

The impact of the Euro on doing business

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MARTIN SERVICES (I) Ltd.

- **Company Profile**
- Founded in 1982
- Employees 17 Full Time
- 4 Part Time
- Operations in both Republic of Ireland & Northern Ireland
- Products Sold - Hygiene & First Aid Products together with a Hygiene Service facility
- Products are supplied from manufacturers in Europe – Holland, Sweden, Denmark, Germany, France, Italy, UK

MISSION STATEMENT

‘ To be as efficient and competitive as possible in its industry and to retain its professional image which has been built up over 27 years’

KEY STRATEGIC IMPERATIVES

- Watch costs as the Irish market is extremely competitive
- Review technology advances
- The awareness of Pan European pricing and internet purchasing
- European link with other SME'S as we all have common issues

EURO CHANGEOVER

- Planning started for the change over to the Euro in September 1999
- Dual price on invoices from January 2000
- Started paying suppliers in Euro from June 2002
- The risk of currency exchange disappeared
- Euro made purchasing in Europe much easier and has given full transparency and saved on banking charges

Expansion of market

- What benefits to a SME
- As a SME we became very aware of European pricing
- We must have links into European Distribution Companies as customers now require European Solutions which covers a single invoice with multiple delivery points
- The SME have had to adopt new ideas
- Watch costs as the Irish market

Euro Bonus

- The Euro has been a great bonus for our Company its greatest impact has been on all financial transactions with lower costs
- It has made purchasing easier
- The Euro has brought price transparency
- The Euro has eliminated a number of currency risks
- It has given us efficiency and saved time in dealing with suppliers with less financial mistakes

Banking

- Low interest rates
- Currency stability
- No hidden bank conversion charges
- Growth in Internet banking as foreign currency does not have to be purchased

Euro Problems

- Trading with the UK
- The absence of the UK from the Euro causes us difficulty as we have operations in both parts of Ireland
- We tried to have the majority of UK suppliers invoice in Euro
- Paying suppliers in the UK – mainly banking issues

Euro Problems

- Major increase in staff costs
- House price increase due low interest rates
- Business premises cost increases
- Ireland's cost base has risen with the minimum wage cost now one of the highest in Europe and double the US
- The current Euro / Dollar rate

Euro Challenges

- Continuing competitiveness of the economy
- Adjusting to shocks outside the Euro zone
- Sustain the new living standards
- Lower growth levels will lead to slower growth
- We must have flexible labour and product markets and the ability to use domestic policy tools

Value of the Euro

- According to Business Europe 's president in Dublin recently ' Every 3% rise of the Euro costs jobs' where he would like to see discussions with countries outside the euro zone to facilitate a balance on currency rates