CORK COMPANY OF THE YEAR AWARDS 2019

In the second part of a four-part series looking at finalists for the Cork Company of the Year Awards 2019, **Pádraig Hoare** casts an eye over those competing in the Emerging category

Managing director of ProStrategy, John Coleman.

Business services firm ProStrategy 'at cutting edge of IT since 1985'

ProStrategy says it has been leading the way in IT developments long before Cork reinvented itself as a region for technology — with more than 30 years of experience in the ever-evolving field.

The Fermoy-based firm has more than 200 customers that look to it for guidance for technology investments.

That's a testament to the longevity of the ProStrategy team, which managing director John Coleman is quick to laud.

He said: "As we continue to grow, we are thankful to our 200 customers for their support and loyalty over many years. And of course, without a talented and hard-working team, we would not have been able to achieve our success to date."

ProStrategy is committed to delivering business technology services that exceed customers' expectations, Mr Coleman said.

With 200 customers, experience and depth of knowledge are what makes the difference, he said.

"We have a team of 55-plus highly skilled and experienced professionals with many years of experience that help our customers achieve their business objectives and maximise their investment in business technology," he said.

The firm focuses on retail, consumer goods, pharmaceutical, wholesale distribution, manufacturing, insurance, and financial and professional services.

According to the firm, ProStrategy continues its long tradition of delivering leading global services from IBM and Microsoft, which help customers boost their investments in technology and ultimately, helps them to make better decisions to grow and improve their business.

Mr Coleman said: "We focus on analytics, enterprise resource planning (ERP) and customer relationship management (CRM) solutions. ERP and CRM gather increasing amounts of data as businesses automate and streamline their processes and increasingly digitally engage with their customers.

"Our analytics team help our customers to harness their data and provide the tools and guidance to use that data to plan, monitor, and manage their business."

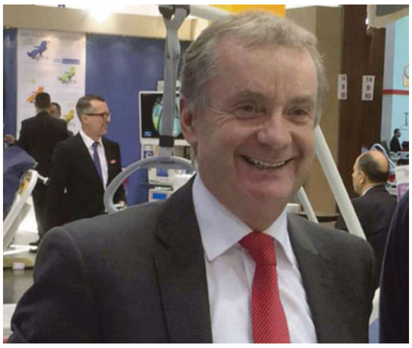
Having recently announced expansion plans for 50 new jobs over the next few years, the company aims to become the leading provider in Ireland for data analytics, ERP, and CRM software services.

Its head office in Fermoy hosts half of its staff, with the remainder based in its Citywest office in Dublin.

To be recognised in the SME category for the Cork Company of the Year Awards is testament to the team working at ProStrategy, as well as the loyalty of its customers, Mr Coleman said.

"ProStrategy are honoured for being recognised as a leading SME IT technology company in the Cork region by Cork Chamber.

"We look forward to continuing being part of Cork Chamber and wish all the nominees for these awards the very best of luck," he said.



Managing director of O'Flynn Medical, Tadhg O'Flynn. Having started with two employees in 2000, the firm now employs almost 30 people, with ambitious plans.

'Innovative' O'Flynn Medical plans further growth from Millstreet

O'Flynn Medical is one of north Co Cork's indigenous business stories, having established itself as a prominent player in the medical supplies market.

Having started with two employees in 2000, the firm now employs almost 30 people, and it has plans to grow even more this year and in future years.

Those people work across multiple disciplines.

Based in the north Cork town of Millstreet, O'Flynn Medical sells, rents, services, and decontaminates a wide range of medical equipment.

It is now one of Ireland's leading suppliers of medical equipment, supplying hospitals, care facilities, and private homes.

From its roots in Millstreet, it now has operations across Ireland and the UK.

O'Flynn Medical says it is going from strength to strength.

The firm says it is constantly innovating, aiming to be a leader in its field for medical supply producers.

A major product offering of the firm is the ScrubEx, an automated textile management product that offers an effective "scrubs management" system that helps cut the costs for businesses.

It also operates a purpose-built decontamination facility where goods are fully cleaned, tested, and packed.

The firm has also recently installed what it describes as a new, innovative whole room disinfection system.

As well as Millstreet, the firm has bases in Dublin, Clonmel, Tralee, and Galway, and sells across Ireland and into Britain.

The firm is currently developing a new website that will help it respond to customers immediately.

It will also be able to execute product profiling, as well as online purchasing and ordering.

The company recently won a HSE tender to supply products to the North-West.

Corporate social responsibility in dealing with the local community forms a big part of O'Flynn Medical's ethos, it says.

It says it engages with schools' projects and supports initiatives such as the Tidy Towns competition.

It also offers work experience and sponsors St Vincent de Paul, and supports the St Finbarr's Hospital Garden Party, the Friends of St Luke's Annual Dementia Conference, Cork Stroke Recovery and Rehab conference, and Cork Simon.

It has sent equipment to hospitals in Moldova and has assisted in constructing a retreat centre for priests in Zambia.

For the team, being a finalist in the SME category of the Cork Company of the Year Awards is wonderful recognition of the efforts they have made over the years to put O'Flynn Medical in such a position, said managing director Tadhg O'Flynn.

