

JULY 2016

Business Plus

SURVEY



**Accounts Details Of
The Largest Private Firms**

CORK

TOP 50

High Standards At Newmarket Motors

Newmarket Motors was established in 1976 by husband-and-wife founders Jerry and Maureen Browne. Having held various franchises over the years, they acquired the Volkswagen franchise in 1985, which proved to be a smart move. Sean Browne, Dealer Principal with the firm, says that west Munster has always been a stronghold for Volkswagen.

"Many people have very fond memories of the iconic Beetle going back to the 1950s, when it was manufactured here in Ireland, the first Volkswagen to be assembled outside of the Volkswagen plant in Wolfsburg.



Sean Browne, Newmarket Motors

The combination of Volkswagen's very strong product offering, coupled with Newmarket Motors'

position as a well-respected main dealer, supported the demand for the brand and built popularity in the region."

Browne is glad to see the back of the recession and the plunging vehicle sales figures recorded between 2007 and 2009.

"Newmarket Motors worked hard to retain a large loyal customer base and we also benefited from Volkswagen's position as one of the top-selling franchises, with used cars having good resale value," he explains. "We also had the advantage of having Volkswagen Bank, who were in a position to offer finance to customers for their cars. We kept our business lean and luckily had no other commitments."

Newmarket Motors has won VW's pan-European service award on five occasions, the only Irish Volkswagen dealer to have achieved such a tally. The award recognises dealers who have achieved the best results in quality of service and customer retention.

He adds: "We have never strayed from the motor trade and this has given us focus as a company. Several of the staff have been part of the Newmarket Motors family for many years and they know and understand the business. This plays an important part in ensuring that exceptionally high standards are rigorously maintained."

Micromail Ergo Deal A Win-Win

Micromail was acquired by Ergo in May 2016 and general manager Stephen Foley explains that Micromail will continue to operate as a standalone company.

"The main change is that Micromail is now in a position to not only provide world-class licensing solutions but in addition, through our parent company, Ergo, to provide installation, implementation and extended value-added services to our many customers in Cork and throughout Ireland," he says.

In Foley's view, the combination of Ireland's most

reputable licence solution partner and the leading IT solutions partner under one roof is a win-win for both Ergo and Micromail customers.

"Micromail will continue to deliver deep expertise in software licensing and procurement, whilst Ergo, armed with the knowledge of your licensing agreements and subscriptions, will be able to design and deploy right fit solutions for customers' environments," he explains.

"At a time when vendor licence terms are changing and becoming more complex, we ensure customers get the best value from software investments. We are able to provide customers



Stephen Foley, Micromail

with better visibility of their licensing position, clarifying increasingly complex requirements, as organisations pursue hybrid IT strategies that combine cloud and on-premise software."

Foley adds that Micromail provides an end-to-end service that supports long-term technology roadmaps. "Starting with Micromail at the point of purchase, and then through Ergo as a solutions provider, we play a strategic role throughout the software life cycle, eliminating waste, reducing costs and improving effectiveness to maximise the return on investment."



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Clear Strategy Keeps JPMG Motoring

Johnson & Perrott Motor Group (JPMG) has been making the most of the strong recovery in the car retail sector these last four years, as the market has grown by almost 100%. CEO Mark Whitaker says that

turnover for 2016 is projected at €92m compared with €46m three years ago. "This increased volume has enabled us to invest in our people, in our premises and in our systems, and to grow employment by over 10% during this period," says Whitaker.

Mark Whitaker, Johnson & Perrott

For JPMG, having a clear strategy is like a straight road to success, and that road took the company to a Deloitte Best Managed Companies award a few years ago. Whitaker explains: "The strategy document completed in 2013 laid out our clear ambition to be one of the top three in the market for each of our core offerings – retail motor dealerships, fleet management and van hire, and the steps to achieving this goal. It gave the management team a clear direction in which to frame our decisions and is currently being updated to cover the period 2017 to 2019."

JPMG's Mahon Point dealership celebrated its tenth birthday earlier this year. Whitaker says that it took time to recover from the falls in volume recorded during the

recession. "However, Mahon Point was built on the wonderful legacy of our operations at Emmet Place and Victoria Cross. We had huge faith in our team of people, in our franchises and the opportunity coming from being part of the overall Mahon Point offering, and this has been rewarded over the last four years in the performance of the business."

Whitaker adds that from the customer perspective, there is now no shortage of available finance options. "A significant number of providers are back in the market and the new Personal Contract Plan option is proving very popular."

"The availability of short-term finance for motor dealers to fund the extra volumes being sold has also improved, though we would be concerned that long-term funding for new sites and facilities may still be difficult."

Companies Seeking Growth Overseas

Established in 2014 by managing director Declan Lynch, the accountancy firm launched its new brand, WENTWORTH, in June 2015. The practice specialises in audit, tax and advisory services, advising owner-managed businesses, corporates, entrepreneurs and private clients.

"We have a diverse client base and are specialists in delivering practical, insightful financial solutions across a wide range of sectors," says Lynch. "We protected our clients through the recession when survival and cashflow management was the primary aim. Now we are focused on supporting the needs of corporates and high-net-worth individuals in a recovering economy. Our specialist taxation, consultancy and corporate finance services enable us to add real value to our clients' businesses."

Lynch adds that WENTWORTH has witnessed a significant increase in trading and investment activity among its client base over the past year.

"We are also seeing evidence of a recovery in consumer spending, and this is benefiting the broader retail sector. The food and agri sector has continued to grow, though there is uncertainty around dairy prices."

"There has been a resurgence in the Cork property market and our construction clients are involved in a number of important residential and commercial projects in Cork."

Alternative funders continue to play a role in funding developments, albeit at more realistic cost levels and in many cases in conjunction with senior-debt providers."

According to Lynch, there has been an increase in the level of bank facilities being granted for capital investment and working capital purposes. "The rule book for banking has been rewritten and we work closely with our clients to secure funding in what is now a far more conservative banking environment," says Lynch.

"We continue to deal with some legacy debt issues and to



date have enjoyed considerable success in restructuring and refinancing various businesses and asset portfolios. M&A activity still remains slow."

In 2015, WENTWORTH launched a new service for SMEs and corporates which focuses on international growth, including the establishment of overseas operations. "Over 40% of our current clients have a base overseas and 60% export their product or service," says Lynch. "Clients now want us to be business advisers who can offer advice on international expansion

Declan Lynch, WENTWORTH and provide them with operational support."

The service identifies and advises businesses on the financial, commercial and taxation implications of international expansion, alerting them to taxation traps and supporting organisational change.

"Given the importance of exports for the Irish economy it is important that businesses have the right plans and FX strategy in place to ensure that future 'risk events' do not erode profit margins." Lynch advises.