the jobs they create, have a multiplier effect in the local economy.

To date, all participants have started and kept their businesses in Ireland. Since the program does not require this, and since it is open to international participants, the benefits of the GEP could be felt outside the region and even the country.

## Strengths, Challenges, and Replicability

The strengths of the program include the caliber of

students admitted, the compressed timeframe of the program, the facilities provided, the involvement of the various partners, and, of course, the funding, which reduces many of the risks of entrepreneurship. As a result of these strengths, participant feedback has been positive. Indeed, many participants reported that they would not have seen their projects through to implementation without the dedicated funding, support, and stimulation of the GEP and its partners.

The words of two participants echoed those of many: “[This was] very important, otherwise I would have backed off. The funding kept me in there.” and “The security and the comfort in the knowledge that there was a basic salary in place and it wasn't a step off a cliff—that was very, very important.”

Not surprisingly, the outlook is positive for the program's long-term feasibility as demand for, and recognition of, the program is growing. Indeed, Enterprise Ireland identified the GEP as a model enterprise development program, allowing the budget to be increased and the program expanded.

A comprehensive external audit completed in 1999 outlined many of the program's strengths and recommended areas for improvement:

- Maintain funding, including grants to participants, which serve to minimize financial risks to participation.
- Conduct training at the beginning of the program. Rather than invest time in training sessions during critical points of the business start-up, participants preferred having all training up front, before business plans were initiated.
- Focus on interactive training that matches participants' interests, and use trainers with an entrepreneurial background. Using case studies and practical (as opposed to theoretical) materials is also a plus.

The greatest challenge to the program is to keep up with the participants' innovations. This requires not only expertise, but also current knowledge of developing fields.

Another challenge lies in getting more women to participate in the program. Currently, most participants are male, since more males than females apply and since more men than women have acquired a background and experience in innovative technology.

As for replicability, the attention the GEP receives from international applicants and conferences is an important validation of the applicability and need for such business incubation opportunities. Not surprisingly then, the program is being studied for application in other sites.

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