"I'm delighted that the team at O'Flynn Medical is getting the recognition that it deserves. They are exceptional," he said.

Mike Ryan of the Cornstore restaurant. 'Delighted for the team as I know how much it will mean to each and every one of them.'

Cornstore restaurant 'very proud' to compete in awards

Having recently undergone its biggest and boldest transformation yet, the Cornstore restaurant says it is again raising the standards that made it one of Cork's most successful restaurants since 2007.

Innovation is the key to the business, according to the firm, which also has a restaurant in Limerick.

However, the key ingredients will always remain the same, according to Cornstore proprietor Mike Ryan.

The restaurant is for those who love good food, great atmosphere, and outstanding service.

He says that the business is ever progressing and evolving.

Based on Cornmarket Street in the heart of the city centre, one of Cork's traditional and historic areas, the restaurant specialises in premium dry-aged steaks, local seafood, and award-winning cocktails.

Having undergone its biggest transformation and rebranding project since its inception 11 years ago, it now boasts a newly refurbished interior as well as a heated outdoor all-weather terrace to suit the ever-changing consumer trends in the hospitality sector.

According to Mr Ryan, the location and proximity to sourcing local fresh produce for its menus has contributed greatly to the overall ethos of the brand.

"Undoubtedly another key success has been the fabulous team who take personal ownership and pride in the brand, and not to forget its great historic building which also adds to its unique dining ambience and character," he says.

The Cornstore restaurant opens seven days a week for lunch and dinner with brunch served at weekends.

It serves thousands of customers every week, as well as catering for large corporate events up to 220 people at any given time.

Employing around 50 people, it largely managed to stave off the effects of the recession, employing 40 during the years in the aftermath of 2008.

To be nominated as a finalist in the SME category of the Cork Company of the Year Awards is a testament to the relationship between the team and its loyal customers, Mr Ryan said.

"Our recent rebranding and refurbishment project has been very exciting for all the team, and obviously for me personally, but one of the most gratifying parts for us is to see how much our customers embraced the new look.

"So when I heard about us getting to the final stages for the Cork Chamber's SME Cork Company of the Year Awards, it was unreal.

"I felt very proud and also delighted for the team as I know how much it will mean to each and every one of them, as a lot of them have been with us on the Cornstore journey for many years.

"We have a lovely story to tell and this will help us to share it with a lot more people in Cork," Mr Ryan said.

ProVision hopes car safety tech will drive 400% growth

Trish Dromey

This year, Dublin startup ProVision aims to be first to market with a new type of driver safety product for consumers that helps reduce accidents as well as taking video footage of them when they do happen.

"Called CameraMatics, our technology operates by providing drivers with information, warning them of hazards and dangers, providing them with vehicle diagnostics and faults and also giving them feedback about their driving behaviour and about fuel efficiency,"' said Provision co-founder and chief executive Mervyn O'Callaghan.

The technology is already being used in a commercial product for fleet management by ProVision. And Mr O'Callaghan said this will be the first consumer product of its type on the market.

"The solution combines telematics data from a vehicle with live video footage and autonomous driving technology and can be used to reduce the number of road accidents and also to reduce insurance fraud," he said.

Set up in 2016, ProVision developed CameraMatics as part of a fleet-tracking for commercial vehicles.

Now selling this commercial product in the UK and Ireland, the company plans to launch the consumer version in the second half of this year.

"We are also planning a US launch of our fleet solution and are forecasting growth of 400% this year," says Mr O'Callaghan.

Mervyn O'Callaghan: CEO and co-founder ProVision.

Previously, he and co-founder Simon Murray were running a company called EDrive which installed telematics systems. They identified a gap in the market for fleet management system which used live video footage.

Noticing that vehicle tracking and telematics had been used to improve fleet efficiency, they saw that little had been done to facilitate risks. They decided to combine live video footage with telematics and autonomous driving technology to create a system which would allow companies to manage and monitor their fleet.

Using their own funding, they up ProVision with a team of four people.

By February 2017, they had developed the first version of their technology and sold it to their first customers.

"By the end of that year we had sold to almost every major haulier in Ireland and had a team of 13 people," said Mr O'Callaghan. He added that ProVision began signing its first UK customers the following year.

In late 2017, ProVision secured €1m of investment from venture capital group Suir Valley Ventures and from government agency Enterprise Ireland, which it has used for more research and development and to build a new suite of mobile applications for fleet management.

By the end of the year, it had increased sales by 300% and had begun its first trial with a US customer.

"When we started out in 2016 we were targeting large haulage companies but are now selling to a range of different companies which have fleets of cars and vans as well as heavy goods vehicles," Mr O'Callaghan said, adding that the product range is "modular" and includes specific products for vans and cars.

Operating from a facility at Parkwest Business Park, the company now employs 31 people, including seven staff in the UK, which now accounts for 60% of its sales.

Mr O'Callaghan says that ProVision has now embarked on a significant fundraising round and plans to use this investment for the development of the new consumer product and also for the launch in the US.

