Review and Analysis of Performance and Impacts of Community Owned Enterprise Centres in Ireland

nacec

National Association of Community Enterprise Centres

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Acknowledgements

First Western was delighted to be asked by NACEC to conduct this review and analysis of the performance of Community Owned Enterprise Centres. This review follows on from the first review of performance of the sector which we undertook in 2010, covering the period 2008 to 2010.

We are pleased to see that overall the performance of the Centres has improved since 2010 in terms of key metrics such as occupancy levels, numbers of jobs and level of new start up businesses. The sector has weathered the economic recession well and looks to be well placed to continue to provide valuable support, incubation and enterprise space to businesses across Ireland in the coming years.

We would like to thank the executive committee of NACEC, especially the Chairman Joe Kelly and Secretary Michael Bruen for their guidance through this process, encouraging all centres to get involved in the process and their work in reviewing the results of our research and findings. We also thank Richard Murphy and Gillian Slattery of Enterprise Ireland for guidance and inputting to the data collection and review from the Enterprise Ireland perspective.

This review presents a very comprehensive picture of the operational performance of centres over the past 3 years and collates the collective outlook for the sector for the period ahead. It would not have been possible to gain this data without the cooperation of the 76 centres that replied to our survey and provided us with follow on information via telephone interviews and contributions at NACEC meetings.

We wish NACEC and its members well in the future and hope that this report can assist in highlighting the need and importance of Community Owned Enterprise Centres in Ireland

First Western

November 2013

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1 IMPACTS OF COMMUNITY ENTERPRISE CENTRES

The survey of the Community Enterprise Centres commissioned by the National Association of Community Enterprise Centres (NACEC) in conjunction with Enterprise Ireland, sought to establish the impacts that the centres have had not only in their own communities but also their impacts in relation to the growth and development of individual enterprises and job creation and maintenance across Ireland. Based on the data acquired the following are the important impacts of the sector to date:

- *3712 – The number of jobs in client companies across the 76 centres responding to the survey. In scale this is similar to the total employment of Intel in Leixlip.*
- *1,600 – The number of jobs in businesses that have left enterprise centres over the past 3 years, as a result of their expansion.*
- *Of the total of 3,712 jobs in Enterprise Centres, it is calculated that only 11% or 258 jobs are employed through publicly funded programmes, (e.g. FAS schemes etc.) the remaining 3,460 jobs are employed by private sector enterprises.*
- *392 – The number of new start up enterprises that have started to trade from Community Owned Enterprise Centres since 2010.*
- *9,300 – Estimate of the number of new jobs created by businesses that are or were tenants in Community Owned Enterprise Centres over the past 10 years.*
- *Of businesses that leave enterprise centre, twice as many leave because of expansion reasons, rather than downsizing or closure reasons.*
- *1,133 - The estimate of the number of businesses that would not have started if the enterprise centre did not exist*
- *394 – The estimate of the number of businesses that would move out of the local area if the Enterprise Centre did not exist*
- *317 – The estimate of the number of businesses that have left enterprise centres in the last 3 years*

- *55% of businesses that have left enterprises have continued to grow and increase employment*
- *40% of enterprise centre clients are involved in exporting, while 54% of the remainder expect to become involved in export of products or services in the future.*

Specific Impacts of Enterprise Ireland BDM Supported Centres

- *An employment analysis of business located in BDM supported centres and non-supported centres shows a much higher percentage of businesses engaged in hi tech, added value activities than in non-supported centres, where there is a greater prevalence of social and community based activities.*
- *BDM supported centres have on average twice the number of jobs than non-supported centres.*
- *There are almost three times as many persons employed in businesses in BDM supported centres as non-supported centres.*
- *On employment by category, BDM supported centres have higher percentages of companies engaged in higher added value, knowledge based and growth sectors such as IT and financial services. For example in the IT sector 24% of companies in supported centres versus 5% of companies in non-supported centres. This supports the rationale that the provision of professional support towards business development and centre management can allow them to attract and retain more sustainable industry types.*
- *The presence of community based and personal service type businesses are much more prevalent in non-supported centres at 26% compared to 9% in the supported centres.*

Employment in BDM Supported versus non BDM Supported Centres

Category	Jobs in BDM Supported Centres	% by category	Jobs in Non BDM Supported Centres	% by category
Agriculture, Forestry, Food	179	6%	23	2%
Manufacturing	179	6%	39	4%
Mining / Quarrying	4	0%	0	0%
Electricity, Gas, Water	57	2%	3	0%
Construction	113	4%	9	1%
Wholesale / Retail	123	4%	68	7%
Transport / Storage	93	3%	2	0%
Financial Services	226	8%	13	1%
Property Services	24	1%	11	1%
Education / Training	221	7%	109	11%
Healthcare / Social Work	356	12%	98	9%
Professional Services	139	5%	49	5%
Information Technology	720	24%	47	5%
Community / Social / Personal Services	262	9%	271	26%
Other	266	9%	292	28%
TOTAL	2,962	100%	1,034	100%
Total no of Centres	38		28	
Average Jobs per Centre	78		37	

2 RECOMMENDATIONS

Business Development Support

The operational and business environment of Community Owned Enterprise Centres has improved considerably in 2012, compared to the situation between 2008 and 2011. There are now higher levels of business confidence, increased enquiries and demand for space and services and renewed optimism with centres are reporting higher occupancy levels. However the business and operational environment remains very challenging.

This review has noted that those centres that are managed on a professional basis have been the most successful in revamping their business model and operations to compete in the current economic environment. Many have developed new products and services (hotdesks, new training programmes, new supports), become more competitive (short leases, keen rental packages) and are much more active in their local communities in generating new business and acquiring clients (supporting local networks, business advice and mentoring).

The success of the current Enterprise Ireland Business Development Manager Programme is evident from the results of this survey and review. The longer terms impacts of the programme are also relevant when the quality of business spinouts, employment impacts and business support impacts of the enterprise centres are examined.

Given the tough economic climate that the centres operate in, it is recommended that Enterprise Ireland invest in a further Business Development Manager Support Programme, commencing in early 2014 and to run for a two year period. Funding should be made available to centres on a competitive basis and to those who can demonstrate that they will be able to achieve key milestones in relation to new business start ups, business retention, enterprise growth and provision of quality business support programmes.

Capital Investment Requirements

While it is recognised by the sector that there is available much space for rental in the private and enterprise centre market, the survey has found that:

- 38% of centres are operating at occupancy levels above 80%, meaning that they are at or near full capacity; this upward occupancy trend is increasing

- Demand for certain types of space has doubled in the last 12 months (office, hot desks, small units)
- The most popular types of space being demanded at present are:
    1. Small offices and office space
    2. Training space
    3. Small units
    4. Hot desks
    5. Food units

Centres have stated that there is a need and an appetite for capital upgrades to meet current business needs. The key areas for investment are, and estimated costs for the sector are:

Item	€
Energy efficiency measures (BER certs, Energy reduction measures)	€3,000,000
Space upgrades (mainly conversion to office, conversion to smaller office units)	€3,500,000
Space upgrades to make existing space more suitable for potential clients based on a changed demand type. (Mainly refer to making units applicable to specific business types, especially those involved in IT and Food)	€2,500,000
Total	**€9,000,000**

It is recommended that a new programme of capital investment supports is put in place for centres to bid for on a competitive basis that will assist with investments in the above 3 areas. Such a programme will provide centres with the right mix of quality and modern workspace to meet the current and emerging needs of small and micro enterprises across Ireland. Rates of capital assistance should be set at an attractive level of at least 50%, given the current difficulty in raising matching funds from commercial lending sources.

Executive Coordination for NACEC

NACEC has evolved to become a strong representative body for the community enterprise centre sector. It is run on a voluntary basis by a small executive management committee who are all managers of member centres. The workload has increased in the past years and is now becoming more important than ever, as it is evident that a coherent national platform and strat-

egy is required to promote the sector, advocate and advertise the good work it does and the excellent services it offers to the small business community. An executive manager is needed to:

- Provide support, advice and services to members of NACEC and their managers
- Develop policy proposals and responses for the sector
- Develop and manage national initiatives and projects that are of benefit to the sector and its clients.
- Build on and implement a programme of continuous professional development for management and staff of community enterprise centres.

It is recommended that Enterprise Ireland provides funding to allow NACEC to employ the services of a full time executive. This will allow NACEC to be much more effective in implementing its work programme and supporting the efforts of Enterprise Ireland.

Income Diversification

It is recommended that NACEC with the services of a paid executive should examine income diversification opportunities for its members. Such opportunities should allow the centres to further their objectives and develop sustainable streams of income to support their work. Documentation of practices that have worked successfully in centres should be made available and support given to members on how to implement such schemes.

Other options include:

- EU programmes around operation of a micro finance initiative that could be run on a national basis and coordinated by NACEC
- Pan European Enterprise and Entrepreneurship development programmes and projects
- Establishing and running services where there is a gap, such as:
  - Citizens Information Centres
  - Money Advice and Budgeting Services
  - Local Employment Centres
  - Business Innovation Centres
  - European Information Centres

Training and Development

Continued professional development of the managers and business development staff of centres needs to be maintained. In the past a highly successful post graduate level 9 programme was run with Waterford Institute of Technology. It is imperative that a wide range of training and development options are available to enterprise centre managers at an affordable cost. This is a real need to ensure managers are aware of the latest trends and can deal with the many complex issues in the business environment including:

- Entrepreneurship
- Globalisation and international trade
- Finance for small business and new finance models
- Best business support mechanisms

It is recommended that NACEC work with leading training providers to identify and develop appropriate skilling programmes for its members. NACEC in conjunction with Enterprise Ireland should secure a small training support fund of €100,000 for the sector to support the cost of training and professional development for enterprise centre managers.

Provision of Social Services

Being community owned and operated the CEC's play a vital community service role. Many centres facilitate and operate social services like childcare and provide further education opportunities for example. This is a role that is not fulfilled by private sector landlords. More importantly the cost of running such services would be significantly higher only for the presence of the CEC, as they provide low cost facilities to enable them. If the CEC did not exist it is likely that many essential local services might not be available due to the prohibitive costs of providing them in isolation. These services are also creating jobs and economic activity in the areas even though the projects are social in nature and perhaps state funded. They still are important given the location of most centres where a job is important regardless of its nature.

It is recommended that the vital and important role played by community enterprise centres in providing social services is recognised and supported.While support may not be a monetary input, Government, State Agencies and Local Authorities should take a collective view and for example: - exempt from rates, those parts of the building used for non-profit purposes or by non-profit organisations together with the part(s) of a centre used by the CEC group to administer the centre, as well as any vacant space.

3 HEADLINE SURVEY FINDINGS

76 respondents from a total population size of 134 giving a response rate of 56%, However of the 134 invited to take the survey 19 are centres that have not yet opened leaving 115 operational centres which is a more realistic figure to view as the total population. This gives a survey response rate of 66%.

Staffing

- *77% of centres have a manager in place funded through a mixture of commercial rental income / grants. Of those that do 67% are a full time role. The EI BDM programme is the most important financial support for management salaries.*
- *There is little sharing of management resources across centres apart from those centres that are owned by the same organisation.*
- *Widely differing models are in place regarding other staff resources with some centres employing significant numbers of staff through employment support schemes and other operating with small staff cohorts*
- *There is a highly experienced cohort of centre managers in place. 45% of managers have been in the role for more than 5 years. However there is a risk of losing a high proportion of this expertise over the next 12 months as employment contracts expire and current uncertainty over continuity of funding for their positions. 61% of managers have less than 12 months remaining on employment contracts. Only 31% of management staff have permanent contracts.*

Profile of Centres

- *Many centres have implemented innovative new activities to stimulate revenue and usage. There is a significant increase in the range and type of other services offered since 2010 across enterprise centres. Such activities include social enterprises, new training services, and virtual office facilities. This indicates efforts put in place to widen the income base and general appeal of enterprise centres as hubs of activity. (Virtual Office, Coder Dojo, Waste recycling). This analysis shows a level of forward thinking among centres and the following of trending initiatives in business (IT, Environmental responsibilities, social enterprise etc)*

- *There is a trend of rising demand for office based type space and a decline in demand for manufacturing type space. This indicates that without some level of reinvestment in refurbishment and upgrading that the sector may face a future imbalance in the type of suitable space available for enterprises. Note that 50% of centres plan to upgrade their facilities in the future.*
- *The trend of declining occupancy levels and tenant numbers seems to have bottomed out in mid 2012, with a return to growth in occupancy levels since that time. However the current status of centres regarding occupancy is still well off the peaks of 2007 and 2008. Occupancy rates of 90% + are now recorded in 22% of centres and in the 70% - 80% category now stand at 20% from the low points in July 2012 and July 2011 respectively when they stood at 9% and 13% respectively. Likewise lower end occupancy rates of less than 10% have started to reduce. However there is a long way to go to return to the pre-recession occupancy levels recorded in February 2008 with 56% of centres showing more than 90% occupancy at that time.*
- *There is a healthy distribution of enterprise sectors represented in centres, with the IT, Professional Services, Social Enterprise, Education and Training and Manufacturing being the largest sectors. Collective they represent 57% of the total enterprises.*
- *An employment analysis of business located in BDM supported centres and non-supported centres shows a much higher percentage of businesses engaged in hi tech, added value activities than in non-supported centres, where there is a greater prevalence of social and community based activities. BDM supported centres have on average twice the number of total employees than non-supported centres. This is indicative of the success of the BDM programme in supporting clients, supporting business growth and development in sustainable and growth sectors and the benefits of the professional management approach towards centres.*
- *There are a total of 3,712 persons employed across the 76 centres responding. In scale this is similar to the total employment of Intel in Leixlip.*
- *Capital borrowing levels are still high among many centres, but in general debt levels and their management have been controlled well and is not seen as a major concern factor going forward. Average Capital borrowings at 2012 stood at €754,774 down from an average of €1,068,778 in 2010.*
- *The commercial trading situation has improved since 2009. In 2012, centres on average showed a loss of €12, 331 from commercial activities compared to a loss of €48,500 in 2009. Average operational grant support increased to €56,000 per centre in 2012 from €48,000 in 2009.*

- *Wages and salaries still remain the largest component of centres running costs. Rental income as a percentage of total income declined from 56% in 2010 to 39% in 2012. Other income has compensated for this decline rising from 7% to 29%.*

Issues Affecting Centres

- *Centres still consider their operational environment to be very challenging over the coming 12 months with the outlook for new clients and business start up rates seen as bleak.*
- *Rising operational costs and declining commercial income are highlighted as being the issues of major concern for centres at present. These are two areas that impact cash flow very quickly and can make centre unviable in a short space of time.*
- *Any capital expenditure requirements focus on upgrading of existing space with a large preference for office space and energy efficiency measures seen as a key area to be addressed.*
- *The greatest impacts the EI BDM scheme has had as stated by the centres are 1) the employment of a manager, 2) allowed more effective promotion and marketing of centres and 3) allowed better support and information provision for clients.*
- *Enterprise centres consider that 1) IT, 2) Education and Training, 3) Social Enterprise and 4) Agriculture and Food are the emerging and growth sectors of the economy.*
- *External support funding for business development activities is seen as very important to retain in the current economic environment. The key reason is to build upon the strong work to date started by the BDM programme and underpin the positive growth and expansion seen in enterprise centres over the past 2 years.*
- *Uncertainty of future agency support programmes is the clearly the major issue with 79% of centres seeing this as a "Major Concern" or "Concern.*

Investment Requirements

- *Capital expenditure requirements over the next 3 years focus on upgrading of space rather than development of new space. They key focus will be on office space with implementing energy efficient measures seen as high priority. There is a small appetite for development of new space in some areas, again with office space being almost twice the demand as for other types of space.*

4 INTRODUCTION

Background to Study

This report was commissioned by NACEC in May 2013, to determine the challenges, opportunities and threats facing the Community Enterprise Centre sector in the current economic climate. The report examines how the on-going sustainability of the sector can be maintained so that they can continue to serve the needs of their clients and wider enterprise development objectives. The report is a follow on to the survey and review of the operation of the sector carried out in 2010. This survey and review, aimed to establish whether the economic climate has continued to impact negatively on the operation and sustainability of centres. Key issues include cutbacks in funding and support programmes, reductions in commercial income and reduced occupancy rates of centres among the larger issues.

The aims of the research study were:

- To conduct a review of the status of community enterprise facilities in Ireland with regard to funding and operational issues, which threaten their future viability;
- Examine trends in operational performance since 2010;
- Identify the funding and support needs of centres;
- Research and document the issues facing community enterprise centres;
- Propose a series of realistic support measures required to ensure sustainability.

Structure of Report

This document presents the findings of the current survey and maps the results under important headline indicators from 2008.

A series of recommendations and conclusions set out in chapter 2 regarding further support and development needs of the sector. These recommendations take into account current enterprise policy and emerging trends both nationally and globally with respect to Irish enterprise.

Context

The recessionary economic climate since 2008 has impacted on the operation and sustainability of enterprise centres through cutbacks in funding and support programmes accessed by centres; reductions in trading income, reduced occupancy rates of centres; and withdrawal of funding to community organisations that are tenants of community enterprise centres.

In 2011 Enterprise Ireland funded a two year support programme for business development managers. Their role was to work with existing and potential new clients to ensure their survival and ultimately the sustainability of the enterprise centre in which these businesses are located. Up to 40 positions were funded under the programme which comes to a close in mid-2014.

5 RESULTS OF SURVEY OF COMMUNITY ENTERPRISE CENTRES

Survey Overview

A web based survey questionnaire was designed and issued to 134 members of NACEC[1] on July 11th, 2013. The survey was designed to gather data regarding the operation of centres, including financial data, information on facilities and services offered and gather opinions about the supports required to maintain centres, sustainability and viability. The survey remained open until the 2nd of September giving all members the chance to respond. The response rate to the 2013 survey far surpassed the response rate to the 2010 survey, which received 38 responses. This gives a detailed picture into the conditions of Enterprise Centres across the country.

- 76 responses were received, giving a response rate of 66% percent based on 115 operational centres

An additional short survey was administered at a meeting of NACEC members on September 19th in Dublin. This survey was aimed at getting more up to date and accurate feedback on the levels of current demand for space, progression of businesses that left centres, business mentoring and supports provided by centres and the types of activity undertaken by centre managers and the general future outlook. This elicited 21 good responses in addition to verbal feedback from members present at the meeting.

The survey is analysed in the subsections below under the following headings.

- Staffing and Management
- Profile of Centres
- Occupancy, Employment and Business Types
- Revenue and Operational Costs
- Operational Issues
- Investment Requirements
- Impacts of Community Enterprise Centres

1 NACEC – National Association of Community Enterprise Centres

Comparison of 2010 and 2013 Results

Some caution needs to be taken in drawing direct comparisons between the results of the 2010 and 2013 survey. While many of the questions were the same in both surveys the difference in the numbers of responses and profile of respondents in the two surveys may result in comparisons that do not reflect the real situation between 2010 and 2013. This is due to:

- 38 respondents in 2010 all of which were larger centres that had professional management in place
- 76 responses in 2013, some of which were smaller centres with no professional management
- 38 more respondents replying in 2013, alters the overall profile of centres. In 2010 all 38 respondents were larger centres with professional management in place. In 2013, there were approximately 33% of centres who were managed on a part time or voluntary basis. In general these would be smaller centres with different client profile than larger centres.

