



**SFA Strategy  
2022-2025**

# Small business: Ireland's future



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# Forewords



**The Small Firms Association is the premier representative body for small businesses in Ireland, uniquely positioned to be the most trusted voice for the small business community. The membership of the SFA comes from all sectors and from all areas of Ireland. From large urban areas to small rural villages, driving job creation and innovation across the Island.**

The small business landscape has changed radically in the past 3 years and the SFA with the sole view of our members best interests has also pivoted to meet this challenge head on. We in the SFA have undertaken a rigorous programme to devise a new strategy that will drive the work of the SFA for the next number of years. This strategy: **Small Business | Ireland's Future 2025** is a robust and innovative document that will deliver this.

**Small Business | Ireland's Future 2025** is underpinned by 4 key strategic pillars: Connecting, Innovating, Representing & Influencing, and Growing. These pillars will be the bedrock of our work in the SFA, guiding and informing what we do to hold up small business as the cornerstone of the Irish Economy.

I am proud of the work that went into the development of this document and of the fact it has been developed during my tenure as Chair of the SFA. I am excited to follow its implementation and witness the impact it will have across the various sectors within our membership.

**Graham Byrne, SFA Chair**



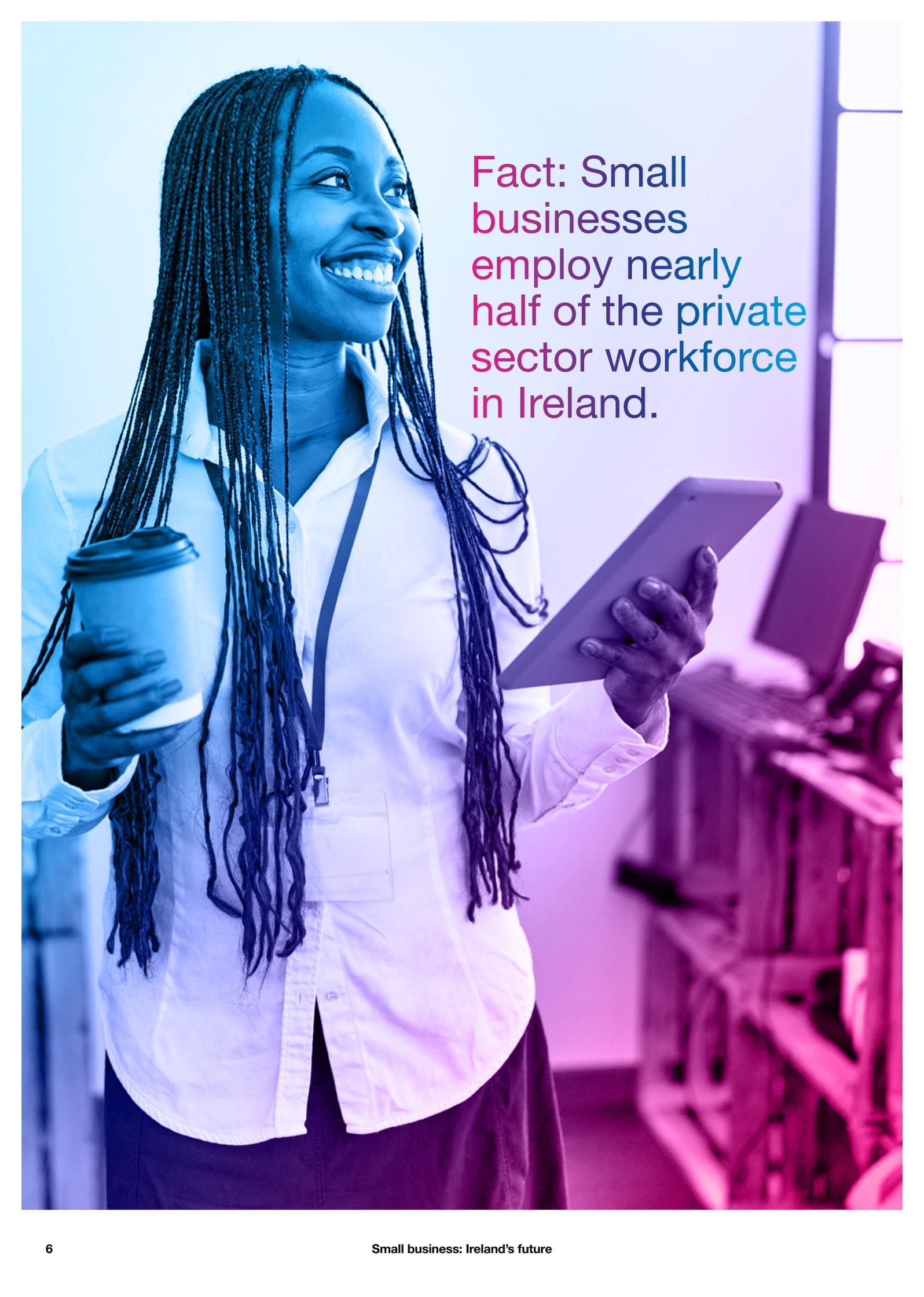
**These past number of years have been a period of great upheaval for many in the small business community. With global events having a severe impact on the economy, the team at the Small Firms Association have listened to the membership and have after in-depth work devised a new guiding strategy: Small Business | Ireland's Future 2025 to face these challenges. The small business community is the driving force in the Irish economy with almost half of the private sector workforce employed by small firms.**

We enhanced our Mission and our Vision to ensure we continue to support you, but also stay close to the areas that matter most to you. We have pushed ourselves to be even more ambitious, helping you maximise the opportunities that will emerge over the next 3 years, but not forgetting the vital support you may need post pandemic.

