Chapter XVII

Turning E-Commerce Theory into Action in Ireland: Taming the Celtic Tiger

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INTRODUCTION

E-Europe is not a place or a group of countries but the philosophy of an emerging region within the scope of a technological revolution. E-Europe can be viewed from many perspectives including Euro currency makeup, European Union membership, or technological contributions to the region. Ireland, the “Celtic Tiger,” presents an interesting opportunity of entrepreneurial activity. As Evans and Wurster (2000) have pointed out, the traditional value chains may be redefined. The availability of the Internet as an enabling communications technology has markedly changed the possibilities for countries far from the centers of economic power. On the other hand, the realities of the Internet have been obvious. Porter (2001) and Kanter (2001) have identified many of the realistic strategies for traditional and new businesses. Yet there will always be room for new ventures provided, of course, that entrepreneurs understand these issues and this challenging environment. Joshi and Yermish (2000) have summarized the challenges facing the entrepreneur in this kind of environment.
This case will examine a possible strategy for entrepreneurial consultants seeking to provide expertise to rising e-businesses. Readers of this case will be encouraged to explore the issues further, filling in the missing details and developing a full-fledged business plan for action for a pair of young entrepreneurs.

First, they will examine the demographics and technology issues facing Ireland. This will provide the appropriate background for the second section where they address the issues of the entrepreneur seeking to start an e-commerce consulting practice in Ireland. In the final section, they will suggest additional steps to be taken. Readers will be faced with evaluating these suggestions in light of the background information and any additional research that they may undertake.

**SETTING THE STAGE**

Colleen O’Conner and Sean Kelly are Irish citizens in their late twenties. Both of them just completed an MBA program in the United States after their undergraduate program in business in a university in Cork, Ireland. They have the entrepreneurial spirit and see opportunities to convert their new knowledge into a business venture. O’Conner and Kelly both have excellent communications skills and understand the basic technological details of the Internet. O’Conner seems very comfortable with the technological issues, while Kelly feels his greatest strength is in finance and planning. With this in mind, they felt that they would most enjoy developing a consulting practice targeted at helping businesses surmount the challenges of e-commerce. Having done their studies well, they first set about researching the opportunities for success in their native Ireland.

**BACKGROUND**

How is the Republic of Ireland positioned to take advantage of this technological revolution and be a leader in e-Europe? Ireland is positioned socially, financially, and politically to take advantage of the shift in technology. Ireland is an island nation slightly larger than West Virginia. Forty percent of the population lives within 97 kilometers of the capital city of Dublin. Greater than 40% of the population is under the age of 25. In 1997, the GDP of Ireland was IR£67 billion. Ireland exports US$60 billion, which is composed primarily of chemicals, data processing equipment, industrial machinery, and animal products. Sixty-seven percent of these exports go to other EU countries while 11% goes to the United States. Ireland imports US$43 billion, which is composed primarily of food, animal feed, data processing equipment, petroleum products, machinery, textiles, and clothing. Fifty-five percent of these imports come from other EU countries while 15% comes from the United States. Current unemployment rates are at 4%. Research indicated that this 4% would be unemployable in any vocation requiring third-level education (the American Bachelor’s degree). Twenty-one percent of the population is between 0 and 14 years of age. Sixty-seven percent of the population is between 15 and 64 years of age. Twelve percent of the population is greater than 65 years of age. Sixty percent of the population that attends third level education is studying engineering, science, or business studies. As pointed out in a pamphlet from the Irish Industrial Development Agency, “The quality of Ireland’s education is exceptionally high. The independent IMD
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