In order to achieve the ambitious target of 400% growth, he says the company will need to recruit an additional 40 staff by the end of this year.

He sees a huge potential to develop sales in the US market where he says fleet management technology is currently less advanced than it is in Europe.

"Our goal is to have sales of 30% in the US this year," he said, adding that given the amount of traffic on the road, there was also a vast global potential for the company's new driver safety product for consumers.

"In the UK alone there are five million commercial vehicles but 35 million cars owned by individuals," he said.

The harsh truth is that value investing takes a lot of work

Kyran Fitzgerald

The 'easy money' days appear to be over for people dealing in shares. That would appear to be the preponderant view among market watchers.

The *Financial Times* summed it up as follows: Global equities enjoyed a strong start to 2018 as US indices shot through all-time highs after windfall tax reforms. By the end of the year, most markets were in turmoil. The team of President Donald Trump had helped send the markets to a sugar high and what eventually followed was the comedown. Along the way, of course, there was much fun to be had, as Apple and Amazon joined the trillion dollar club, in terms of market valuation. However, the so-called "Faang" stocks — the top tech names from Facebook to Google — ended up being savaged in the run-in to the Christmas feast. One has to pose the question: If the financial markets are as efficient as the purists insist, how do we end up with the sort of roller-coaster performance one usually associates with Funderland?

The suspicion is that — as at the tail end of so many other booms — it is the little people who end up getting suckered in and sucked dry. One of the most notable features of 2018 was the poor performance of banking stocks whether on the S&P, the Ftse or the Nikkei. More of the same should be expected in the coming year, insists Morgan Stanley, which suggests that "winter is coming for bank stocks". Established retailing stocks also took something of a hammering.

The markets somewhat belatedly digested the implications of the shift from bricks and mortar to online retailing. During the first quarter of last year, one in five Ftse-quoted retailers issued a profit warning. Yet, the greatest surprise was reserved for December when the online fashion retailer, Asos, issued a profit warning, triggering, in the process, a plunge in its share price of over 40%. The *Investors Chronicle* was prompted to pose the question: Does this indicate the end of the e-commerce boom? One suspects not, but the Asos saga serves to remind observers that in no sector — whatever its potential — is investing the equivalent of a stroll down easy street. Indeed, the financial desert is littered with the stripped carcasses of those who thought that they had found the next big thing — whether in biotech, mining, solar energy, to name a few areas.

One of the best performers of 2018 was US chipmaker AMD. Its share price rose by over 60%. However, the surge was driven by concerns about hitches at rival Intel. As confidence grew that Intel was working through its problems, the AMD price went into reverse.

The big message for those growing nervous about activity in the equity casino is the following: Is it not time to consider a shift back to traditional value investing in line with the approach long followed by Warren Buffett and his lieutenant Charlie Munger at Berkshire Hathaway? Mr Buffett and Mr Munger are now deep into the winter of their careers, but their approach is once again finding favour on Wall Street and beyond. In a global slowdown, with share values coming off their highs, the ability to engage in careful stock selection and a willingness to hold those shares for a sustained period comes to the fore.

From the 1950s, Mr Buffett drew many of his ideas from the man known as the father of value investing, Ben Graham and a new generation is now coming to the fore. Mr Graham came up with the measure of earnings power value, or EPV. Too many industry professionals rely on company presentations and broker reports, which tend to be upbeat, instead of looking carefully at company annual reports from which much useful information can be gleaned.

The general advice is to stay away from low-margin business and to focus on cash generation. *Investors Chronicle* columnist Phil Oakley argues that "operational cash flow is the equivalent of the canary in the coal mine". He wrote: "If a business is converting a low proportion of its revenues into free cash flow then you need to find out why." It may be because the funds are being reinvested to produce future cash flows and profit. If not, then alarm bells should ring.

A good example is UK company Interserve, whose shares fell almost 90% in the past year. Its free cash flow had deteriorated badly. Another key question to pose relates to the sustainability of current earnings into the future.

For Harvard academic Krishan Palepu, the key is to start with the company's strategy and assess whether earnings can be sustained given the nature of the industry in which it is competing.

Mr Palepu believes that aside from current book value, there is an "advantage horizon" as far as a business is concerned. This horizon represents the time period over which a company can sustain its competitive advantage.

Of course, in today's world affected as it is by breakneck technological and market change, assessing the view of the horizon has become an ever more complex task. The key question that Mr Buffett poses when deciding on an investment is the following: Is a stock price trading at a discount to its intrinsic value?

But the reality is that it is extremely difficult to establish the intrinsic value of a business. As Mr Munger put it, in 2007: "By definition, this is going to be a game you play with multiple techniques and multiple models."

In Mr Buffett's view: "There is a lot more to intrinsic value than p/e (price earnings ratio)". Just because a stock looks cheap does not mean that it is. The harsh truth is that value investing takes a lot of hard work. The publicly reported statements only get the investor so far down on the road to a proper understanding."

Mr Buffett is known to read voraciously about companies — current investments and possible targets, around 500 pages a week.

It is necessary to put in the miles and work up a sweat before a top performance can be produced.