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Since then, Ireland has been at the forefront of developments in Business Service Centres (originally called Shared Services Centres), many of which have evolved to span a much wider range of activities. Today, these Centres are staffed by flexible, skilled teams, each working closely with their global business to deliver shareholder value through continuous improvement and innovation. The changing needs of global business may have driven the rapid evolution of these Centres in Ireland – but it has been made possible by the innovative, proactive approach of their workforce.

Time and again, leading companies have told us that the success of their Irish operation is fuelled by the unique ability of their workforce here to innovate and adapt. Maybe it is not so surprising, given this capacity goes hand-in-hand with characteristics for which Irish people are recognised the world over: creativity and imagination matched by flexibility and application.

Investment by international companies has been a key element of Ireland’s economic transformation. For more than twenty years IDA Ireland has worked with them as they set up in Ireland, then through the growth and transition of their Irish operation into full-scale strategic business units.
IRELAND: TRIED AND TRUSTED
BY GLOBAL MARKET LEADERS
02_HOW BEST PRACTICE BUSINESS SERVICE CENTRES ADD VALUE

Best practice Business Service Centres (BSC) in Ireland today are each drawing on the skills they need to create the optimum solution for their business. Going forward a global business has the assurance that their Irish-based BSC will be more than ready to adopt and innovate with changing business needs – in the meantime, the Centre adds tangible value to the business through:

› A real understanding of the business and focus on business outcomes
› Accountability for end-to-end processes that deliver business results
› Continued focus on cost reduction
› A ‘supply chain mentality’ where the BSC is a key component of the operating model and delivers real business value
› Expert skills to manage regulatory compliance, control and risk management, project management and integration of mergers and acquisitions
› Analytical ability to take an overview of the financial and strategic performance of the business and to continually improve efficiency
› Flexibility of response and proactive approach to changing business needs
› Management abilities to operate a stable hub for managing third party provider relationships
› Partnership approach to business units and Head Office, providing proactive support, solutions and innovation
A Global Business Service Centre that moves away from the isolated service provider perspective to a more embedded relationship with Corporate.

- HIGHLY INNOVATIVE
- FOCUSED ON PROACTIVELY IDENTIFYING & SOLVING BUSINESS PROBLEMS
- TAKES A GLOBAL (OR REGIONAL) VIEW OF THE ORGANISATION

UNDERSTANDS THE BUSINESS, ITS MARKETS, CUSTOMERS & REGULATORY REQUIREMENTS

IRELAND EMERGED RELATIONSHIPS WITH CORPORATE

DEVELOPS CLOSE RELATIONSHIPS & PROACTIVELY SEEKS TO SUPPORT BUSINESS UNITS & CORPORATE HQ
Successful companies continually review, adapt and innovate, ensuring every part of the business is contributing as much as it possibly can to the achievement of business goals. This is essential, given the increased focus on delivering shareholder value while operating in more competitive markets and meeting stringent regulatory standards.

Advances in technology have made it easier to deliver efficient, effective service across a global business in the traditional functional areas (Finance, HR, IT, Supply Chain/Procurement and Customer Management). It is clear that a Business Service Centre, working with business units around the world, makes more sense than ever.

Building on the core functional role, many such operations in Ireland have also expanded into other activities. They are increasingly deployed by leading companies as a key strategic tool, sharing and leveraging resources, people and information for maximum impact across the business. That transition has been possible because Ireland offers a Business Service solution that can readily span the range from small set-up to full-scale, best practice strategic business units. Ours is a unique, skills-based, flexible and scalable solution that can create value in every business sector.

The unique mix of components that make up this solution is summarised in the following graphic. Companies may initially focus on just one or two components, but the key point here is that the Irish solution is a flexible, adaptable mix: that’s what makes it a winning combination. As the company and its markets grow and evolve – perhaps in unexpected directions – the Irish-based Business Service Centre can flex, adapt and draw on readily available areas of expertise, to keep driving the business forward.
IRELAND’S VALUE TO BSC – IT IS A WINNING COMBINATION.

Ireland has the unique ability to perform to the highest level in all five of the key BSC components – Expertise, Excellence, Scale, Business Partnership and GEMS Tax Planning.