Questions where caution is advised in making direct comparisons are noted throughout the analysis.

6 STAFFING AND MANAGEMENT

Key Findings – Staffing and Management

- *The majority of centres (77%) employ a manager of those that do, 67% are a full time role.*
- *12% of centres have a shared manager, but these tend to be centres that are owned by the same organisation, e.g. Cavan County Enterprise Fund. As such there is little sharing of management resources across centres under different ownership bodies.*
- *Rental income and the Enterprise Ireland BDM programme are the most important components of funding for management and business development salaries.*
- *A wide variation exists among centres in the numbers and types of other staff employed. It ranges from centres employing a manager only, to those employing up to 40 other staff in a range of roles such as training, administration, maintenance etc. Funding for other staff comes predominately from state employment programmes such as Community Employment.*
- *Centres with large staff numbers tend to be larger ones and more urban based however there are many larger centres with smaller staff cohorts of one manager and one administration staff.*
- *There is a highly experienced cohort of enterprise centre managers throughout Ireland. 45% of managers have been in the role for more than 5 years.*
- *There is a high risk of losing management expertise over the next 12 months as employment contracts expire and funding supports cease. 61% of managers have less than 12 months remaining on employment contracts. Only 31% of management staff have permanent contracts.*

Figure 1: Staff by Type

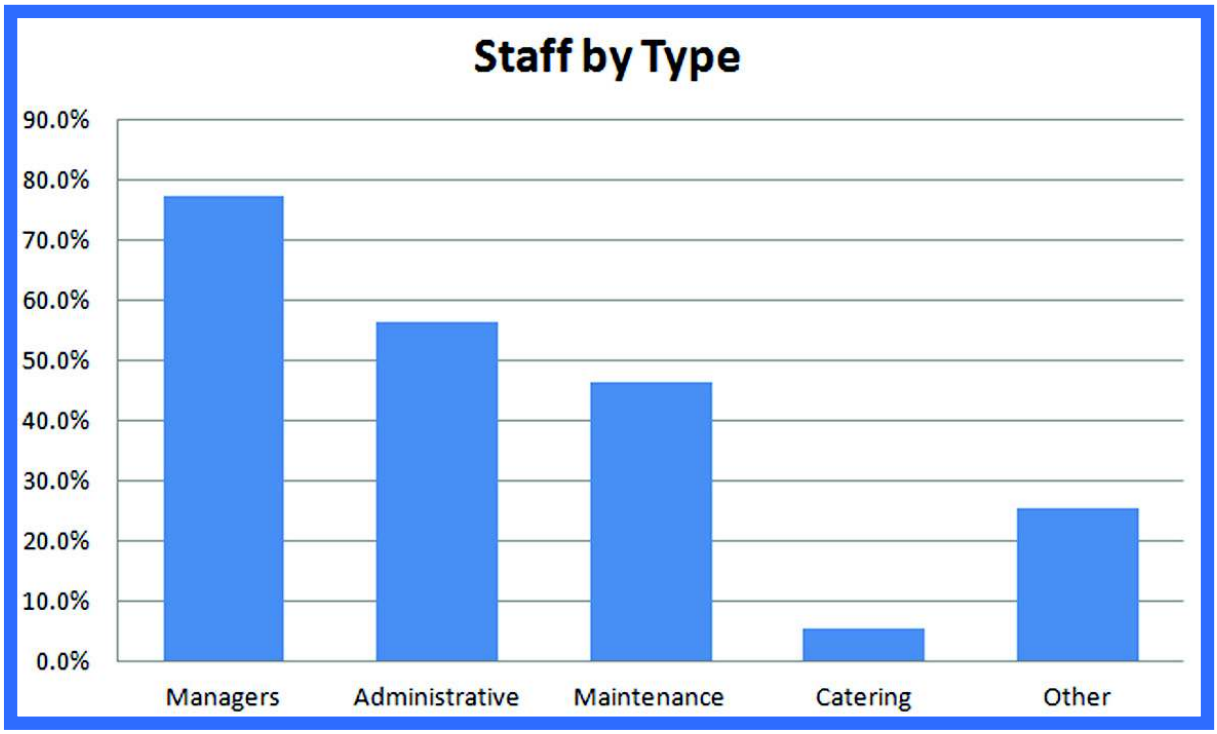
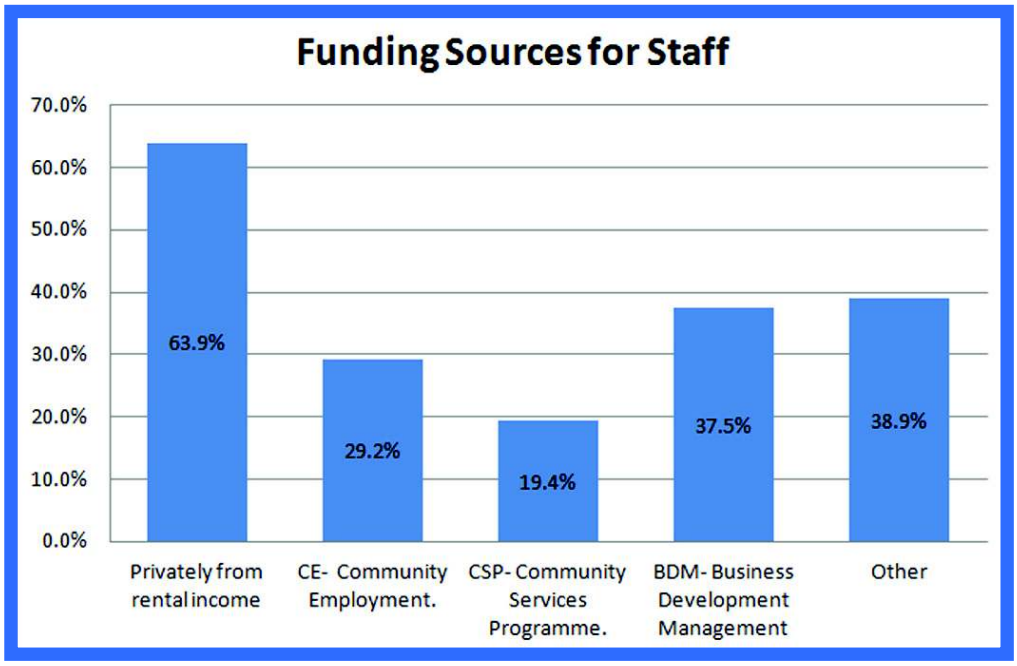


Table 1: Staffing Analysis

2013 Data	Managers	Administrative	Maintenance	Catering	Other
Total Staff	64	131	80	12	71
No of centres with staff type	55	40	33	4	18
% of centres with staff type	77%	56%	46%	6%	25%
Average employees per centre with staff type	1.2	3.3	2.4	3.0	3.9
2010 Data					
% of centres with staff type	100%	94%	81%	56%	64%
Average employees per centre with staff type	1	1.6	1.2	.41	4

Note: It is not objective to draw a direct comparison between the average number of staff per centre in the Administrative, Maintenance, Catering and Other categories between 2010 and 2013. This is due to data included for 38 additional centres in 2013.

Figure 2: Funding Sources for Staff



A mixture of funding sources are used to fund staff at centres. The largest component is rental income at 64%, and 37% of centres using the Enterprise Ireland BDM programme for manager funding in 2012. Other sources of funding such as CE schemes fund the majority of maintenance and administration staff.

Figure 3: Employment Status of Centre Managers

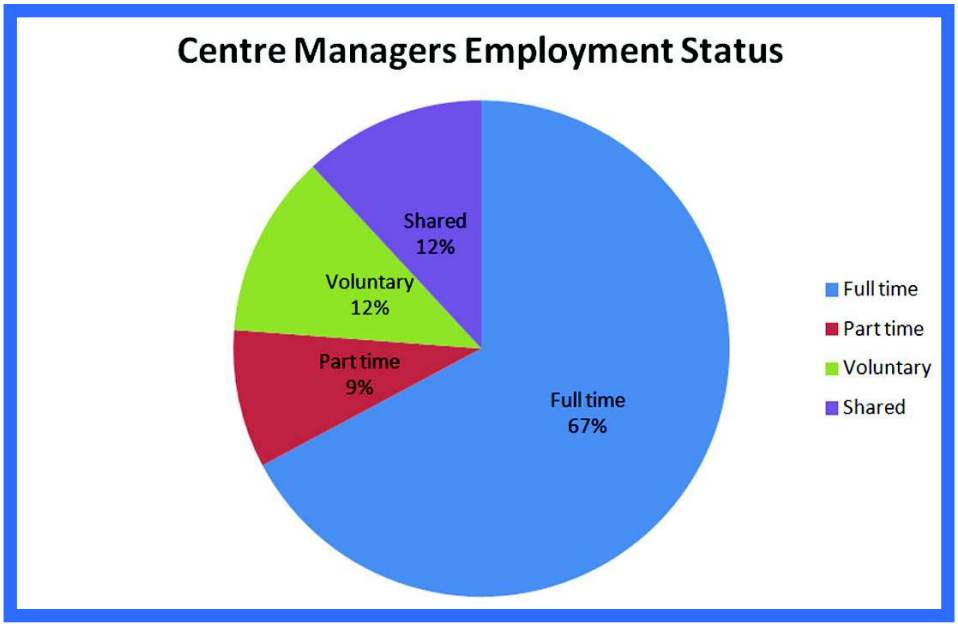
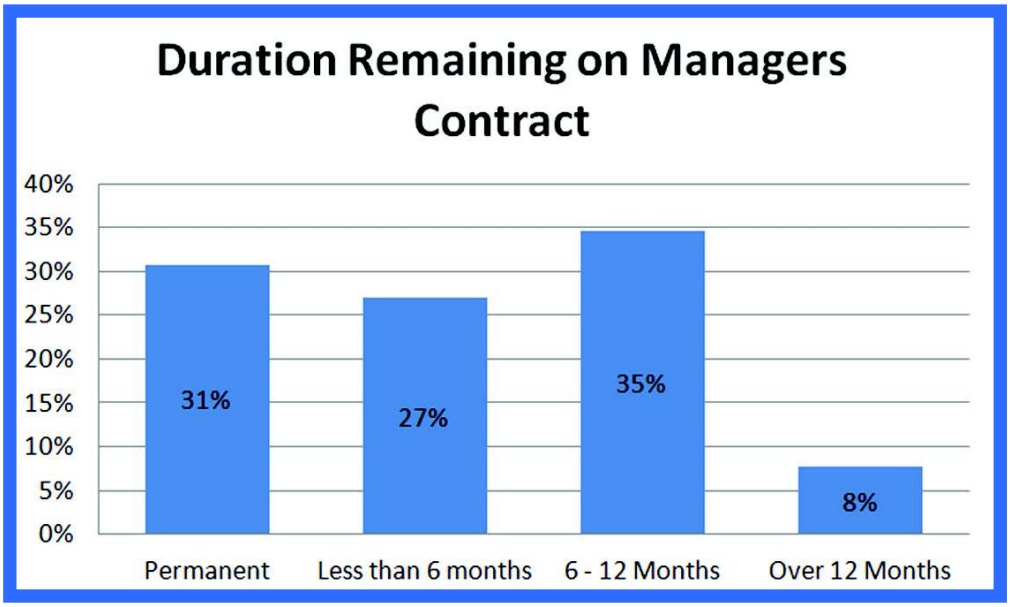


Figure 4: Years in Employment - Centre Manager

Of those centres that employ a manger, the majority 45% are highly experienced managers being in the role for more than 5 years. 23% or 13 managers are in the role for over 10 years. 35% of managers are between 1 and 3 years in the role possibly indicating the employment of new managers in centres that were funded under the EI BDM programme.

Figure 5: Contract Duration Remaining



62% have less than 1 year to run on their contract, being indicative of the cessation of the EI BDM funding in mid 2014. Only 31% of managers have a permanent contract. There is a high risk of losing management expertise over the next 12 months as employment contracts expire and funding supports cease.

7 PROFILE OF CENTRES

This section examines the profile of centres in terms of their size, services offered, type of clients served, space available, and their future plans for development or expansion.

Key Findings – Profile of Centres

- The results show a slight drop of 5% in the levels of manufacturing space available across centres which are offset by a small increase +3% in the levels of office space available. However a caution is advised due to the different response populations for each as the increases / decreases are too small to draw any firm conclusion. However this trend of declining manufacturing space and increased demand for office space is verified further in the survey results and is indicative of the changing structure of the Irish enterprise base.
- The range of additional services offered by centres however has widened significantly with examples of some quite interesting and innovative offers. This indicates efforts put in place to widen the income base and general appeal of enterprise centres as hubs of activity. (Virtual Office, Coder Dojo, Waste recycling). This analysis shows a level of forward thinking among centres and the following of trending initiatives in business (IT, Environmental responsibilities, social enterprise etc)
- 50% *of centres plan to upgrade their facilities in the future.*

Figure 6: Square Footage by Category

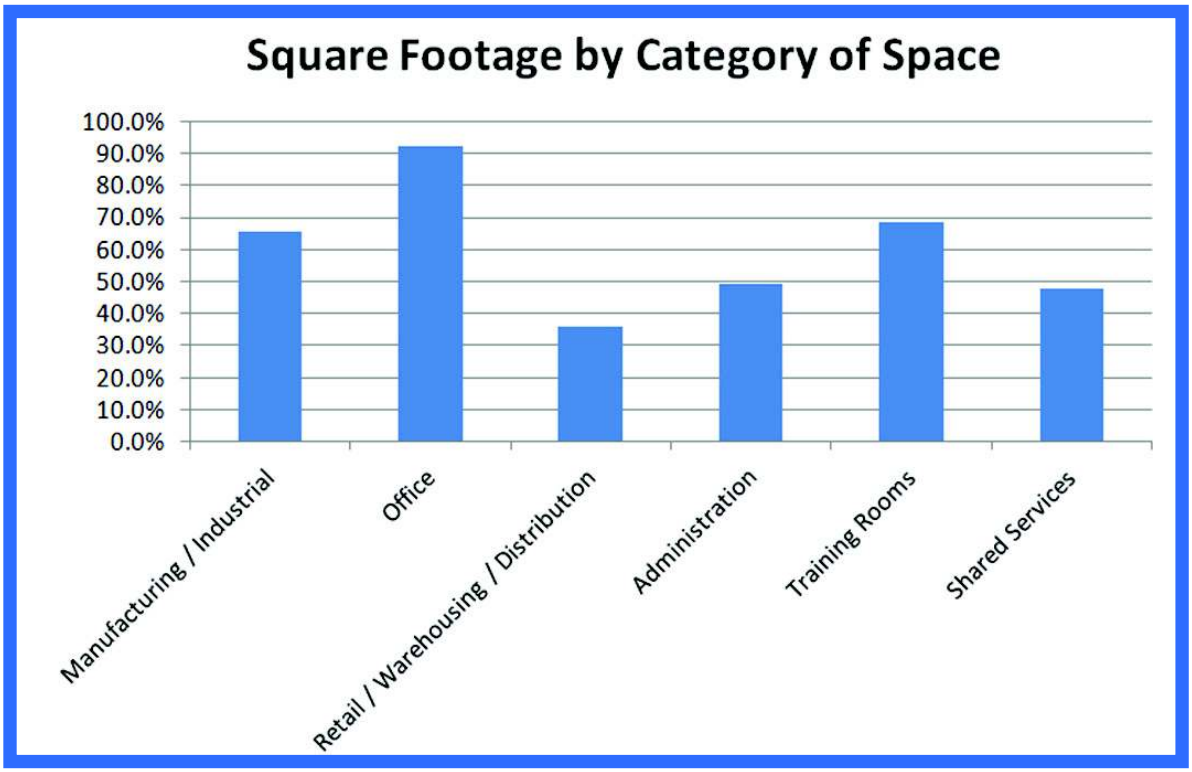


Table 2: Enterprise Space Analysis

2013 Data	Manufac-turing / Industrial	Office	Retail / Ware-housing / Distribution	Admin-istration	Training Rooms	Shared Services	Total
Total Space All Cen-tres (sq ft)	492,279	663,120	149,883	59,740	94,657	72,907	1,532,586
% of Space by Type	32%	43%	10%	4%	6%	5%	100%
No of Centres with Space type	40	62	12	32	45	27	
Average Space per Centre	12,307	10,695	12,490	1,867	2,103	2,700	42,163
2010 Data							
% of Space by Type	37%	40%	9%	2%	8%	4%	100%
Average Space per Centre	7,691	8,304	1,905	450	1,559	767	20,676

Note: The average space per centre by type is larger in 2013 than in 2010. This is due to additional respondents in 2013, where the average size of their centre was greater than that in the 2010 survey. There is only a negligible increase in the average centre size as a result of new space being opened between 2010 and 2013. There were only 11 instances of centres adding new space between 2010 and 2013.

