



An annual conference which brings high-tech start-ups, major corporations and venture capital investors from across the EMEA together to do business. Don't miss this year's event on Oct. 14 in Copenhagen.

## The Irish Isle's Rising Tech Stars

Submitted by Jennifer L. Schenker on April 22, 2010

Belfast's [Lagan](#), which supplies software that improves delivery of public services, has become a world leader in its niche market, beating rivals like Oracle for contracts with American cities from San Francisco to Boston. It is one of 30 companies that will pitch to more than 60 venture capitalists during the [U.K. & Ireland Tech Tour](#) April 27-28. Like Lagan, many of the presenting companies are later stage companies which are global leaders in a particular segment and based on the Irish isle.

Lagan, which was founded in 1994 as a software services company and restructured in 1999, specializes in helping citizens get better access to government services. Think of it as customer relationship management software for cities. Its software helps run 311 call centers in the U.S., for example, which were initially designed to offload non-emergency calls from 911 services [but now span everything from gateways for public-services to disaster preparedness and crisis response centers](#).

Lagan's software helped New Orleans officials, for example, handle calls from residents looking for advice on relocating back to the city after Hurricane Katrina. It has also been used to spread information about city-run bicycle rental services in London, to deliver social services to the elderly in deprived areas of Blackpool, England, to let residents of Vancouver, Canada know how the Winter Olympics would impact them and allow residents of Boston to report graffiti and potholes.

The company, which had \$25 million in revenues during its last financial year, which closed in March 2009, currently has 180 government clients as customers, including some 140 in the U.K. and 40 in North America, says CEO Des Speed (pictured on Informilo's home page). Recent wins include Cobb County, Georgia in the U.S. and Westminster, Bloton, Moray, Renfreewshire and South Northamptonshire in the U.K.

The city of Pasadena, California is among the first to use Lagan's new cloud-based software- as- a-service offering. The OnDemand service allows governments to introduce a service in as little as three weeks, with zero capital investment. All that is needed is an Internet browser. The web-based software is available through a subscription licensing model and hosted on Lagan's servers, eliminating the need for cities to purchase additional hardware and install any additional software on site. The offer is being priced to entice new customers, such as smaller cities and help "grow the relationship with existing customers as well," says CEO Speed.

Lagan is among a number of companies on the U.K. & Irish tech tour that have rapidly established themselves as world leaders in their fields, says veteran investment banker Victor Basta, president of the tech tour and an advisor at London-based Magister Artis, which provides merchant banking services for later stage companies and investors in growth industries. That is just one of the key elements that will set this tech tour apart from others, says Basta.

The UK & Irish tech tour is the [European Tech Tour's](#) 42nd tour for venture capitalists. The not-for-profit independent organization has been discovering and promoting both early and later stage tech stars for over 10 years. It held tours of England in 2004 and 2007, Scotland in 2001 and 2006 and Ireland in 1999 and 2004.

This tour also has a larger number of later stage growth companies and an unusually large number of companies based in Ireland, says Basta. While Lagan is in Ulster, a county in the north of the Irish isle considered part of the U.K., some 10 other start-ups out of the 30 which made the European Tech Tour selection committee's final cut are from The Republic of Ireland, a disproportionately high number considering there are only around 4.5 million people living in Ireland, compared to about 65 million in the U.K., says Basta. "What this shows is that multiple years of government focus on technology in Ireland, ties in with universities, an entrepreneurial spirit and a local ecosystem of advisers and investors has created an ecosystem to rival Cambridge," says Basta.

While many areas in Europe have tried, and failed, to recreate Silicon Valley, Cambridge, England, also known as Silicon Fen, is often cited as the area that has come closest. Cambridge is home to a large cluster of high tech businesses, many of which are connected to the University of Cambridge, and is considered an important European technology center. "But Ireland's focus seems more on building companies than technological innovation and that cultural difference seems to be paying off," says Basta. The Irish government has also done proportionally more to support entrepreneurs than England has, and its clear from the quantity and quality of the Irish candidates on this tech tour that their efforts are paying off handsomely, he says.

Des Doyle, manager of growth capital for the government-run agency Enterprise Ireland, said he is aware of the high percentage of Irish companies on the tech tour. Enterprise Ireland notified local companies about the competition and urged them to apply, he says. That said, the agency says it is proud that such a high number of Irish companies made the finalist list. The Irish government has made a "huge commitment to supporting the entrepreneur," he says.

In addition to a number of tax incentives for people who create their own companies or invest in entrepreneurial ventures aiming at a global market that are significantly better than those offered in neighboring countries, the Irish government directly invests in start-ups. Enterprise Ireland invests an average of €300 million in each of between 70 and 75 companies per year, says Doyle. It invests in start-ups indirectly by funding the operational costs of regionally based angel networks and by investing in seed and venture capital funds. For example, the eighth new fund supported through Enterprise Ireland's Seed and Venture Capital Program is comprised of an investment by Bank of Ireland of €17 million, €8 million from Enterprise Ireland, and €1 million from the University of Limerick Foundation. Managed on behalf of Bank of Ireland and venture capital firm Kernel Capital Bank, the €26m fund, launched in November 2009, invests in start-up and early stage companies in the technology, food and financial services sectors.

When you add up all of the efforts "you don't find that kind of government sponsorship in Cambridge or elsewhere in Europe," says Basta, the president of the tech tour. "It is worth looking at this in more detail because Ireland is producing a disproportionate amount of world-class start-ups."