Here’s how we can deliver that winning combination:
Small expert teams in Irish-based BSCs are deployed across functional areas to focus on efficiencies and innovation, especially in more complex activities needing advanced skills, expertise and knowledge. The single location for expert cross-disciplinary teams encourages unlikely collaborations: supply chain experts can work with a tax team to optimise tax benefits, or IT and customer management teams combine forces to deliver new marketing channels.

The Irish Advantage:
› Highly-skilled workforce and world-leading academic base with post-graduate courses across all disciplines
› Strong Research, Development and Innovation capability, backed by highly productive alliances between industry and academia and clear Government commitment to continued RD&I excellence
› Excellent reputation for innovation, adaptability and proactivity
› English as a mother tongue as well as a pool of skilled Asian and European nationals

Leading healthcare company Pfizer and consumer goods giant Pepsico are among the leading companies now using the expertise of their Irish-based BSC to manage global activities including: tax compliance, Sarbanes Oxley (SOX) compliance, statutory reporting, strategic sourcing, supply chain management, IT projects, business intelligence, RD&I management.
Selective outsourcing and low-cost locations can make sense for some activities: that’s why many companies now have a network of service providers across the globe. In many cases, the Irish-based BSC takes a leadership role in such a network, deploying Irish experience and skills on three fronts: firstly, it designs and owns all business processes implemented across the network; secondly, it manages relationships with all service providers, and thirdly, it ensures a consistent focus on performance improvement, cost reduction and innovation.

The Irish Advantage:
- 20+ years experience of running BSCs, experienced workforce and knowledge
- Established reputation as a hub for business process improvement across EMEA
- Politically stable, low-risk, advanced economy
- State-of-the-art IT and data-hosting capability

Leading software and services company EMC is now using its Irish-based BSC to achieve excellence across a range of activities including: centralising, optimising and standardising processes; using technology to design virtual nature into processes; full audit and compliance functions; developing BPO/offshore captive opportunities; moving processes to these locations while managing from Ireland, the centre of excellence.
With a long and successful track record, Ireland offers the highest level of efficiency in standard transaction processing. This is especially useful to companies setting up a BSC for the first time: strong customer management capability, coupled with advanced automation and technology, serve to optimise initial scale benefits, while allowing potential for future growth. It is also valuable to high-growth companies needing a stable base from which to manage organic growth as well as the integration of mergers and acquisitions.

**The Irish Advantage:**
- Proactive, trusted leadership abilities
- Knowledgeable teams with a real understanding of the business
- Strong IT skills and infrastructure
- International connectivity and data hosting
- Proven ability to reengineer/automate processes
- Track record on cost reduction

Leading internet technology giant Google and business intelligence experts Business Objects, an SAP company, are maximising scale benefits by using their Irish-based BSC across markets for activities including: combining IT with sophisticated customer management processes to optimise customer interaction; managing 'high touch' activities, e.g. activities requiring a high level of compliance, timeliness and quality reporting.
Best practice Business Service Centres in Ireland today have a real understanding of their Corporates’ business culture, markets, customers and objectives. Extensive data warehousing, mining and analysis yields insights which might not be as readily available in any single business unit. As well as business analysis, the Centre can take on a wide range of corporate tasks including control and compliance, merger and acquisition integration, and project/change management activities to support the business globally.

At this level, there is typically a close, interactive relationship with Corporate Headquarters, with the BSC providing support in terms of analysis and innovation, but also enabling Corporate Headquarters to concentrate on business strategy and the increasingly demanding areas of investor relations and corporate governance.

**The Irish Advantage:**
- IDA Ireland and Ireland’s workforce have long experience working in partnership with global business
- Highly-educated workforce with strong managerial capabilities
- Ability to leverage high-end skills and resources to combine business intelligence/analytics with functional knowledge
- Extensive regional and global business knowledge and experience
- High level of goodwill towards foreign companies investing in Ireland, which have contributed so much to Irish economic success

Technology leader Apple, global management consulting, technology services and outsourcing company Accenture and global IT company Oracle each see their Irish-based BSC as partner to their global business, engaged in key activities including: data warehousing, mining and analysis; high-level analysis to support planning and decision-making; global compliance and statutory reporting; managing significant elements of external audit relationships; integrating mergers and acquisitions.
With good planning, the Irish-based BSC can drive a tax-based Global Earnings Mobility Strategy (GEMS). Many companies locate the principal business entity in Ireland to avail of the 12.5% corporate tax rate, with the BSC alongside, for maximum synergy.