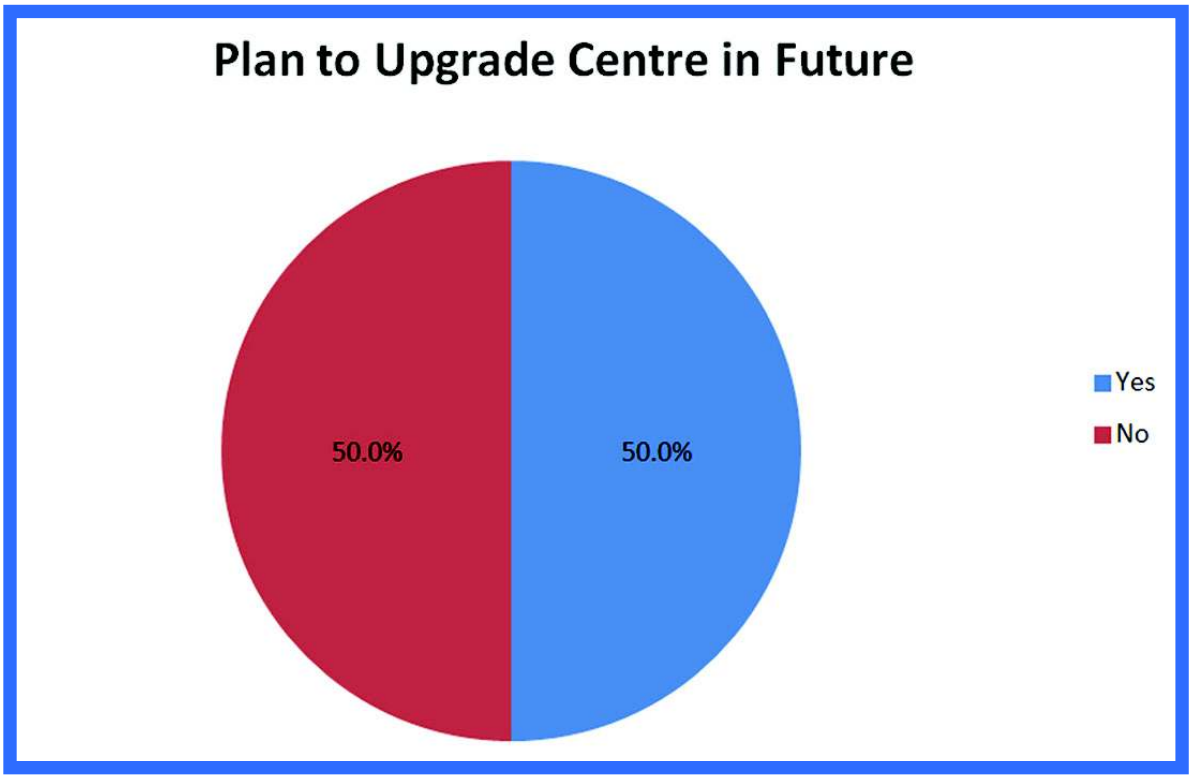
Table 3: Facilities and Services Offered

Facilities and Services Offered at Centre			
Type	**Number of Centres (2013)**	**% of Centres Offering (2013)**	**% of Centres Offering (2010)**
Broadband	59	87%	97%
Training services	45	66%	N/a
3 Phase Electricity	45	68%	78%
Video Conferencing	15	22%	41%
Meeting Rooms	64	94%	97%
Training Rooms	58	85%	84%
Administrative or Secretarial Services	35	51%	62%
Phone Answering Service	27	40%	62%
Canteen or Kitchen Facilities	53	78%	95%
Business Advice and Mentoring	48	71%	73%
Hot Desk	38	56%	N/a
Address rental	37	54%	N/a
Other (please specify)	19	28%	32%

Other services offered include:

2013	2010
• Demo Kitchen/Training Facility • Virtual Office • Incubation space • Business Clinics, Student Enterprise Awards, Student Business Boot camps • Pick and Pack Fulfilment • Recycling and composting • Links to Chamber of Commerce • Coder Dojo • Artists studio and Artists equipment hire • Business research and project management services • Digital Media Production Services • Facility community activities like Men's Shed • Resource and waste exchange • Business networking • ICT training • Online portal for tenants	• Links to Chamber of Commerce services • Promotion of clients' businesses where appropriate through Magazine, Website and Social media • Incubation space • Business Clinics, • Student Enterprise Awards/ Student Business Boot camps • Pick and Pack Fulfilment • Coder Dojo • Fine Art Print Studio • CCTV monitoring • Computer Training rooms • CSP Programme Services to Older People: Computer / ICT Training

Figure: 7: Plans to Upgrade Centre



Years of opening of centres and various phases in each centre

Table 4: Year of Opening of Centre

YEAR	Phase 1	Phase 2	Phase 3	Phase 4
1984	2			
1986	1			
1987	1			
1990	2			
1991	3			
1993		1		
1994	4			
1995	3	2		
1996	3		1	
1997	1		1	
1998	1			
1999	7	6	1	2
2000	6	2	2	2
2001	5	2	1	
2002	3	1		
2003	7	1	1	1
2004	1	3	1	4
2005	3	2	1	
2006	2	2		1
2007	2	3		
2008	1		3	
2009	3	2	2	
2010	2	3	1	
2011	2	1		
2012	4			
2013	2	1		1
Total	**71**	**32**	**15**	**11**

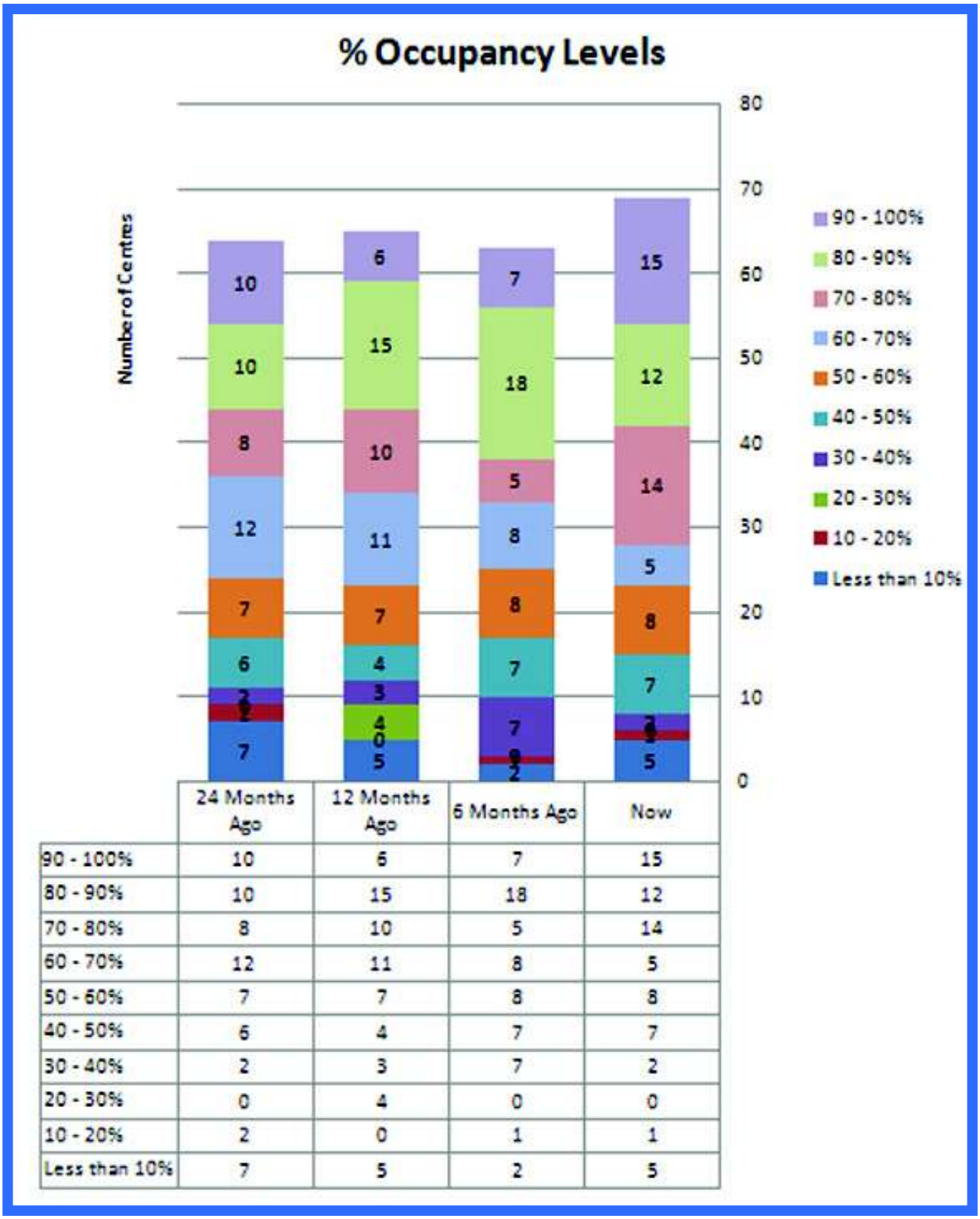
8 OCCUPANCY, EMPLOYMENT AND BUSINESS TYPES

Key Findings

- *Overall the decline in occupancy levels seen since 2008 seems to have bottomed out in mid-2012 with the trend since that time showing increasing occupancy levels. For example occupancy rates of 90% + are now recorded at 22% of centres and in the 70% to 80% category now stand at 20% from the low points in July 2012 and July 2011 respectively when they stood at 9% and 13% respectively. Likewise lower end occupancy rates of less than 10% have started to reduce. This trend is positive and indicates increased business confidence / levels of start-ups and an improved environment for enterprise centres and their tenants.*

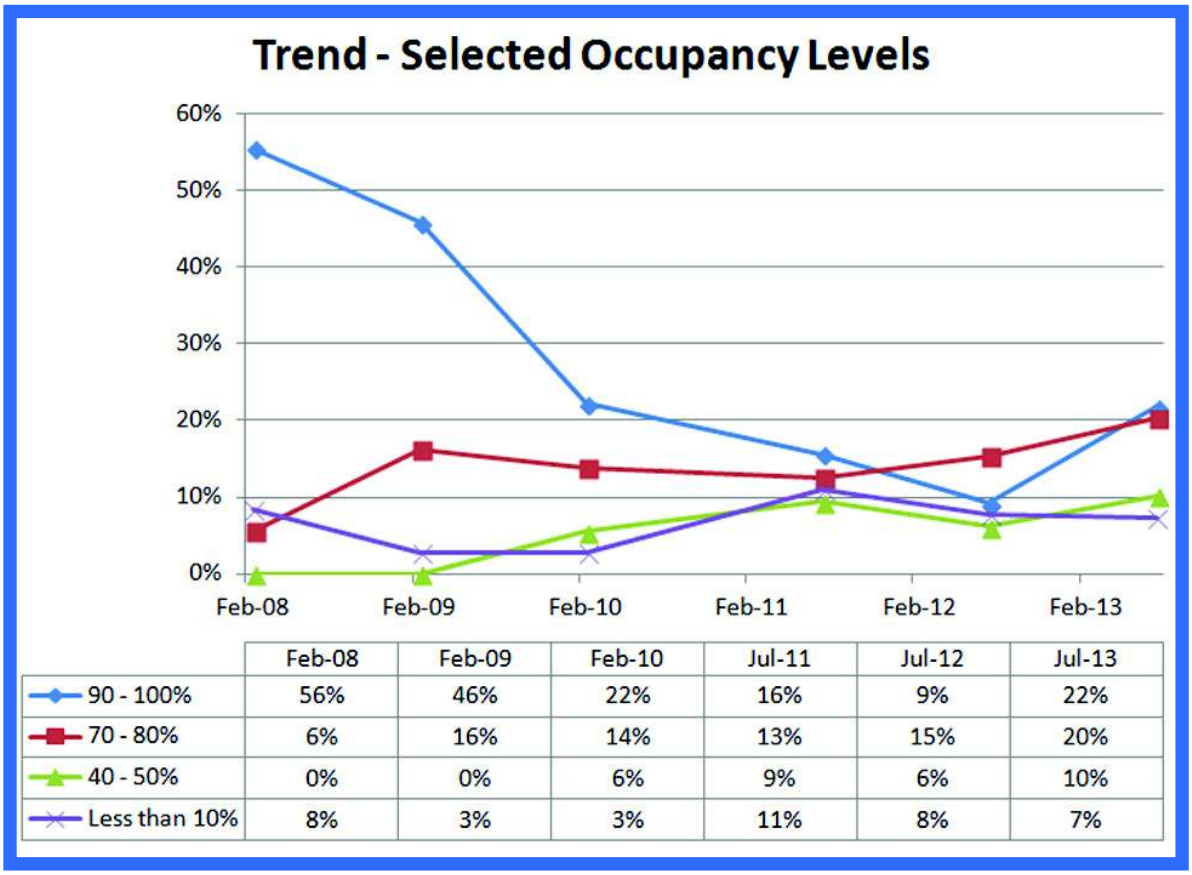
- *However there is a long way to go to return to the pre-recession occupancy levels recorded in February 2008 with 56% of centres showing more than 90% occupancy at that time.*
- *The mid-range occupancy rates have remained static throughout the period 2010 and 2013.*
- *The survey shows a good distribution of enterprises across the various sectors with IT at 13.5% of businesses, Professional Services 10.3%, Education and Training 10.9%, Community and Social 16.5%, Manufacturing 7.3% and Other at 11.4%. Given the high level of manufacturing space available at centres this analysis indicates that there could be a future (or current) surplus of manufacturing space available and a shortage of office type space. No comparison is available with 2010 as this question was not covered then.*
- *An employment analysis of business located in BDM supported centres and non-supported centres shows a much higher percentage of businesses engaged in hi tech, added value activities than in non-supported centres, where there is a greater prevalence of social and community based activities. BDM supported centres have on average twice the number of total employees than non supported centres. This is indicative of the success of the BDM programme in supporting clients, supporting business growth and development in sustainable and growth sectors and the benefits of the professional management approach towards centres.*
- *A total of 832 individual enterprises employing 3,712 persons reside in the centres responding. This gives an average employment of 4.4 persons per enterprise indicating the micro nature of enterprises that are mainly located at centres.*
- *Enterprise centres seem to be a location of favour among social and community based businesses, perhaps due to their all-inclusive and open nature of operation.*
- *46 businesses are Enterprise Ireland clients while over twice that at 123 are County Enterprise Board clients*

Figure 8: Occupancy Levels %



	24 Months Ago	12 Months Ago	6 Months Ago	Now
90 - 100%	10	6	7	15
80 - 90%	10	15	18	12
70 - 80%	8	10	5	14
60 - 70%	12	11	8	5
50 - 60%	7	7	8	8
40 - 50%	6	4	7	7
30 - 40%	2	3	7	2
20 - 30%	0	4	0	0
10 - 20%	2	0	1	1
Less than 10%	7	5	2	5

Figure 9: Trends in Occupancy Levels



	Feb-08	Feb-09	Feb-10	Jul-11	Jul-12	Jul-13
90 - 100%	56%	46%	22%	16%	9%	22%
70 - 80%	6%	16%	14%	13%	15%	20%
40 - 50%	0%	0%	6%	9%	6%	10%
Less than 10%	8%	3%	3%	11%	8%	7%

Demand Analysis

Evidence collected from centres and from consultation with centres very definitely points to a marked increase in enquiries and demand for enterprise space over the last 18 months. This finding correlates to other findings in the survey in relation to occupancy and increased business confidence.

Table 05 sets out an analysis of demand by space type as at September 2012 and September 2013. This is based on 21 responses received from professionally managed centres in September 2013.

Table 5: Enterprise Space Demand Analysis

	Demand 12 Months Ago			Demand Now		
	Numbers of Centres					
	Low	Medium	High	Low	Medium	High
Office	4	4	1		10	6
Manufacturing	3	1		3	1	1
Storage / Warehousing	2	1		3	3	1
Retail		1		1	2	
Training Rooms	1	4	2		11	4
Other	1		1		2	3
Totals	11	11	4	7	29	15
% of Total	**42%**	**42%**	**15%**	**14%**	**57%**	**29%**

It is clear that demand is increasing for enterprise space with high and medium levels of demand increasing and the low category reducing. The main demand areas are for office space and training rooms with manufacturing demand staying relatively static and small increase in storage and wholesaling demand. While there are small variations in demand profiles from centre to centre, with small numbers citing no demand for office space and larger demand for wholesaling space, the overall trend is a demand for office space and training rooms. Specifically small office and hot desk space is in popular demand. Interestingly there is strong demand for food production space in certain areas.

Figure 09 shows in the form of a word cloud the strength of demand for each space type.

Figure 9: Strength of Space Demand

Table 6: Employment in BDM Supported versus non BDM Supported Centres

Category	Jobs in BDM Supported Centres	% by category	Jobs in Non BDM Supported Centres	% by category
Agriculture, Forestry, Food	179	6%	23	2%
Manufacturing	179	6%	39	4%
Mining / Quarrying	4	0%	0	0%
Electricity, Gas, Water	57	2%	3	0%
Construction	113	4%	9	1%
Wholesale / Retail	123	4%	68	7%
Transport / Storage	93	3%	2	0%
Financial Services	226	8%	13	1%
Property Services	24	1%	11	1%
Education / Training	221	7%	109	11%
Healthcare / Social Work	356	12%	98	9%
Professional Services	139	5%	49	5%
Information Technology	720	24%	47	5%
Community / Social / Personal Services	262	9%	271	26%
Other	266	9%	292	28%
TOTAL	2,962	100%	1,034	100%
Total no of Centres	38		28	
Average Jobs per Centre	78		37	

Table 06 above gives a detailed analysis of jobs by industrial category in BDM and non BDM supported centres. There are a number of significant points to be taken from this analysis.

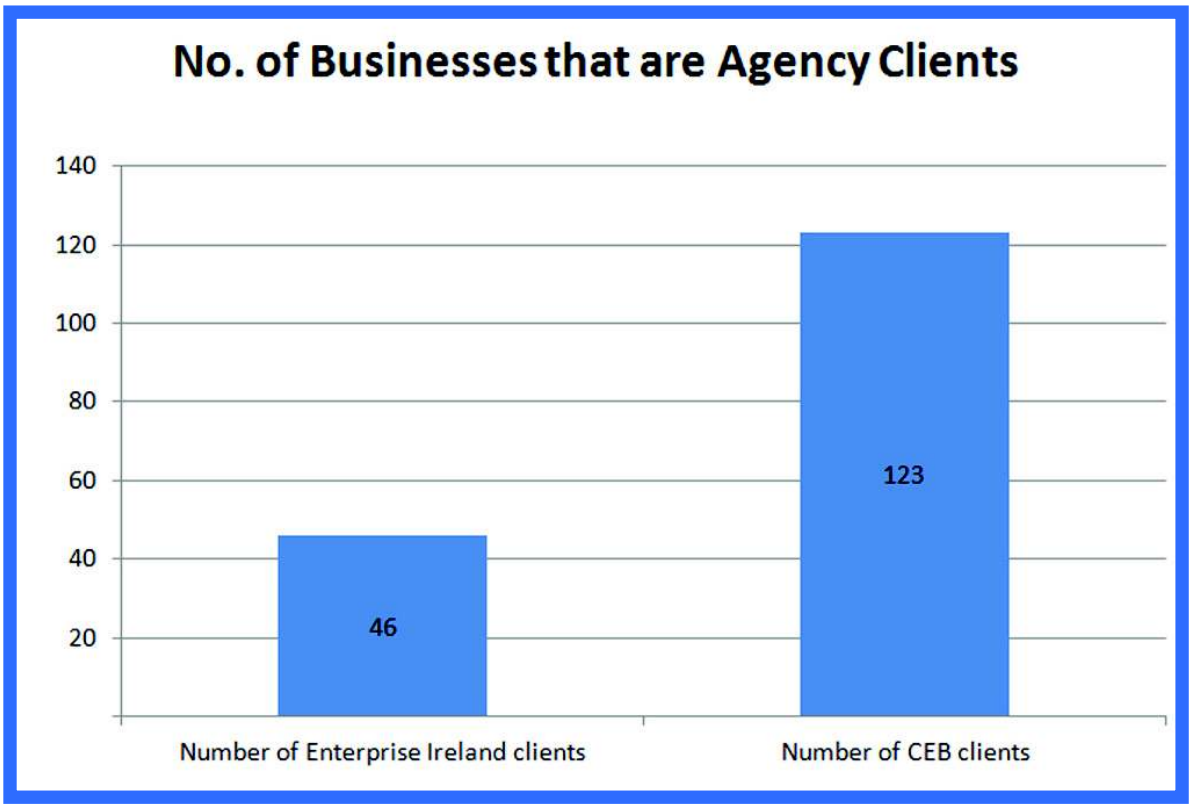
- On average there are more than twice the number of employees in BDM supported centres than non-supported centres, 78 versus 37.

