

These tech companies eyeing expansion are finding luck in Ireland

January 3 2024, by Ilana Arougheti, Chicago Tribune



Credit: Pixabay/CC0 Public Domain

In 2019, Chicago software company ActiveCampaign decided to open an office in Europe to be closer to international clients. The fast-growing startup did more than half its business internationally, and a new satellite

office in Sydney, Australia, was proving to be too far from European markets.

The customer experience automation company opened its second international office—in Dublin, Ireland. What started as an office with 50 employees doubled to 100 in its first year.

In another two years, ActiveCampaign Dublin had become a global business center with more than 300 employees.

"Dublin is a good example of where it's not just like one function that we set up there," said ActiveCampaign CEO Jason VandeBoom. "It's only been growing in terms of the different types of roles that we can do from that hub."

ActiveCampaign is one of more than 50 Chicago businesses that have expanded or relocated to Ireland. Today, about 1,000 American companies employ about 17,000 people in Ireland.

"Chicago has been hugely important," said Paul Veale, who represents IDA, the investment and development agency of the Irish government, in the Midwest and the South. "(Chicago companies) are very, very huge contributors to both Ireland and the Irish economy."

IDA has about 300 employees worldwide. The agency has a hand in most of the new sites that are opened in Ireland by international corporations. It has nine offices in the United States, including one in Chicago that opened in 1965, and employees help with everything from finding land to boosting public relations.

"I always say our job is to eliminate the speed bumps, or the barriers to being successful," Veale said.

Many United States companies in Ireland focus on software and other products that can be transmitted digitally, without having to get into imports and exports. Still, life sciences companies are the biggest players in Irish American commerce, Veale said.

Abbott Laboratories and Horizon Therapeutics, both headquartered in the Chicago area, have operated factories around Ireland for decades. Horizon's global headquarters is in Dublin.

Other corporations that are headquartered in Illinois and have locations in Ireland include Aon, Illinois Tool Works and Molex. But it's the recent migration of Chicago-based tech startups that Veale finds the most exciting.

ActiveCampaign worked closely with the IDA before its Dublin hub opened, VandeBoom said. The IDA set up meetings between ActiveCampaign staff and managers at other American companies in both Cork and Dublin in Ireland.

"It's been a constant sort of source of them having a presence there, which felt like far more of a partnership than some of the other regions that we operate with," VandeBoom said. "We were able to spend time with actual companies that have started up within the last couple of years in the region. They were able to give us some insights on cities."

Chicago unicorn startup G2, a [digital platform](#) for reviewing and comparing software, also started working with the IDA as talks of expanding into Europe grew serious.

After visiting Dublin and meeting with industry peers in the area, G2 Vice President Gordon Tobin and his team felt right at home.

"The density of technical talent that exists within Ireland ... the English-

speaking country within the Eurozone that has access to all the common markets ... there's a natural advantage there," Tobin said.

"We made a certain decision that Ireland's going to be the place we were going to continue to grow from," Tobin said.

Tobin relocated to Dublin in 2021 to begin hiring employees. G2 formally opened its Dublin office in April 2023.

Besides Dublin and Chicago, G2 also operates from London, Singapore and Bangalore. The hardest part of working between cities, Tobin said, is the time difference. For connecting the United States and Ireland, early afternoon calls from Dublin are a favorite, catching Chicago employees in the morning.

Tech companies that move to Ireland tend to recruit heavily from local universities, Veale said, and some even get a say in their curriculum. Telecom giant Ericsson has collaborated with Irish schools on classes up to the Ph.D. level, and cloud computing courses have become popular in the last decade, Veale said.

"Particularly if you're based out of Dublin, companies have the opportunity to work with universities to maybe shape the course contents, to ensure that those coming out of universities have the skill sets that you're looking for," Veale said.

As a former student at University College Dublin, Tobin experienced the career-focused Irish university system himself. He said Dublin's talent pool made it an attractive site for expansion.

"That was always a key piece, that we knew a wealth of talent already existed here," Tobin said. "You've got a very strong educational system in place. ... You also have a great pipeline going in from all around the

world. "

Membership in the European Union makes it easier for companies in Ireland to headhunt from other European global headquarters, Veale said, while cutting down on visa processing times. Someone who would be an H1-B visa holder in the U.S. might not be approved to work for several months, while an Irish equivalent would take four to six weeks.

Bringing international talent to Ireland on a shorter timeline was a major draw for ActiveCampaign.

"f you're building a platform that's going to be so wide, so horizontal, like the platform that we've built, like it would be kind of strange to restrict our talent to like Chicago," VandeBoom said.

Some companies choose to move to Ireland because it's an English-speaking country in Europe, Veale said. Europe's large population compared with the U.S. makes it a crucial market for G2. The company's activities in Europe—which are largely coordinated by the Dublin office—account for 17% of total revenue.

Veale has also found that Chicago and Ireland share several cultural similarities, including a growing biotechnology sector, a common language and a taste for Irish food and holidays.

"On St. Patty's Day, you know, it doesn't take a genius to know the Chicago River turns green," Veale said. "Everybody celebrates it, but we always bring a prominent member of the Irish government over."

For some companies, branching out to Ireland also has a financial advantage. Ireland and America have an agreement preventing double income tax on labor, making them attractive business partners for companies of various sizes.

The agreement ensures that American citizens working in Ireland—and American businesses with Irish satellite offices staffed by locals—aren't paying income tax to both countries at the same time. Both America and Ireland have similar agreements with several other nations.

The Irish government also offers tax credits to some international businesses as an incentive for setting up shop. Corporations are eligible for a tax cut matching up to 25% of their research and development budget for new projects housed in Ireland, on top of a 12.5% corporate tax deduction.

Veale credits the COVID-19 pandemic with expanding Ireland and Chicago's connection in the startup landscape. People became more comfortable with relocating and with investing in [remote work](#), he said.

"People are a bit more intrigued and more willing to say, 'Can we have a quick 15, 20-minute call?'" Veale said.

While many Chicago companies in Ireland are based in large university cities such as Dublin and Cork, those with deep roots are starting to expand. Abbott, which came to Ireland in 1946, now operates in 10 locations. Most recently, the medical device giant broke ground on a diabetes care product factory in Kilkenny, opening in 2024.

The IDA hopes that people who move to Ireland for work will build community there, Veale said. Since the whole country is roughly the size of Indiana, new jobs in city centers also bolster the environment in commuter towns.

"You can create sustainable employment for people that allows them to stay in Ireland and allow small communities and towns to survive and thrive," Veale said.

2024 Chicago Tribune. Distributed by Tribune Content Agency, LLC.

Citation: These tech companies eyeing expansion are finding luck in Ireland (2024, January 3)
retrieved 27 April 2024 from

<https://techxplore.com/news/2024-01-tech-companies-eyeing-expansion-luck.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.