**The Irish Advantage:**
- 12.5% Corporate Tax rate and attractive international tax structuring
- High level of tax and legal skills
- Respected tax and regulatory regime
- Extensive Double Tax Treaty network
- In-depth knowledge of EU regulatory requirements and business regimes
- Long experience of centralising various functions closely aligned to HQ, all involving operational decisions and management control
Ireland is a proven location for Business Service Centres and has always been at the forefront of developments in the area. Ireland offers any global business a unique combination of benefits:

› A stable political environment and respected regulatory regime
› A pro-business environment with a 12.5% corporate tax rate and an extensive double tax treaty network
› A high-skills, knowledge-based economy delivering quality, highly productive employees with excellent technical, language, managerial and customer service capabilities
› A reputation for flexibility, responsiveness, and innovation
› Years of experience of delivering Global Business Services
› Experienced and innovative leaders focused on proactively identifying and solving business challenges with a proven ability to build close working relationships with global senior management
› Excellent research facilities and capabilities, with highly productive alliances between industry and academia
› IDA Ireland, the Irish Government and businesses in Ireland have a long history of partnering with global corporations helping to add shareholder value and drive business success
› Ireland can offer a unique mix of components – Expertise, Excellence, Scale, Business Partnership and GEMS Tax Planning – to drive a best practice Business Service Centre
Illustrative examples of key functional areas broken down by component:

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<tr>
<th>FUNCTIONS</th>
<th>EXPERTISE</th>
<th>EXCELLENCE</th>
<th>SCALE</th>
<th>BUSINESS PARTNERSHIP</th>
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<tr>
<td>FINANCE</td>
<td>› Statutory reporting and compliance</td>
<td>› Define, manage, optimise processes (incl. business process improvement (BPI)/Six Sigma)</td>
<td>› Transaction processing e.g. accounts payable</td>
<td>› Financial planning and analysis</td>
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<td></td>
<td>› Manage audit</td>
<td>› Manage offshore shared services</td>
<td>› Manage the general ledger</td>
<td>› Management reporting and scorecarding</td>
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<td></td>
<td>› Internal control/SOX</td>
<td>› Manage outsourced contracts</td>
<td>› Month end/quarterly/year end closing</td>
<td>› Business planning and budgeting</td>
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<td></td>
<td>› Revenue accounting and recognition</td>
<td>› Monitor compliance with internal controls</td>
<td>› Fixed asset accounting</td>
<td>› (Activity Based) Costing</td>
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<td></td>
<td>› Regulatory reporting</td>
<td>› M&amp;A integration</td>
<td>› Project accounting</td>
<td>› Revenue forecasting</td>
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<tr>
<td></td>
<td>› Tax compliance and planning</td>
<td>› Supplier evaluation, selection, certification and management</td>
<td>› M&amp;A integration</td>
<td>› Assess opportunities for strategic alliances, acquisitions</td>
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<td>SUPPLY CHAIN/ PROCUREMENT</td>
<td>› Strategic sourcing and assisted buying</td>
<td>› Manage (outsourced) transportation</td>
<td>› Transaction processing</td>
<td>› Analyse supply chain performance/supply chain optimisation including:</td>
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<td></td>
<td>› Demand planning</td>
<td>› Manage master data – supplier and product</td>
<td>› Manage and track orders</td>
<td>› Routing</td>
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<td></td>
<td>› Master purchasing</td>
<td>› Manufacturing capacity planning</td>
<td></td>
<td>› Scheduling</td>
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<td></td>
<td>› Master contract management</td>
<td>› Manage rebates, charge-backs and deductions</td>
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<td>› Location analysis</td>
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<td></td>
<td>› Manufacturing capacity planning</td>
<td></td>
<td></td>
<td>› Capacity planning</td>
</tr>
<tr>
<td></td>
<td>› Manage rebates, charge-backs and deductions</td>
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<td>› Demand forecasting</td>
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<td></td>
<td></td>
<td>› Supplier/channel/product analytics</td>
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<td>› Quantitative inventory management techniques</td>
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IDA Ireland offers information, advice and ongoing support to companies setting up or expanding Business Service Centres in Ireland.

IDA Ireland is Ireland’s inward investment promotion agency. The agency works with foreign companies to secure new investment and collaborates with existing foreign investors in Ireland to help expand and develop their businesses. To learn more, log on to www.idaireland.com or contact any IDA office.