- There are almost three times as many employed in businesses in BDM supported centres as non supported centres.
- On employment by category, BDM supported centres have higher percentages of companies engaged in higher added value, knowledge based and growth sectors such as IT and financial services. For example in the IT sector 24% of companies in supported centres versus 5% of companies in non supported centres. This supports the rationale that the provision of professional support towards business development and centre management can allow them to attract and retain more sustainable industry types.
- The presence of community based and personal service type businesses are much more prevalent in non-supported centres at 26% compared to 9% in the supported centres.

Table 7: Businesses by Category

Businesses by Category		
Category	**Per cent**	**Number**
Agriculture, Forestry, Food	5.8%	48
Manufacturing	7.3%	61
Mining / Quarrying	0.1%	1
Electricity, Gas, Water	1.7%	14
Construction	1.8%	15
Wholesale / Retail	7.8%	65
Transport / Storage	3.1%	26
Financial Services	4.0%	33
Property Services	1.1%	9
Education / Training	10.9%	91
Healthcare / Social Work	4.7%	39
Professional Services	10.3%	86
Information Technology	13.5%	112
Community / Social / Personal Services	16.5%	137
Other	11.4%	95
Totals	**100.0%**	**832**

Figure 10: Agency Clients



9 REVENUE AND OPERATIONAL COSTS

Key Findings

- *Wages and salaries still remain the largest component of centres running costs, standing at 45% of overall expenditure in 2012, a slight decrease from 47% in 2010. All other costs categories remained fairly constant.*
- *Rental income as a percentage of total income declined from 56% in 2010 to 39% in 2012. Other income has compensated for this decline rising from 7% to 29%. This finding shows the increasing importance of revenue generation outside of the traditional rental area for centres.*
- *Average Capital borrowings in 2012 stood at €754,774 down from an average of €1,068,778 in 2010. Caution is urged in using these figures as they can be skewed by the two different response populations used in the survey. However it would seem that good progress is being made in managing capital debt. Regarding levels of capital debt only 6 centres have borrowings in excess of €1 million. Borrowing range highs and lows in 2010 and 2012 were:*

	High	*Low*
2012	*€4,500,000*	*€11,000*
2010	*€4,500,000*	*€95,000*

- *Average working capital borrowings stood at €48,900 in 2012 a marginal increase from €41,111 in 2010.*

	2012	2009
Average Annual Revenue per Centre (All Income)	*€244,839*	*€174,275*
Average Annual Running Costs	*€200,911*	*€174,874*
Average Profit / (Loss)	*€43,928*	*(€599)*
Average Operational Grants Received	*€56,259*	*€47,959*
Profit / (Loss) on Commercial Activities Only	*(€12,331)*	*(€48,558)*

- *Data shows a much improved situation from 2010, where centres were losing over €48,000 on average on a commercial basis, (excluding operational grants) to making a smaller loss of €12,331on average on a commercial basis in 2012. The rate of operational support per centre increased by approximately €8,500 per annum, the balance of additional profit coming from commercial activities.*

Figure 11: Annual Centre Running Costs

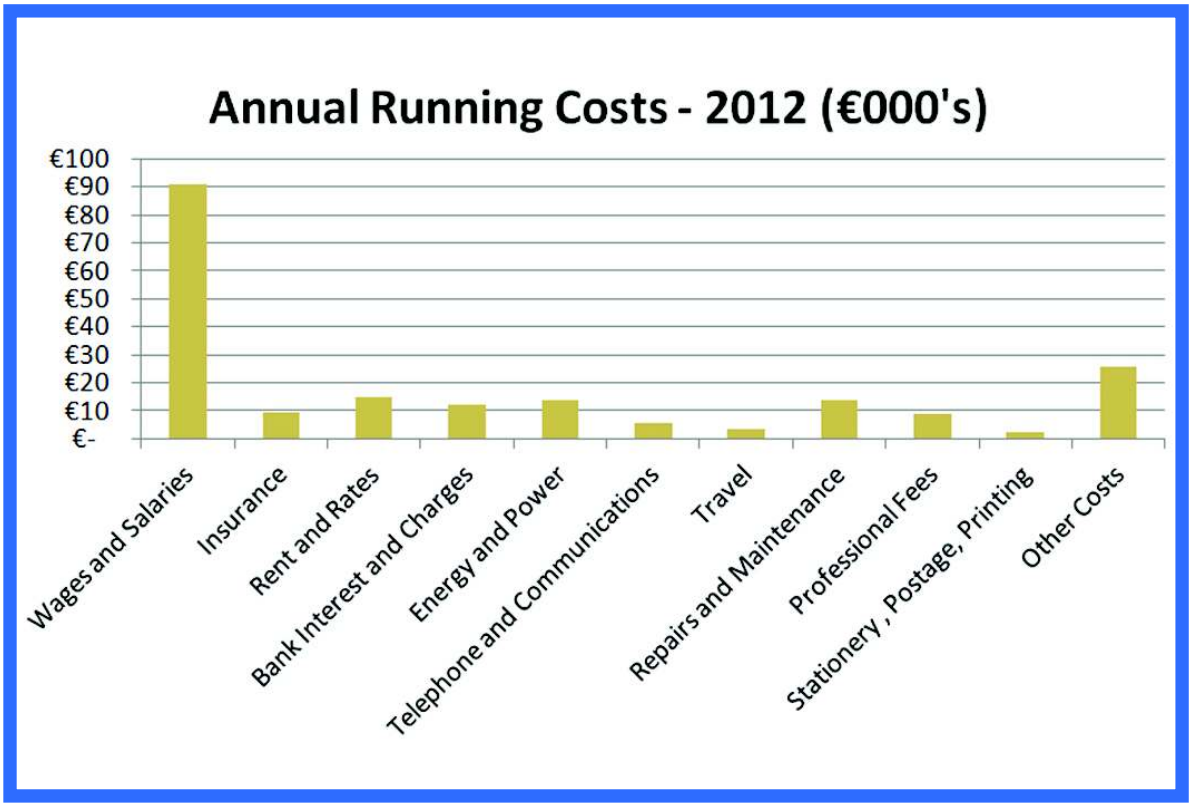


Table 8: Running Costs by Category

Cost Category	Average Per Centre	% of Total Overheads (2012)	% of Total Overheads (2009)
Wages and Salaries	€ 90,786	45%	47%
Insurance	€ 9,137	5%	3%
Rent and Rates	€ 14,936	7%	3%
Bank Interest and Charges	€ 12,295	6%	11%
Energy and Power	€ 13,560	7%	6%
Telephone and Communications	€ 5,625	3%	4%
Travel	€ 3,669	2%	1%
Repairs and Maintenance	€ 13,928	7%	5%
Professional Fees	€ 8,836	4%	3%
Stationery , Postage, Printing	€ 2,582	1%	3%
Other Costs	€ 25,558	13%	14%
TOTAL	**€ 200,911**	**100%**	**100%**

Figure 12: Sources of Annual Revenue

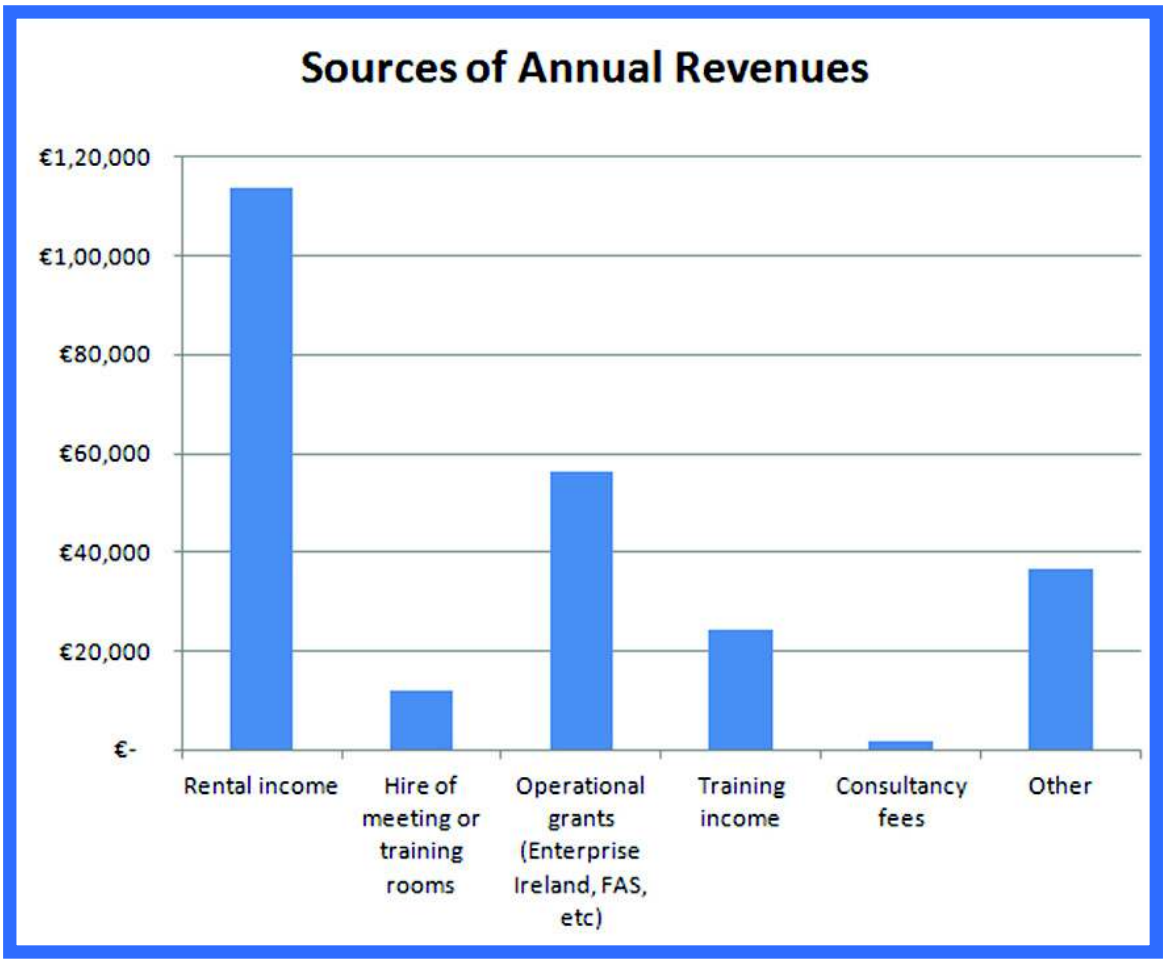


Figure 13: Revenue by Source

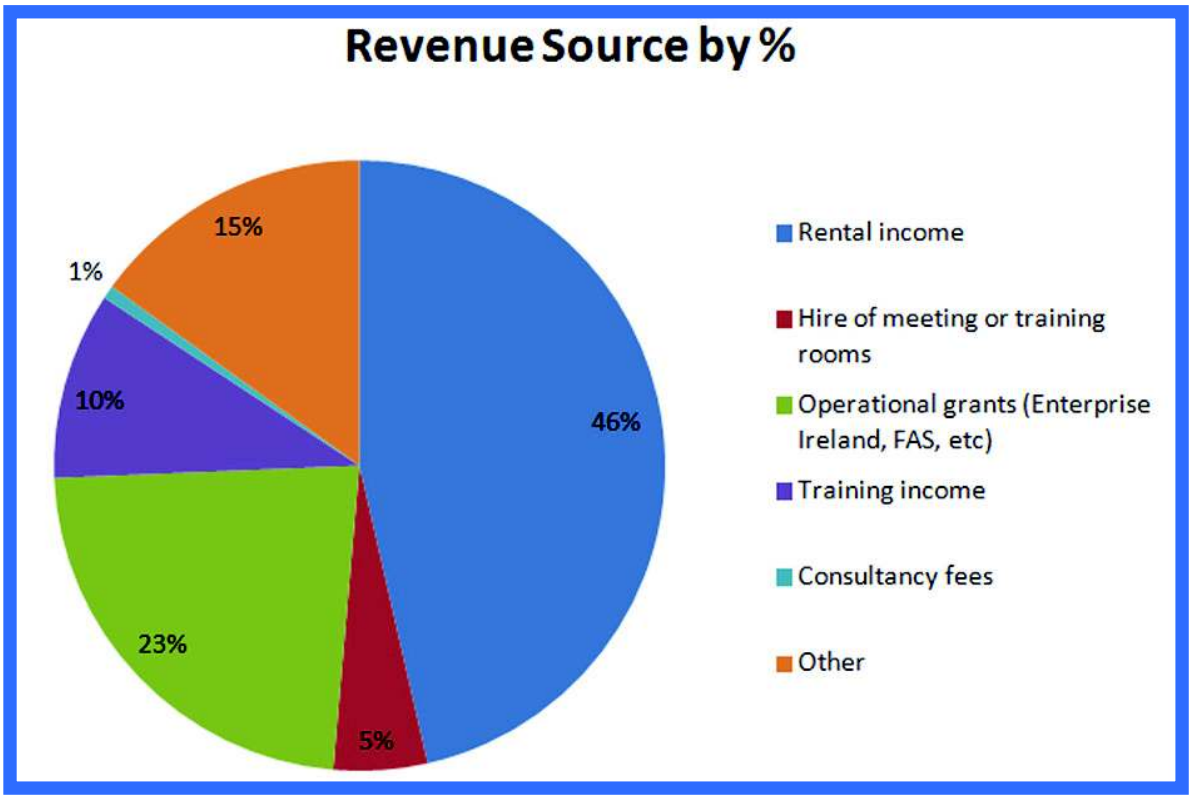


Table 9: Revenue Comparison 2012 vs 2009

Revenue Category	Average % of Revenue (2012)	Average Revenue	Total Revenue (All Centres)	Average % of Revenue (2009)
Rental income	46%	€ 113,652	€ 5,796,262	56%
Hire of meeting or training rooms	5%	€ 12,138	€ 461,232	4%
Operational grants (Enterprise Ireland, FAS, etc)	23%	€ 56,259	€ 1,800,302	22%
Training income	10%	€ 24,289	€ 777,258	10%
Consultancy fees	1%	€ 1,700	€ 40,800	1%
Other	15%	€ 36,800	€ 2,567,212	7%
Total	**100%**	**€ 244,839**	**€ 11,443,066**	**100%**

Sources of other income for 2012 includes

- Bank deposit interest
- Fundraising

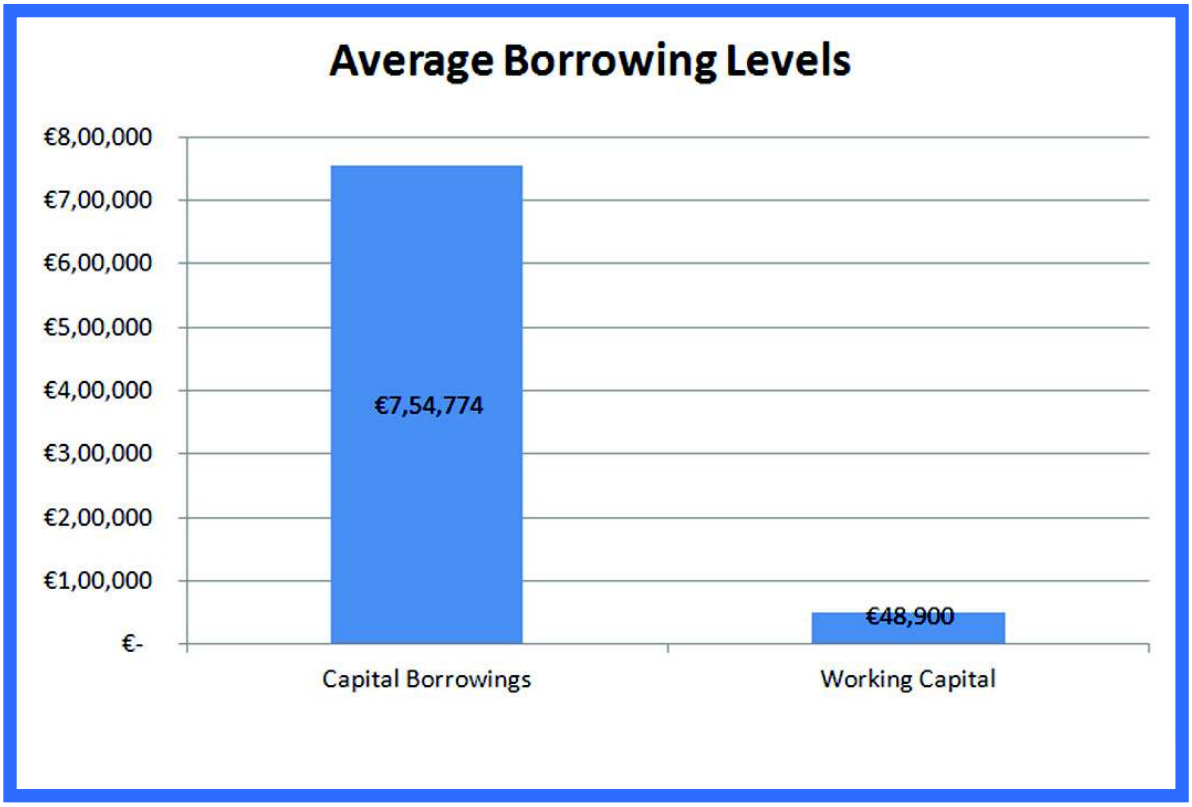
Table 10: Sources of Financial Support 2012 vs 2009

Sources of Financial Support Received (2012) and (2009)						
	2012				2009	
Support Type	**No. of Centres in Receipt**	**Average Amount**	**Total Investment**	**% of Total Support**	**Average Amount**	**% of Total Support**
Enterprise Ireland Business Development Manager	31	€ 21,086	€ 653,662	17%	€24,500	10%
Community Employment Programmes	10	€ 154,949	€ 1,549,486	40%		
FAS Grants	2	€ 165,750	€ 331,500	9%	€110,557	48%
CDP Programme	0	€ -	€ -	0%	€8,000	3%
LEADER Grants	6	€ 37,607	€ 225,644	6%	€11,575	5%
County Enterprise Board Grants	7	€ 6,581	€ 46,067	1%	€34,530	15%
Internship Programme	2	€ 2,250	€ 4,500	0%		
Other	13	€ 78,809	€ 1,024,513	27%	€45,726	19%
TOTAL		**€ 467,032**	**€ 3,835,372**	**100%**	**€234,888**	**100%**

Overview of Other Operational Support Types Received:

- Upgrading of an existing unit to suit a new client.
- Health Service Executive IF Capital Programme
- County Council
- Ulster Bank – Female Entrepreneurs Programme

Figure 14: Borrowing Levels

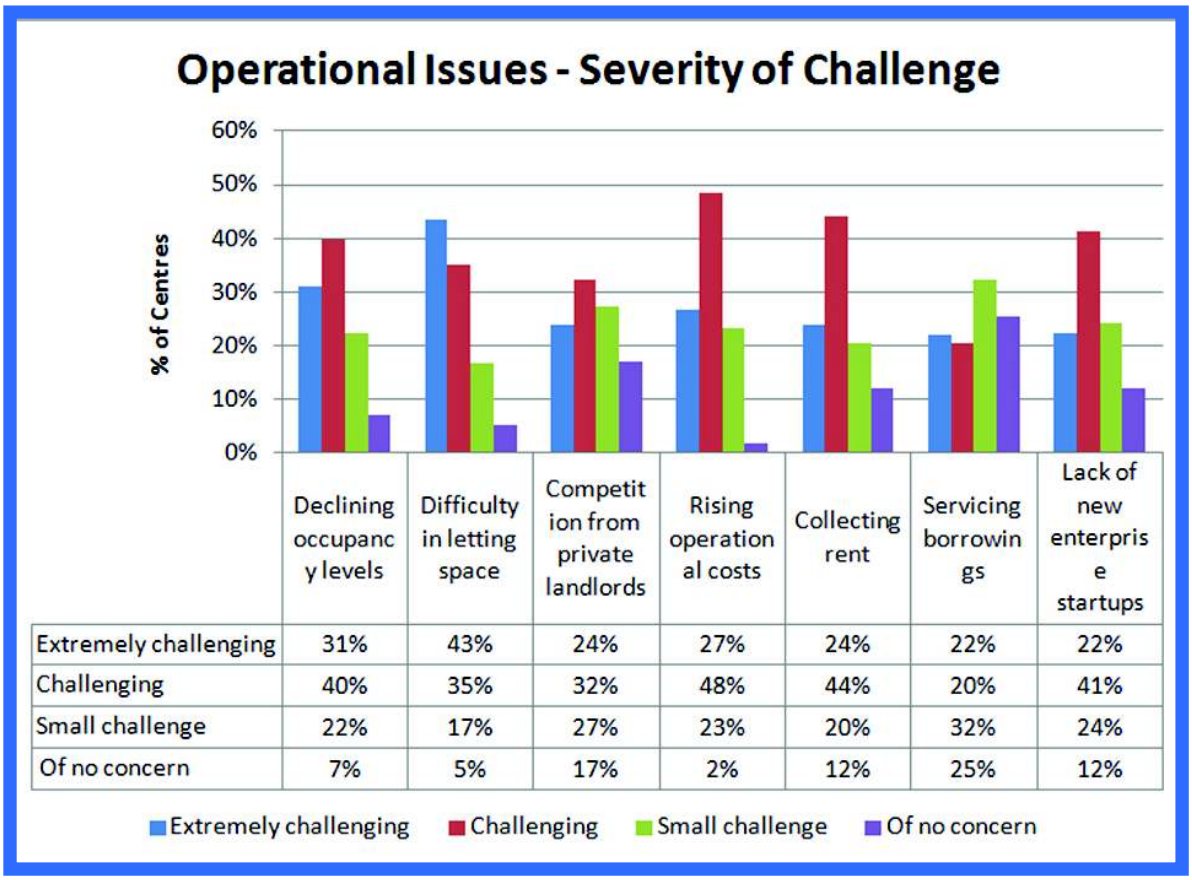


10 OPERATIONAL ISSUES

Key Findings

- *External support funding is almost universally seen as very important to the future financial and operational sustainability of enterprise centres. 90% of respondents stated this.*
- *Uncertainty of future agency support programmes is the clearly the major issue with 79% of centres seeing this as a "Major Concern" or "Concern.*
- *Centres still consider their operational environment to be very challenging over the coming 12 months with the outlook for new clients and business start-up rates seen as bleak*
- *Rising operational costs and declining commercial income are highlighted as being the issues of major concern that have increased in "Concern Levels" since 2009. These are two areas that impact cash flow very quickly and can make centre unviable in a short space of time.*
- *There are small but welcome declines between 2012 and 2009 in respect of the severity of the challenge faced by centres in respect of their operational environment apart from the issues of rising costs and declining income.*
- *The survey results would seem to indicate a trend of centres offering very attractive rental packages to secure clients, thus increasing occupancy levels, but not necessarily increasing overall income or profitability.*
- *There are small but welcome declines between 2012 and 2009 in respect of the severity of the challenge faced by centres in respect of their operational environment. However operational challenges faced by centres are still considered challenging with all operational issues still predominately in the Very Challenging or Challenging areas.*

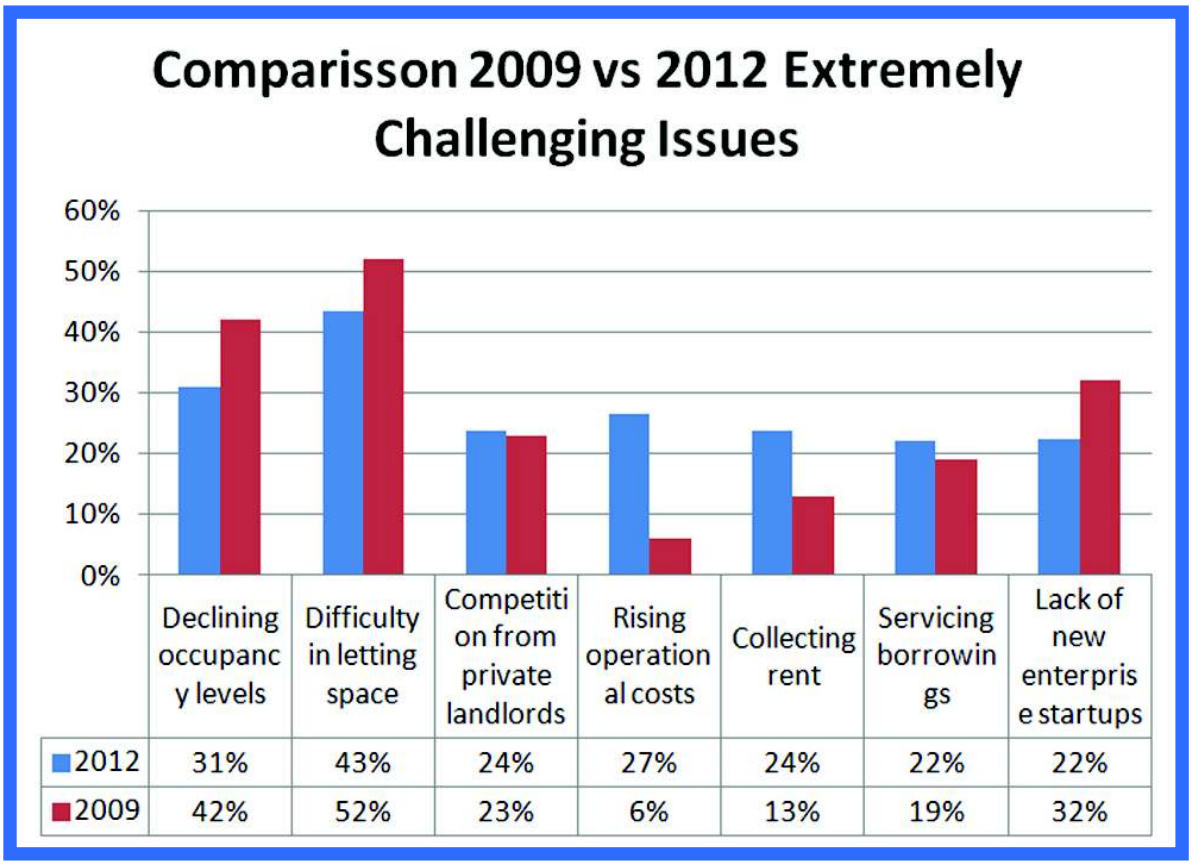
Figure 15: Operational Issues



	Declining occupancy levels	Difficulty in letting space	Competition from private landlords	Rising operational costs	Collecting rent	Servicing borrowings	Lack of new enterprise startups
Extremely challenging	31%	43%	24%	27%	24%	22%	22%
Challenging	40%	35%	32%	48%	44%	20%	41%
Small challenge	22%	17%	27%	23%	20%	32%	24%
Of no concern	7%	5%	17%	2%	12%	25%	12%

All of the daily issues faced by an enterprise centre in the running of their business are still considered to be quite challenging. Of the categories analysed above centres stated that operational challenges were either “Extremely Challenging” of “Challenging” from a high of 78% for difficulty in letting space to a low of 44% in respect of “Servicing Borrowings”. In conclusion this shows the continued challenging operational environment for enterprise centres.

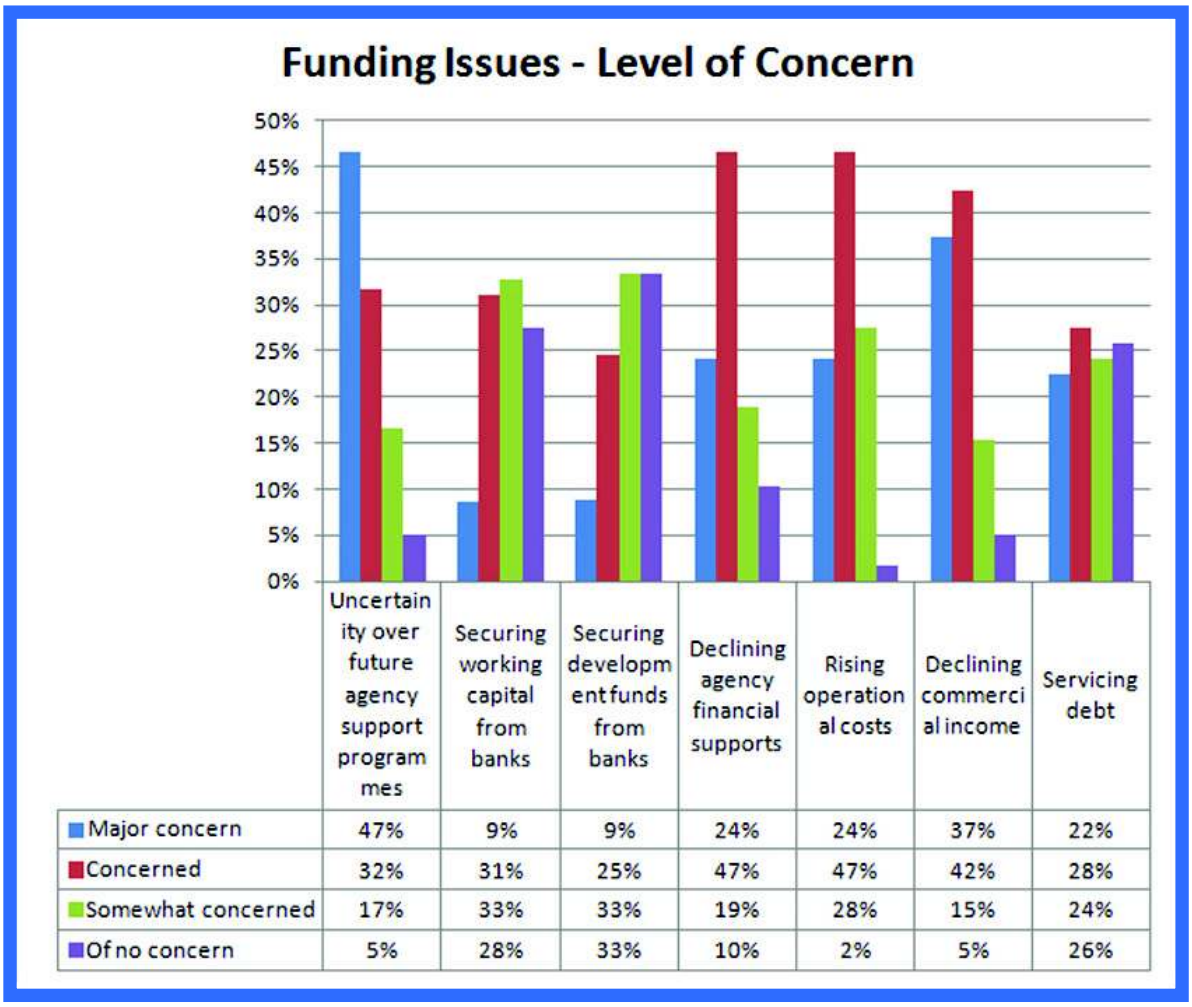
Figure 16: Operating Issues 2012 vs 2009



	Declining occupancy levels	Difficulty in letting space	Competition from private landlords	Rising operational costs	Collecting rent	Servicing borrowings	Lack of new enterprise startups
2012	31%	43%	24%	27%	24%	22%	22%
2009	42%	52%	23%	6%	13%	19%	32%

There are small but welcome declines between 2012 and 2009 in respect of the severity of the challenge faced by centres in respect of their operational environment. This is a positive trend and verified by increased levels of confidence shown in the business environment as evidenced by rising occupancy levels at centres. However in an overall context collecting rent and rising operational costs have become significantly more challenging. These are two factors that directly impact on cash flow and if not addressed could in a short time lead to an inability of centres to remain operational.

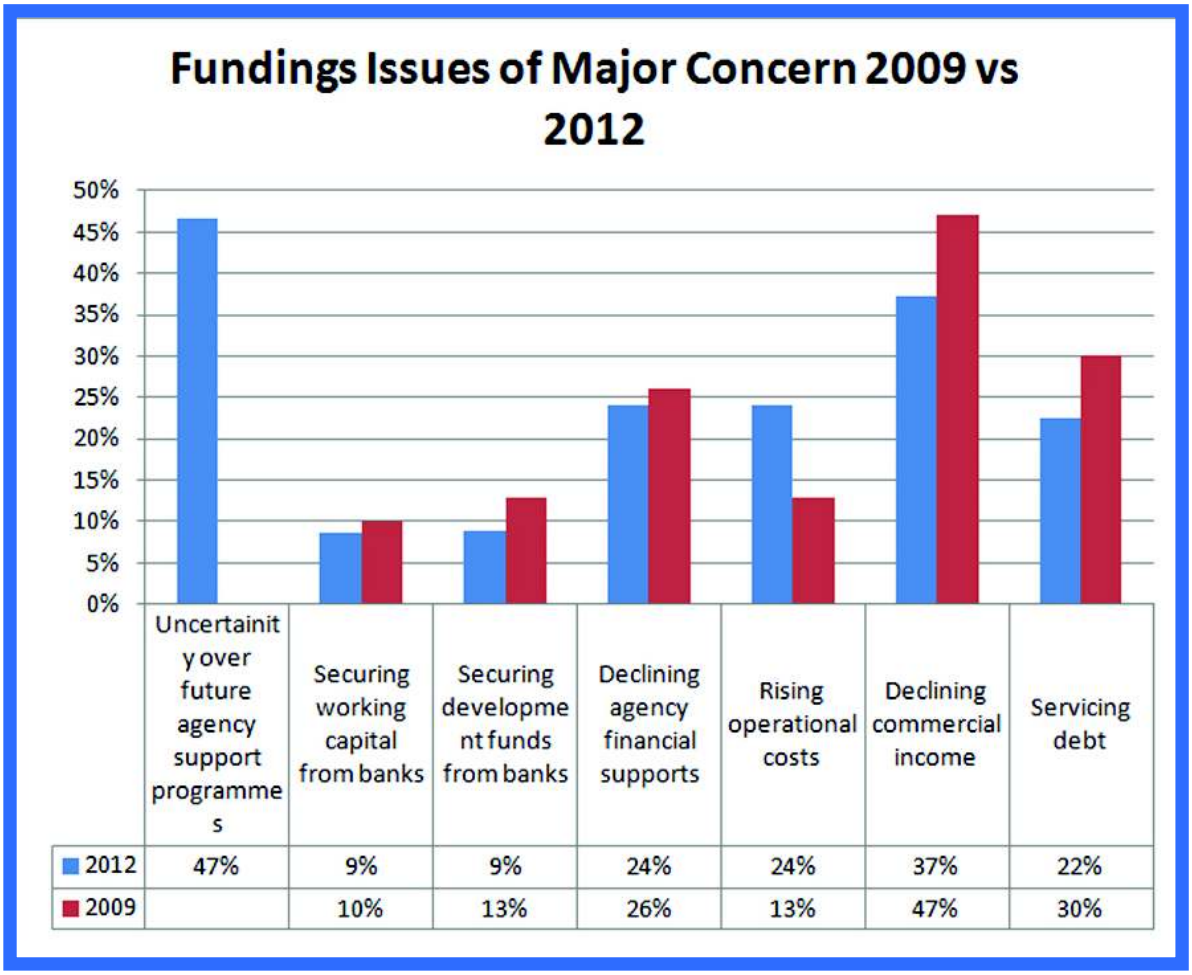
Figure 17: Funding Issues



	Uncertainity over future agency support programmes	Securing working capital from banks	Securing development funds from banks	Declining agency financial supports	Rising operational costs	Declining commercial income	Servicing debt
Major concern	47%	9%	9%	24%	24%	37%	22%
Concerned	32%	31%	25%	47%	47%	42%	28%
Somewhat concerned	17%	33%	33%	19%	28%	15%	24%
Of no concern	5%	28%	33%	10%	2%	5%	26%

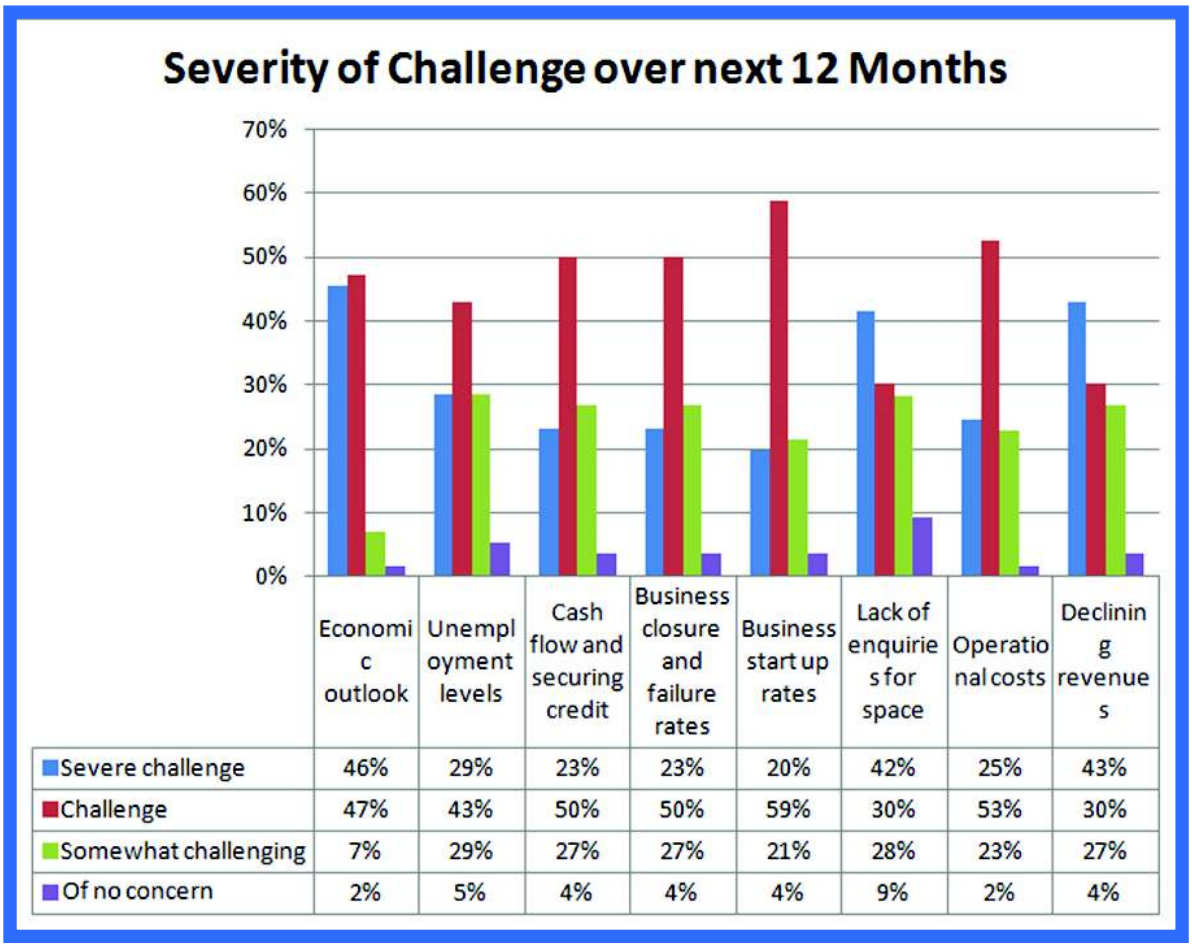
Uncertainty over future agency support programmes is the clearly the major issue with 79% of centres seeing this as a "Major Concern" or "Concern. Rising operational costs and declining commercial income are also highlighted again as being of big concern among centres.

Figure 18: Funding Issues 2012 vs 2009



There is little difference between the responses in 2009 and 2012. However do note rising operational costs are flagged as being an issue of greater concern in 2012 than 2009 and declining commercial income an issue among almost 40% of centres, despite the trend of rising occupancy levels. This may be indicative of centres offering attractive rental packages to clients to get space let.

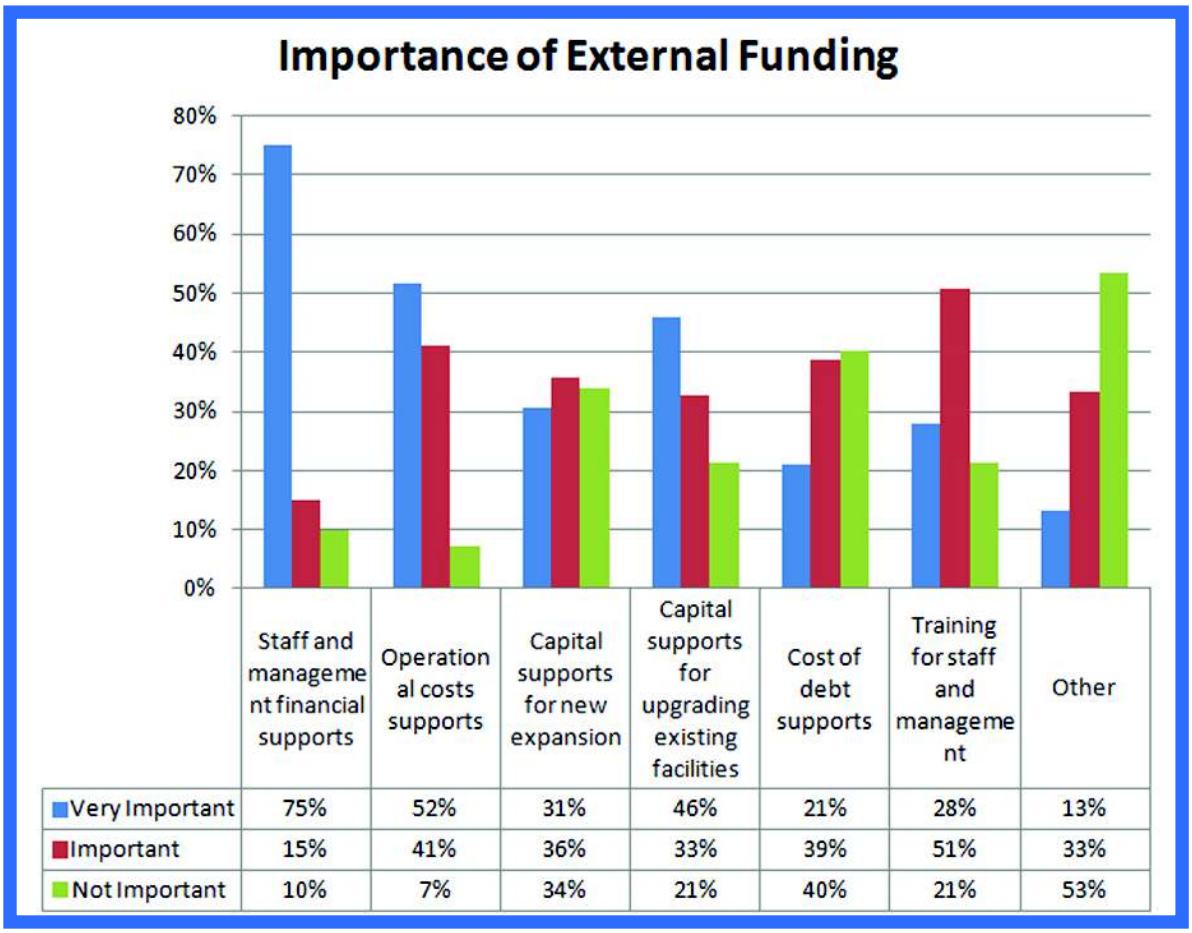
Figure 19: Future Challenges



	Economic outlook	Unemployment levels	Cash flow and securing credit	Business closure and failure rates	Business start up rates	Lack of enquiries for space	Operational costs	Declining revenues
Severe challenge	46%	29%	23%	23%	20%	42%	25%	43%
Challenge	47%	43%	50%	50%	59%	30%	53%	30%
Somewhat challenging	7%	29%	27%	27%	21%	28%	23%	27%
Of no concern	2%	5%	4%	4%	4%	9%	2%	4%

Centres still consider their operational environment to be very challenging over the coming 12 months with the outlook for new business and business start up rates seen as bleak, therefore impacting on the abilities of centres to attract new clients and in retaining existing clients.

Figure 20: Importance of External Funding



	Staff and management financial supports	Operational costs supports	Capital supports for new expansion	Capital supports for upgrading existing facilities	Cost of debt supports	Training for staff and management	Other
Very Important	75%	52%	31%	46%	21%	28%	13%
Important	15%	41%	36%	33%	39%	51%	33%
Not Important	10%	7%	34%	21%	40%	21%	53%

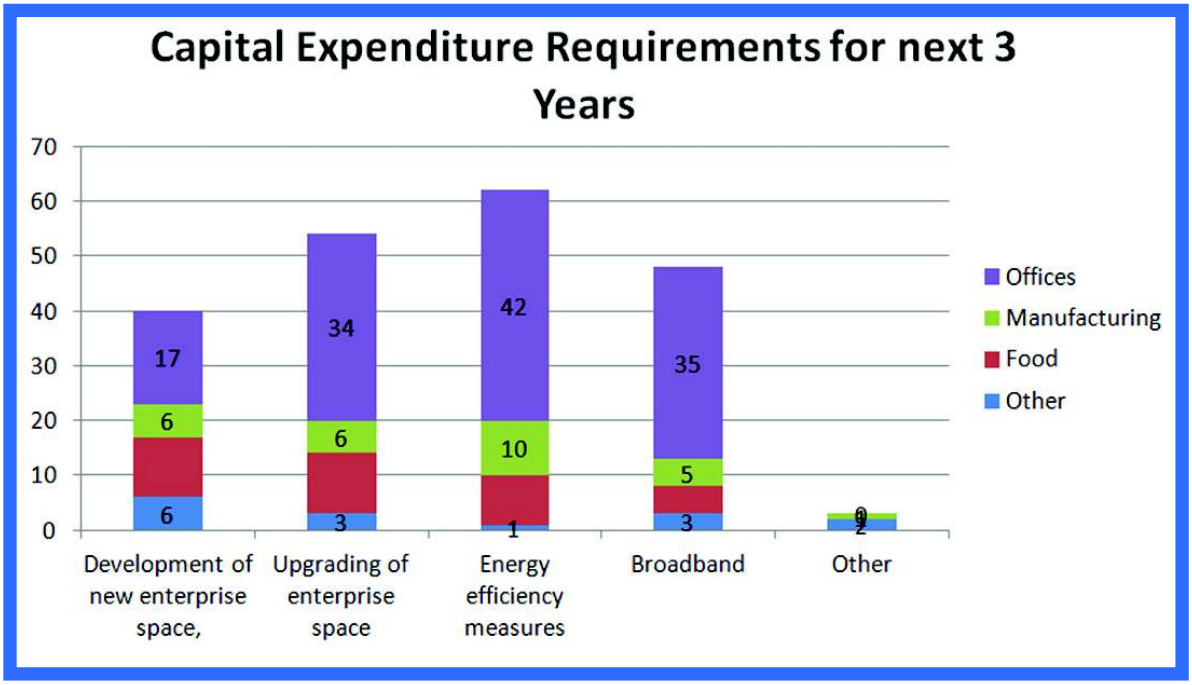
External support funding is almost universally seen as very important to the future financial and operational sustainability of enterprise centres. 90% of respondents stated this.

11 INVESTMENT REQUIREMENTS

Key Findings

- *Capital expenditure requirements over the next 3 years focus on upgrading of space rather than development of new space. They key focus will be on office space with implementing energy efficient measures seen as high priority. There is a small appetite for development of new space in some areas, again with office space being almost twice the demand as for other types of space.*

Figure 21: Capital Expenditure Requirements



Other types of supports requested / suggested:

- IT and Innovation facilities to accommodate and assist in training and education in this sector.
- Infrastructural development to allow connection into local MANS to upgrade broadband facilities.
- Infrastructural work to insert water meters for metering of future usage.

- High speed fibre broadband.
- The centre needs training supports to enable up skilling of all staff especially management.
- Infrastructure Development, Financial supports and to a lesser extent training supports.
- Support for facilitation of enterprise development in the region.
- Access to affordable working capital.
- Financial supports; financial planning supports; staff training; Board renewal and development.
- Maintenance of fire alarms, BER certs and other health & safety costs.
- Re-developing and Up-Grading existing Units and Space within the Enterprise Centre's and ensuring they are relevant and fit for purpose.
- Upgrading office & food manufacturing facilities.
- Marketing budget support.

12 IMPACTS OF COMMUNITY ENTERPRISE CENTRES

Key Findings

Based on responses received the following are stated by the NACEC members as being some headline impacts of the existence and role of the centres.

- *1,133 - The estimate of the number of businesses that would not have started if the enterprise centre did not exist.*
- *394 – The estimate of the number of businesses that would move out of the area if the Enterprise Centre did not exist.*
- *317 – The estimate of the number of businesses that have left your centre in the last 3 years.*
- *43% of centres received support under the Enterprise Ireland Business Development Manager Support programme.*
- *Each centre refers an average of 41 individuals and businesses to a state support agency per year.*
- *The greatest impacts the EI BDM scheme have had as stated by the centres are 1) the employment of a manager, 2) allowed more effective promotion and marketing of centres and 3) allowed better support and information provision for clients.*
- *55% of businesses that have left enterprises have continued to grow. This show the strong incubation feature of enterprise centres.*
- *40% of enterprise centre clients are involved in exporting, while 54% of the remainder expect to become involved in export products or services in the future.*
- *74% of enterprise centres organised events or programmes to promote their services and attract new business in the past 2 years.*
- *55% of centres consider themselves equipped to meet the needs of future enterprises in the IT and high end service based sectors?*
- *Enterprise centres consider that 1) IT, 2) Education and Training, 3) Social Enterprise and 4) Agriculture and Food are the emerging and growth sectors of the economy.*

Supports Provided by Centres

From consultation with managers of enterprise centres at the September 29th meeting, an average of 31% of the total time of centres managers and their business development staff is spend in mentoring and advisory support of existing and potential new clients. In addition support extends to working with external businesses networks such as chamber of commerce's, trade associations and local community organisations.

On average in 2012, each professionally managed centre made 41 referrals of individuals and businesses to a state support agency. These agencies included County Enterprise Boards, FAS, LEADER, Back to Work, etc.

Enterprise Progression

Business progression is an important feature of the business incubation and support ecosystem. Figure 22 shows the progression of businesses from 21 enterprise centres in 2012. Over twice as many moved due to business expansion as those that closed. The remaining 24 moved for other reasons, including moving to more suitable premises and downsizing. This finding correlates with the finding form the larger survey that found that 55% of businesses that left centre have expanded.

Figure 22: Enterprise Progression

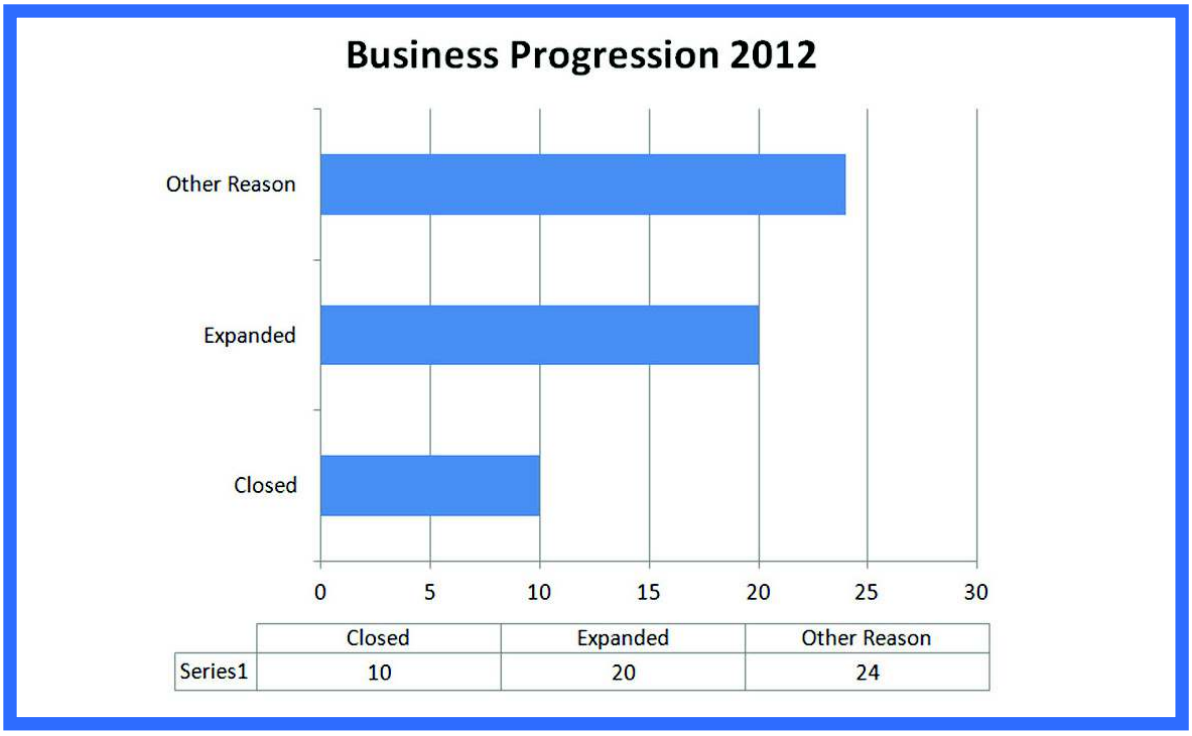


Table 11: Business Progression 2012

	Closed	Expanded	Other Reason
Agriculture, Forestry, Food	2	1	1
Manufacturing	3	1	5
Mining / Quarrying			
Electricity, Gas, Water		1	
Construction	2		
Wholesale / Retail	1	1	
Transport / Storage		1	
Financial Services	1	3	1
Property Services			
Education / Training		1	5
Healthcare / Social Work	1		4
Professional Services		1	3
Information Technology		8	4
Community / Social / Personal Services			1
Other		2	
Totals	**10**	**20**	**24**

Figure 23: BDM Support Received

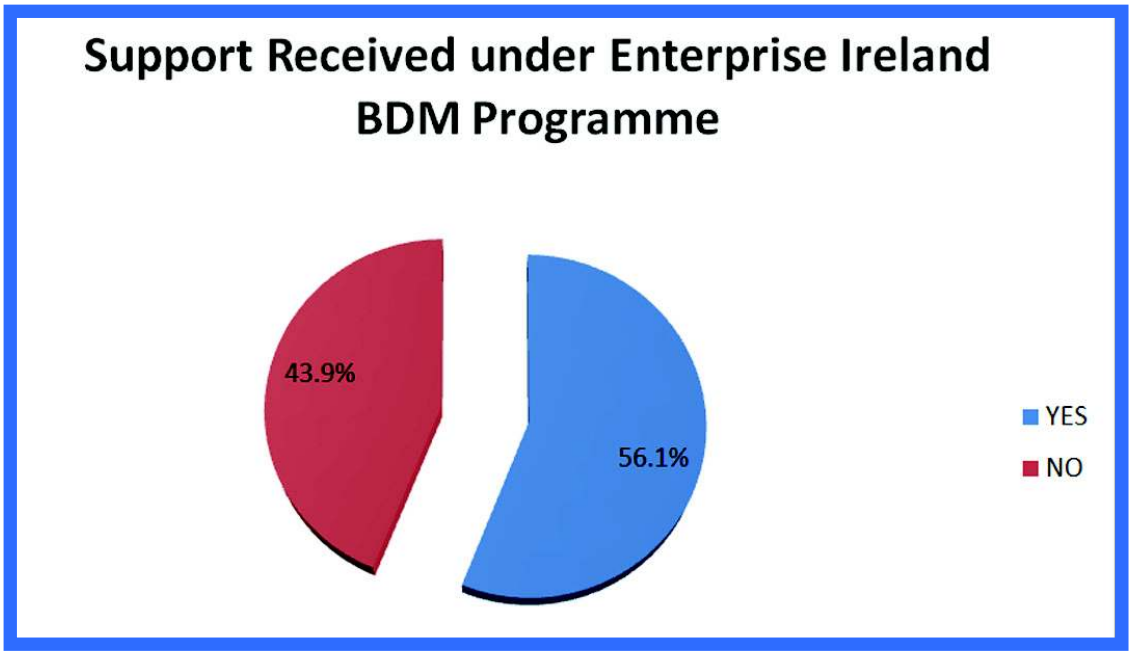


Figure 24: Impacts of BDM Programme

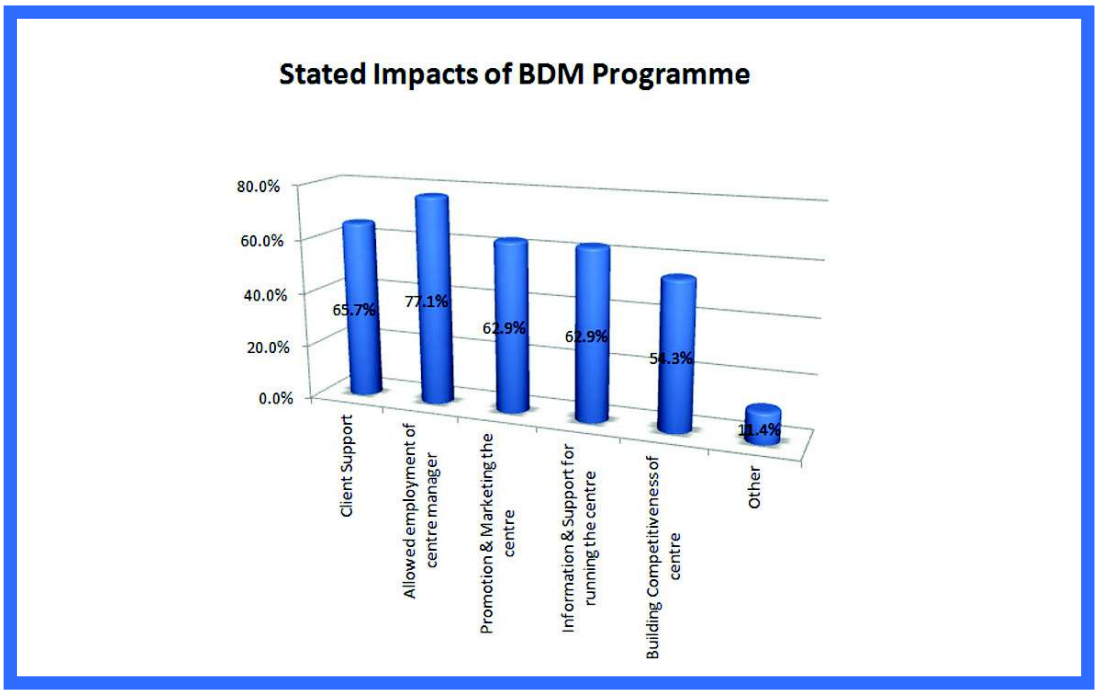


Figure 25: Progression of Businesses

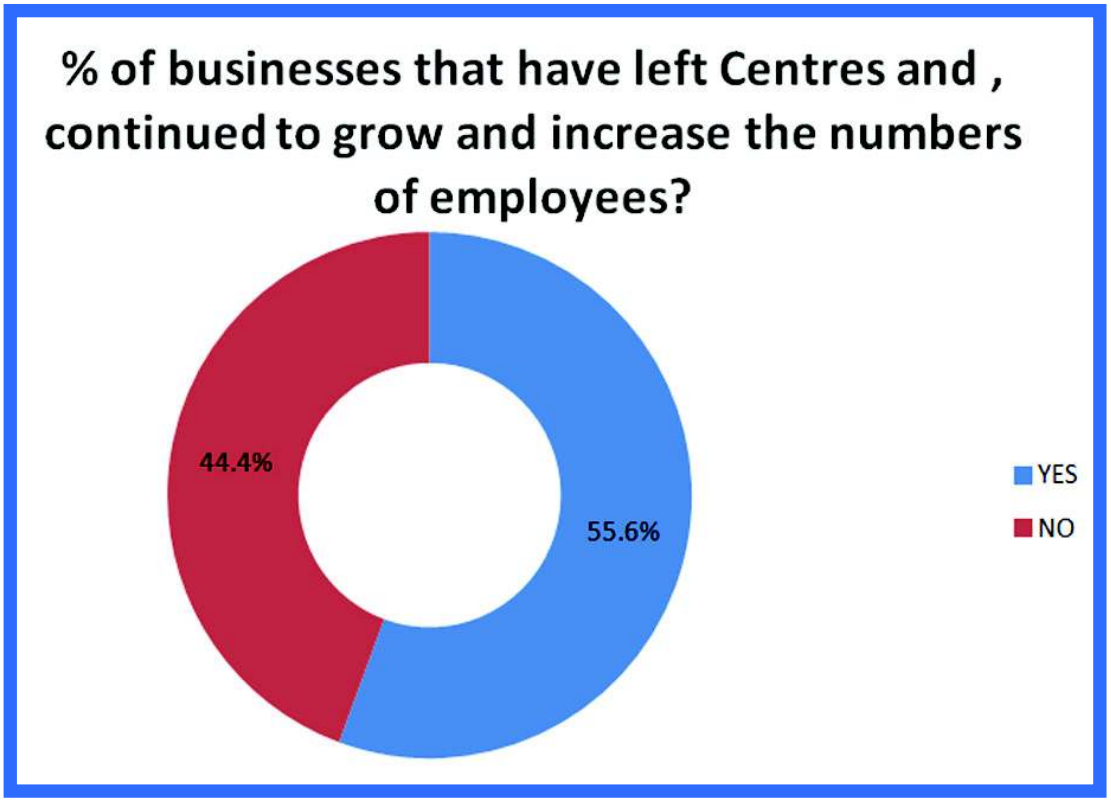


Figure 26: Businesses involved in Exporting

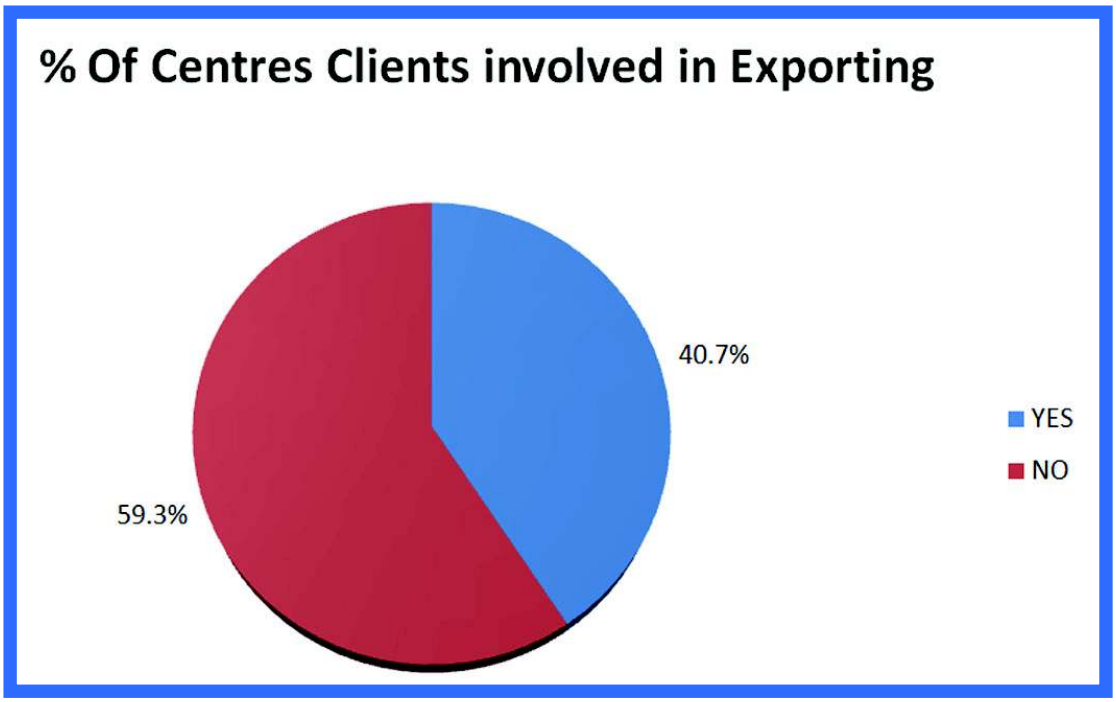


Figure 27: Likely to get involved in Exporting

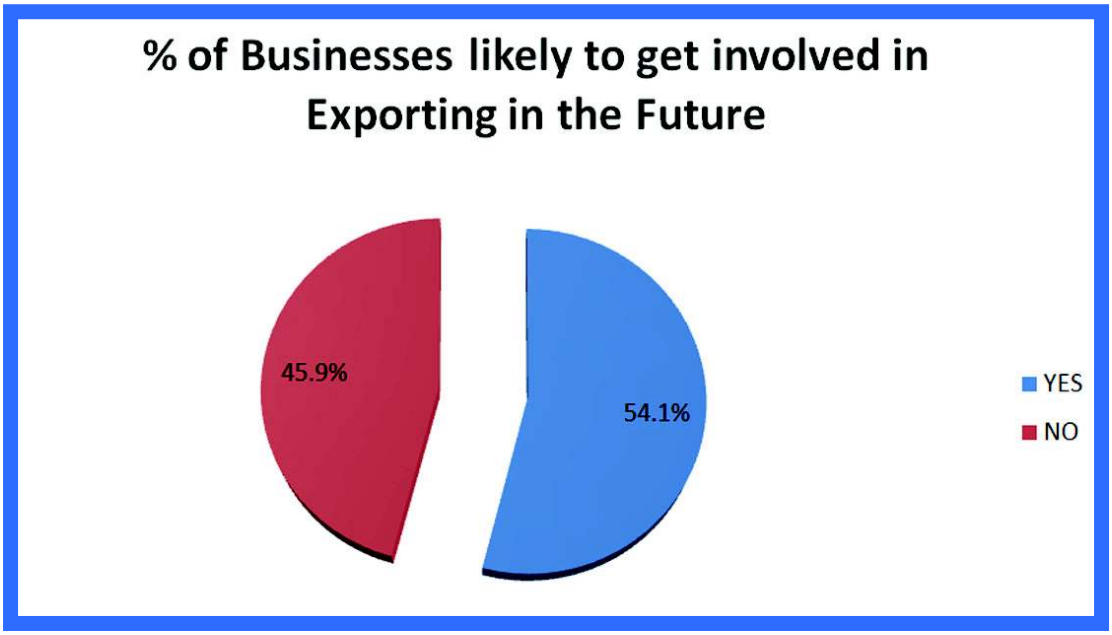


Figure 28: Promotional Activities

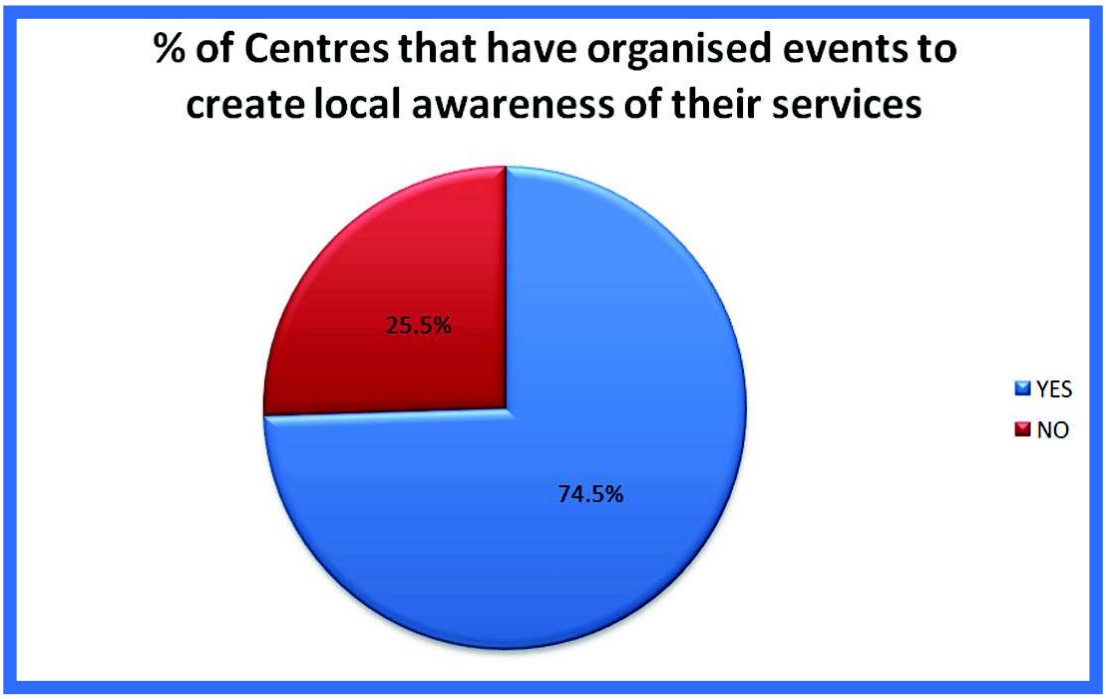


Figure 29: Meeting Future Needs

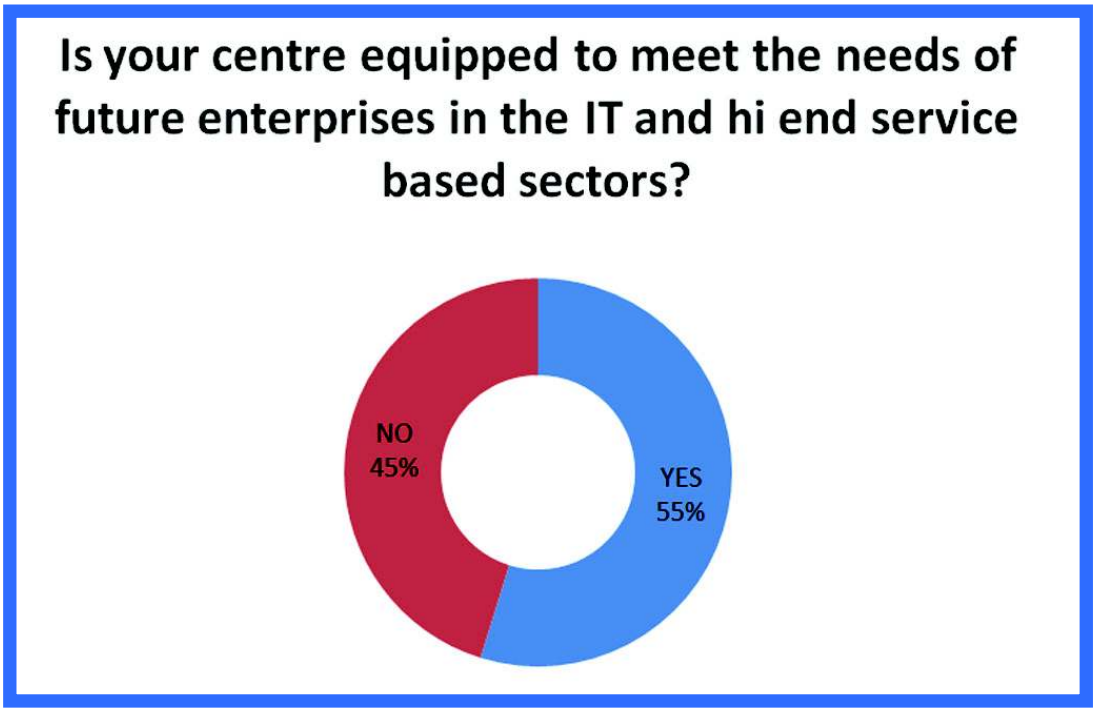
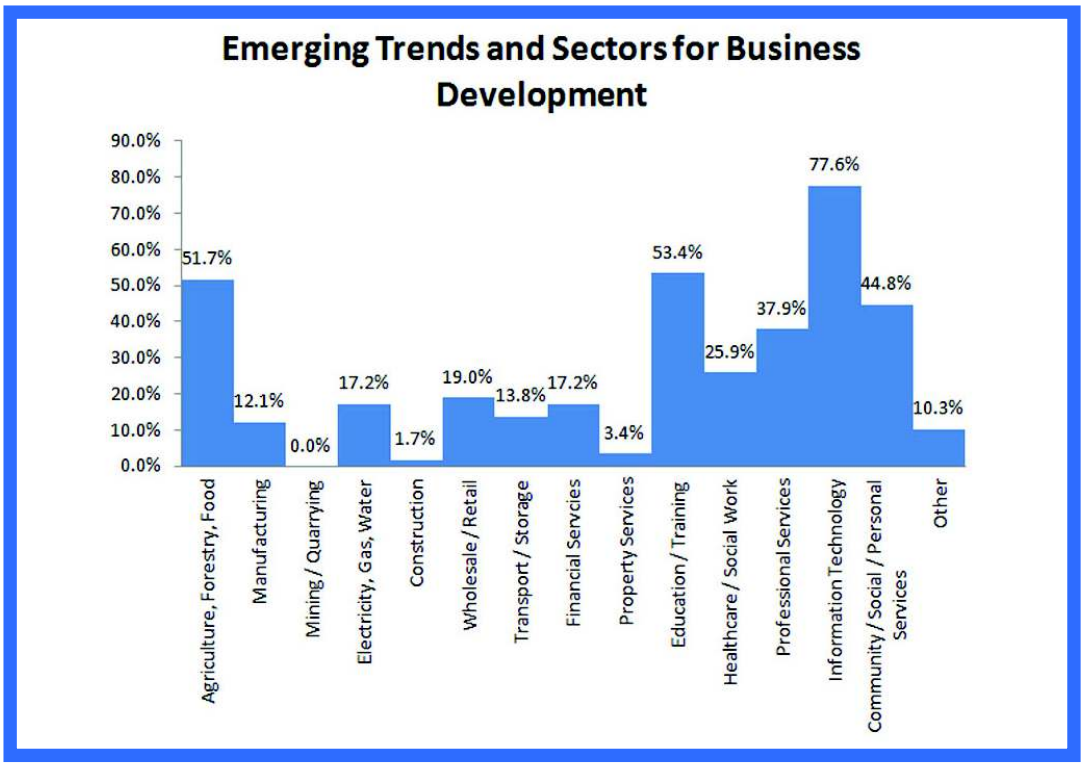


Figure 30: Emerging Trends



APPENDIX 1: SURVEY QUESTIONNAIRE

Survey of Members

1. About your Enterprise Centre

***1. What is the name of your Enterprise Centre?**

2. Enter Address and Contact Details?

Name:
Address:
Address 2:
City/Town:
Email Address:
Phone Number:

3. What is the total number of staff employed by your Centre - (DO NOT ENTER STAFF EMPLOYED BY CLIENTS OR TENANTS)?

Managers
Administrative
Maintenance
Catering
Other

4. How are your staff being funded?

- Privately from rental income
- CE- Community Employment.
- CSP- Community Services Programme.
- BDM- Business Development Management
- Other

Other (please specify)

Page 1

Survey of Members

5. In what year was your Centre opened (Please list year of opening for all phases)

Phase 1	
Phase 2	
Phase 3	
Phase 4	
Phase 5	
Other	

6. Centre Managers employment status

- ○ Full time
- ○ Part time
- ○ Voluntary
- ○ Shared

If shared, with what other centre

7. Current Centre Manager – Number of years as centre manager

8. Centre Manager's contract completion date

9. Please list the total square footage of space in each category?

Manufacturing / Industrial	
Office	
Retail / Warehousing / Distribution	
Administration	
Training Rooms	
Shared Services	

Page 2

Survey of Members

10. What other services and facilities does your centre offer?

- [ ] Broadband
- [ ] Training services
- [ ] 3 Phase Electricity
- [ ] Video Conferencing
- [ ] Meeting Rooms
- [ ] Training Rooms
- [ ] Administrative or Secretrial Services
- [ ] Phone Answering Service
- [ ] Canteen or Kitchen Facilities
- [ ] Business Advice and Mentoring
- [ ] Hot Desk
- [ ] Address rental
- [ ] Other (please specify)

11. Have you any plans to upgrade/expand your centre in the future?

- ( ) Yes
- ( ) No

If yes please specify

2. About your Clients / Tenants

Survey of Members

12. Please enter the percentage occupancy at your centre?

	90 - 100%	80 - 90%	70 - 80%	60 - 70%	50 - 60%	40 - 50%	30 - 40%	20 - 30%	10 - 20%	Less than 10%
Now										
6 Months Ago										
12 Months Ago										
24 Months Ago										

Please enter any additonal comments

13. Please enter the number of businesses in your centre under each category?

Agriculture, Forestry, Food	
Manufacturing	
Mining / Quarrying	
Electricity, Gas, Water	
Construction	
Wholesale / Retail	
Transport / Storage	
Financial Services	
Property Services	
Education / Training	
Healthcare / Social Work	
Professional Services	
Information Technology	
Community / Social / Personal Services	
Other	

Survey of Members

14. Please enter the number of employees, employed in Businesses at your Centre under each category?

Agriculture, Forestry, Food	
Manufacturing	
Mining / Quarrying	
Electricity, Gas, Water	
Construction	
Wholesale / Retail	
Transport / Storage	
Financial Services	
Property Services	
Education / Training	
Healthcare / Social Work	
Professional Services	
Information Technology	
Community / Social / Personal Services	
Other	

15. Please enter the number of business in your Centre that are agency clients?

Number of Enterprise Ireland clients	
Number of CEB clients	

3. Operational Details of your Enterprise Centre

Survey of Members

16. Please enter the annual running costs for your Centre (running costs figures should correlate to the 2012 accounts)

Wages and Salaries	
Insurance	
Rent and Rates	
Bank Interest and Charges	
Energy and Power	
Telephone and Communications	
Travel	
Repairs and Maintenance	
Professional Fees	
Stationery , Postage, Printing	
Other Costs	

17. Please use this box to include any text information which you want to include regarding question 15

18. Give details of the revenue generated by your Centre annually?

Rental income	
Hire of meeting or training rooms	
Operational grants (Enterprise Ireland, FAS, etc)	
Training income	
Consultancy fees	
Other	

19. Please use this box to include any text information which you want to include regarding question 17

Survey of Members

20. How much total borrowings does your Centre have?

Capital Borrowings	
Working Capital	

21. Enter any additional comments on regarding your Centres borrowings? (length of loans, interest rates, security given etc)

22. Give details of the financial supports received by your centre in the last 12 months? Please enter their amounts in the boxes below.

Enterprise Ireland Business Development Manager	
Community Employment Programmes	
FAS Grants	
CDP Programme	
LEADER Grants	
County Enterprise Board Grants	
Internship Programme	
Other	
Other	

23. Please provide any additional details regarding financial grants and supports received?

Survey of Members

24. Rank the following operational issues in terms of how great a challenge they are for your centre at present?

	Extremely challenging	Challenging	Small challenge	Of no concern
Declining occupancy levels				
Difficulty in letting space				
Competition from private landlords				
Rising operational costs				
Collecting rent				
Servicing borrowings				
Lack of new enterprise startups				

Enter any additional comments

25. Rank the following funding issues in terms of the level of concern they are to your centre at present?

	Major concern	Concerned	Somewhat concerned	Of no concern
Uncertainity over future agency support programmes				
Securing working capital from banks				
Securing development funds from banks				
Declining agency financial supports				
Rising operational costs				
Declining commercial income				
Servicing debt				

Please enter any additional comments

Survey of Members

26. Rank the following statements in terms of the severity of the challenge it presents to the viability of your centre over the next 12 months?

	Severe challenge	Challenge	Somewhat challenging	Of no concern
Economic outlook	○	○	○	○
Unemployment levels	○	○	○	○
Cash flow and securing credit	○	○	○	○
Business closure and failure rates	○	○	○	○
Business start up rates	○	○	○	○
Lack of enquiries for space	○	○	○	○
Operational costs	○	○	○	○
Declining revenues	○	○	○	○

4. Funding and Support Needs

27. Please rank how important the following external funding needs are for your centre?

	Very Important	Important	Not Important
Staff and management financial supports	○	○	○
Operational costs supports	○	○	○
Capital supports for new expansion	○	○	○
Capital supports for upgrading existing facilities	○	○	○
Cost of debt supports	○	○	○
Training for staff and management	○	○	○
Other	○	○	○

Pleae list any additional information

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Survey of Members

28. What are the capital expenditure requirements for your centre in the next 3 years?

	Offices	Manufacturing	Food	Other
Development of new enterprise space,	☐	☐	☐	☐
Upgrading of enterprise space	☐	☐	☐	☐
Energy efficiency measures	☐	☐	☐	☐
Broadband	☐	☐	☐	☐
Other	☐	☐	☐	☐

If other (please specify)

29. Please list any other types of supports or needs that your centre has? (e.g Infrastructure development, training supports, financial supports etc).

***30. Have you received support under the current Enterprise Ireland BDM programme ?**

- ○ YES
- ○ NO

Survey of Members

31. If you have received support, what impacts did the BDM programme have (tick all that apply)

- ☐ Client Support
- ☐ Information & Support for running the centre
- ☐ Allowed employment of centre manager
- ☐ Building Competitiveness of centre
- ☐ Promotion & Marketing the centre
- ☐ Other

Other (please specify)

32. Please outline what you consider to be the further training and education needs of Enterprise centre managers?

5. Impacts of your Centre

33. Estimate the number of businesses that would not have started business if your Enterprise Centre did not exist?

Survey of Members

34. Estimate the number of businesses that would move out of the area if your Enterprise Centre did not exist?

35. In the last three years how many businesses have left your centre?

36. Have any of the businesses which have left your centre, continued to grow and increase the numbers of people they employ?

- YES
- NO

If yes please specify

37. Please describe what happened to clients that have left your centre in last 3 years?

- Went out of business
- Moved to larger premises
- Downsized
- Relocated to different area
- Moved to different enterprise centre
- Other

Other (please specify)

Survey of Members

38. Please provide some brief examples of the impacts of your centre (e.g. a case study of a client business, the employment impacts the centre created locally etc)

39. What ideas do you have regarding getting more PR and public awareness for the work and role of enterprise centres?

40. How do you think your centre can improve the support it offers clients in today's economy?

41. Do any of the businesses in your centre export goods or services currently?

- YES
- NO

42. If yes, how many, what do they export, and to where?

Survey of Members

43. Are any of the businesses in your centre likely to get involved in exporting in the future?

- YES
- NO

44. Has your centre created any events to raise local awareness of its services, to the wider community?

- YES
- NO

If yes please describe

45. Is your centre equipped to meet the needs of future enterprises in the IT and hi end service based sectors?

- YES
- NO

6. Recommendations

46. Give details of any recommendations you have regarding policy or financial supports for the Community Enterprise Centre Sector?

Survey of Members

47. Give details of any recommendations on how supports to the Community Enterprise Centre Sector can be better delivered?

48. What impacts do you think enhanced supports to the Community Enterprise Centre sector would have?

49. What do you see as the emerging trends in your area regarding new business development?

What sectors do you see emerging? (Select up to 3 options)

- [ ] Agriculture, Forestry, Food
- [ ] Manufacturing
- [ ] Mining / Quarrying
- [ ] Electricity, Gas, Water
- [ ] Construction
- [ ] Wholesale / Retail
- [ ] Transport / Storage
- [ ] Financial Servcies
- [ ] Property Services
- [ ] Education / Training
- [ ] Healthcare / Social Work
- [ ] Professional Services
- [ ] Information Technology
- [ ] Community / Social / Personal Services
- [ ] Other

APPENDIX 2: SURVEY RESPONDENTS

1. Clomes Business Technology Park	2. Brickens Enterprise Centre
3. Ballybay Business Centre	4. Cappoquin Enterprise Centre
5. MTEK II Building	6. North Tipperary Food Works
7. MTEK Building	8. Waterford City Community Enterprise Centre
9. Ballinasloe Enterprise Centre	10. Allenwood Community Development Association Ltd
11. Sligo Enterprise and Technology Centre / Sligo County Enterprise Fund	12. Kingscourt Community Enterprise Centre Ltd
13. Lakeside Centre	14. Shambles Ballaghaderreen Centre
15. Connemara West	16. Docklands Innovation Park
17. Roscommon Chamber of Commerce Enterprise Centre Ltd	18. Hatherton Ltd T/A Enterprise
19. Fiontarlann	20. Abbey Business Centre
21. Kilmallock Economic Entreprise Development	22. Ballyhaunis Enterprise Centre
23. Arklow Business Enterprise Centre Ltd.	24. Convoy Enterprise Centre
25. Ballymun Whitehall Enterprise Centre	26. BASE Enterprise Centre
27. Carlow Community Enterprise Centres Ltd	28. Mullingar Enterprise Centre/Mullingar Enterprise Technology& Innovation Centre
29. Tallow Enterprise Centre	30. North Tipperary Green Enterprise Park Ltd
31. Mohill Enterprise Centre	32. Cavan Innovation & technology Centre
33. Beechtree Enterprise Centre	34. Spade Enterprise Centre
35. Clonmel Business Development Park	36. Science Services Centre Dundalk
37. Ballinamore	38. Castleblayney Community Enterprise Centre
39. Piltown Community Centre	40. Dungarvan Enterprise Centre

41. Ennistymon Enterprise Centre	42. Bailieborough Business Centre
43. Cavan Enterprise Centres (Phase I & Phase II)	44. Creative Spark, Louth Creative Community Hub
45. Clonberne Enterprise Centre	46. Business Development Centre
47. Darndale Belcamp Village Centre	48. Drumshanbo Enterprise Centre
49. Drogheda Development Centre t/a Millmount Development Centre	50. Killarney Technology Innovation Centre
51. The Hive- Leitrim's Technology Enterprise Centre	52. Lismore Business Park
53. Ferbane Business & Technology Park	53. Boyle Enterprise Centre
55. Mountmellick Development Association	54. Ardee Business Park
57. Northside Enterprise Centre	56. Galway Technology Centre
59. Boyle Enterprise Centre	58. IRD North Mayo West Sligo / Greenhills Enterprise Centre
61. The Food Hub	60. Navan Enterprise Centre
63. Thompson enterprise Centre, Clane	62. Croom Community Enterprise Centre
65. Thurles Chamber Enterprise Centre	64. Milford & District Resource Ltd
67. Balbriggan Enterprise and Training Centre (BEaT) Ltd	66. Bawnogue Enterprise & Community Centre
69. Macroom E Enterprise Centre	68. Enniscorthy Enterprise & Technology Centre
71. The Ballybane enterprise centre	70. Kiltimagh
73. Terenure Enterprise Centre	72. PARTAS - 4 centres Bolbrook, Broookfield Main Road and Killinarden
75. Nutgrove Community Enterprise Centre	74. Portlaoise Enterprise Centre Ltd

APPENDIX 3: IMPACTS OF COMMUNITY ENTERPRISE CENTRES – CASE STUDIES

Plans to Upgrade Centre

Some of the current plans that Enterprise Centres have to upgrade their enterprise space

1	Exploring the possibility of adding a number of units to the park. 3 to 5 units of 1,000 sq. feet each with own front and back door access.
2	Renovation works are currently underway to provide four Artisan workshops. These units will be available to rent from November 2013. The units will be approx. 51.15sq meters.
3	We would like to upgrade a number of our centres, particularly in relation to insulation, broadband availability and so on. We have recently carried out a full repair of old window frames in our centre. Unfortunately, due to very limited resources, we can only deal with priority cases for the foreseeable future.
4	We are so busy that we have had to turn people away in the last few months. We are operating at a 100% level with all our units being utilised to the fullest. We are constantly upgrading or infrastructure i.e. broadband - fibre and conference calls to video calls.

Impacts of Community Enterprise Centres

These case studies present some of the stated impacts that Community Enterprise Centres have had in the localities that they serve.

1	Enterprise House was established in 2005. The Centre has grown from providing 8 office spaces to 23 office spaces (Phase 11&111 2010), Hot Desk & Virtual office facilities, conference rooms etc. One of our clients, Netwatch established itself in Enterprise House for a number of years employing 10/15 employees. The company has now established itself nationwide with over 120 employees. Another example is Omnipro who started their business in Enterprise House. They are currently renting a premises in Carlow Town and have grown from 2/4 employees to a team of approx 10. Development and grown was due to the assistance from CCEB and the supports of Enterprise House.
2	A project that came to us having secured a large contract stating that if they could have space immediately they could locate 17 jobs in Kiltimagh. We were able to release space which another project occupied by a bit of juggling and get the project up and running in weeks. That project now employs 25 people.
3	Memory Makers joined the Centre three years ago, employing 4 Centre based staff and 12 off site staff. In 2012 they expanded their operation to the North of Ireland now to date they are employing within the Centre 6 full time staff and 20 part time off site staff. Without the support of BEaT , they would not have been able to grow their business as rapidly as they did as we gave them flexibility in payment of their rent in order to keep their cash flow operating while they got the roll out of the expansion up and running
4	Corroy Trading an existing company within the centre is a company trading in the export market and have developed and grown a very successful business exporting a clothing range in the American market. The company has increased its employment numbers once again this year now employing 8 people. With Ireland's export trade performing strongly internationally Corroy Trading demonstrates export trading can be a successful business option on a reduced scale in a relatively small geographical area which demonstrates what is possible for small businesses in regional towns.
5	We have 2 units - A beauty Salon, and a Hairdresser- who were both start up businesses and have established a good business each. We had hoped to keep local business in our area and supply a service to our local population. However, both have achieved this and now also attract business from outside areas. Our centre is located in a quite rural area and is very suited to personal businesses mentioned above. No traffic or parking congestion / costs.
6	Sign Warehouse was started by two local young men. They had worked in a similar business in Leitrim but it was failing. They used our space and support to develop their business. They bought a private Unit in Drumshanbo and moved to it. They now employ seven people. They recently signed a major contract with ESB networks for sign writing on all their vans. All the employees are local.

7	One of our client companies is noteworthy - FRESH TODAY are based in our Brookfield Enterprise Centre, they have been there for 1 year and are providers of fresh lunches to local schools in Dublin 24. They provide a high quality service, and employ 6 people from the locality. They plan to expand into another unit and hope to employ 10 people within the next year.
8	Tangerine Management, a call centre spin-off of a larger company based in Cork city, located in the Centre in the last year. Tangerine now employs 10 people with plans to expand. The MD of Tangerine reports that they would not have located in Killarney but for the facilities offered by the KTI Centre.
9	The recent 11,000 sq ft extension to the Enterprise Centre cleared the way for the expansion of our anchor tenant who are a Food Outsource Manufacturer. An additional 60 jobs will be created at the Centre as a result over the next 18-24 months.
10	At present we have one client operating a “hot Desk”. He was working from home but felt it necessary to have a formal business address. We also have clients operating an electronics design centre employing 4 people. If our centre was not here that operation would have ceased to operate.
11	Our Centre provides a much needed facility in the town for Enterprise and office Space. As there is no hotel in the town we also fill a need for meeting/conference rooms. The centre is also the hub for the Roscommon Leader led business development programme for new green businesses. Currently we have 6 new businesses on the programme

Impacts of BDM Programme

Enterprise Centres surveyed stated the following as some specific impacts of the Enterprise Ireland funded BDM Programme.

Support enabled the Business Development manager to implement improved services to tenants, specifically food grade, due to higher level of Environmental specification achieved.

We are at full capacity over 1 year ahead of schedule, this would not have happened without BDM grant/manager. We have secured additional revenue streams as a direct result of the strategy put in place by the BDM.

Building linkages with other centres regionally; networking for the centre and its clients; capacity to apply for and secure other streams of funding and income.

Greatly enhanced our ability to continue to provide high quality service to clients. Also, gave our Board the confidence to look at possible development / expansion in new areas.

Other Types of Support Needed

Centres surveyed stated that the following are some additional training and other support needs that are relevant for Community Owned Enterprise Centres

Financial Supports

Financial assistance towards energy efficiency measures and upgrades

Upgrading towards food facilities

Training Supports

Financial Planning

Board of Directors roles and responsibilities

Social Media, Customer Relations, Sales

Facilitation and mentoring skills

Negotiation skills,

Presentation skills.

Best practices in Centre operation and management

Entrepreneurship guidance and support

Strategic Planning

Health and Safety

Progression of Enterprise Centre Clients

Examples of progression achieved of Enterprise Centre Clients

1	Two or three have outgrown our space and expanded. One or two others were encouraged to move to the centre of town where footfall was better and have thrived.
2	The two businesses have moved to larger premises and continued to grow their staff numbers.
3	12 Companies have left the Centre to date and at least 7 are still trading.
4	In the past 16 years 10-15 businesses have located to bigger towns or into their own purpose built premises and have continued to grow.
5	Information available regarding 15 ex tenants: 11 moved to larger premises. 2 downsized, 2 went out of business. Lolly and Cooks have grown to larger premises in Liffey Trust and have a shop in Merrion Row. Sushi King have moved to larger premises in Liffey Trust and have three shops in the City. Real Olive Company have larger premises and Lilliput Stores in Arbour Hill. Natashas Living Foods have expanded to larger premises in Dublin 15. SupportIT have moved to larger offices in Dublin 7 and employ 7 people. Active Online have moved to larger premises in Kinsealy. Bonza Pies have taken a unit in the Ilac centre. Kooky Dough secured a large contract with Tesco, and have also set up in France. Guardian Safety have moved to larger premises and employ 3. Primal Foods-Caoimhe Smith secured funding to expand her business from Dragons Den. Fresh Today have moved into larger premises, supplying healthy school lunches to DEIS schools, primarily in Ballymun Area.
6	An ex client Genfitt are at 42 staff and growing.
7	Premium Power started with two staff, now employ up to 10 locally

Promoting Entrepreneurship

Case studies on the role of Community Enterprise Centres in promoting Entrepreneurship

1	Our centre is the pivotal location for enterprise in the locality and is recognised as such. However, to showcase what we have to locals and newcomers we often make our facilities available for community events including tidy towns forums, festival events and even this year, events related to The Gathering, in the hope that someone may have a project. We also host other groups like the Mayo Industries group on a regular basis.
2	We have started a business start-up project “Opportunity in a Million”. This involves raising funds from the community and local businesses for start up business’s that cannot access funding. Volunteer mentors are available to encourage and provide advice free of charge to new and existing businesses. The project involves meeting with community groups and local businesses and presenting the concept to them.
3	Deise Den which is and initiative with the local radio station to find new entrepreneurs - the main prize is an office in the CEC for a year.

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