It is our goal to use this new strategy to support small business owners to be leaders in areas such as Innovation, Sustainability (ESG) as well as connecting businesses to other businesses, harnessing their expertise, and helping them win new customers. Continuing our role in lobbying for change will be even more important as the economy evolves, ensuring that there is a level playing field for small businesses in Ireland and that it is recognised that small businesses are excellent employers who create meaningful, well-paying sustainable jobs throughout the country.

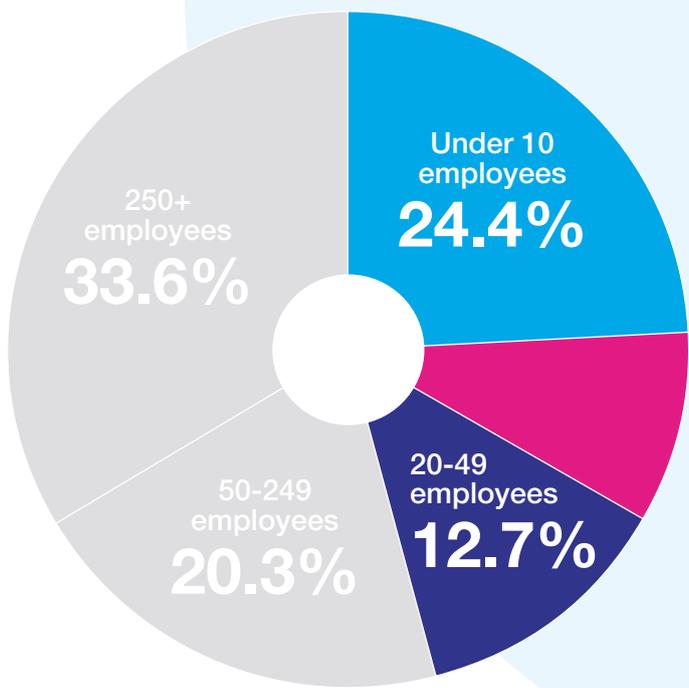
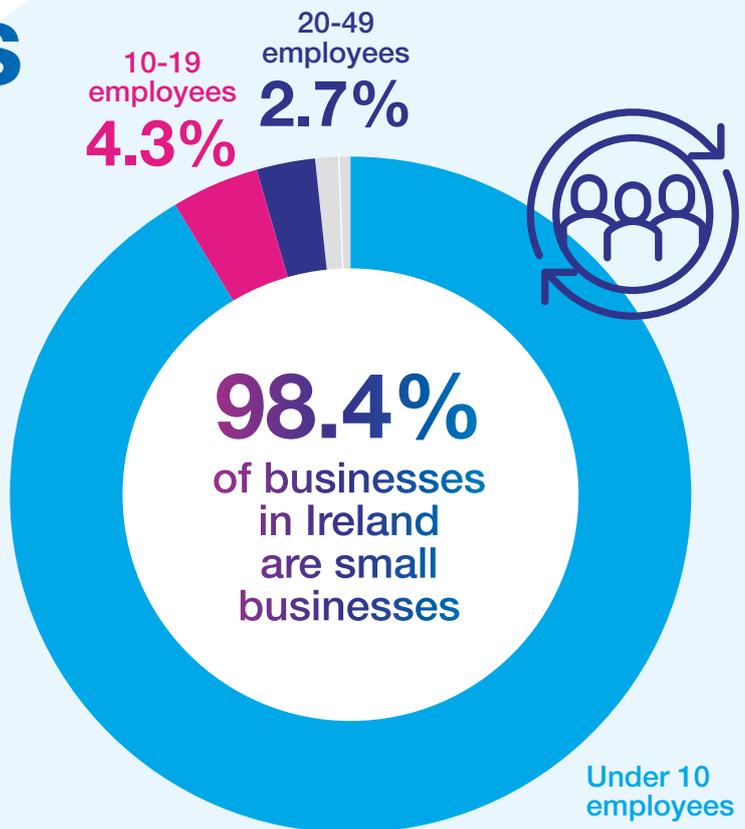
As we look to the future, the needs of our members will always be at the forefront of all the work we undertake, and I am excited to embark on this new chapter to 2025.

**Sven Spollen-Behrens, SFA Director**



**Fact:** Small businesses employ nearly half of the private sector workforce in Ireland.

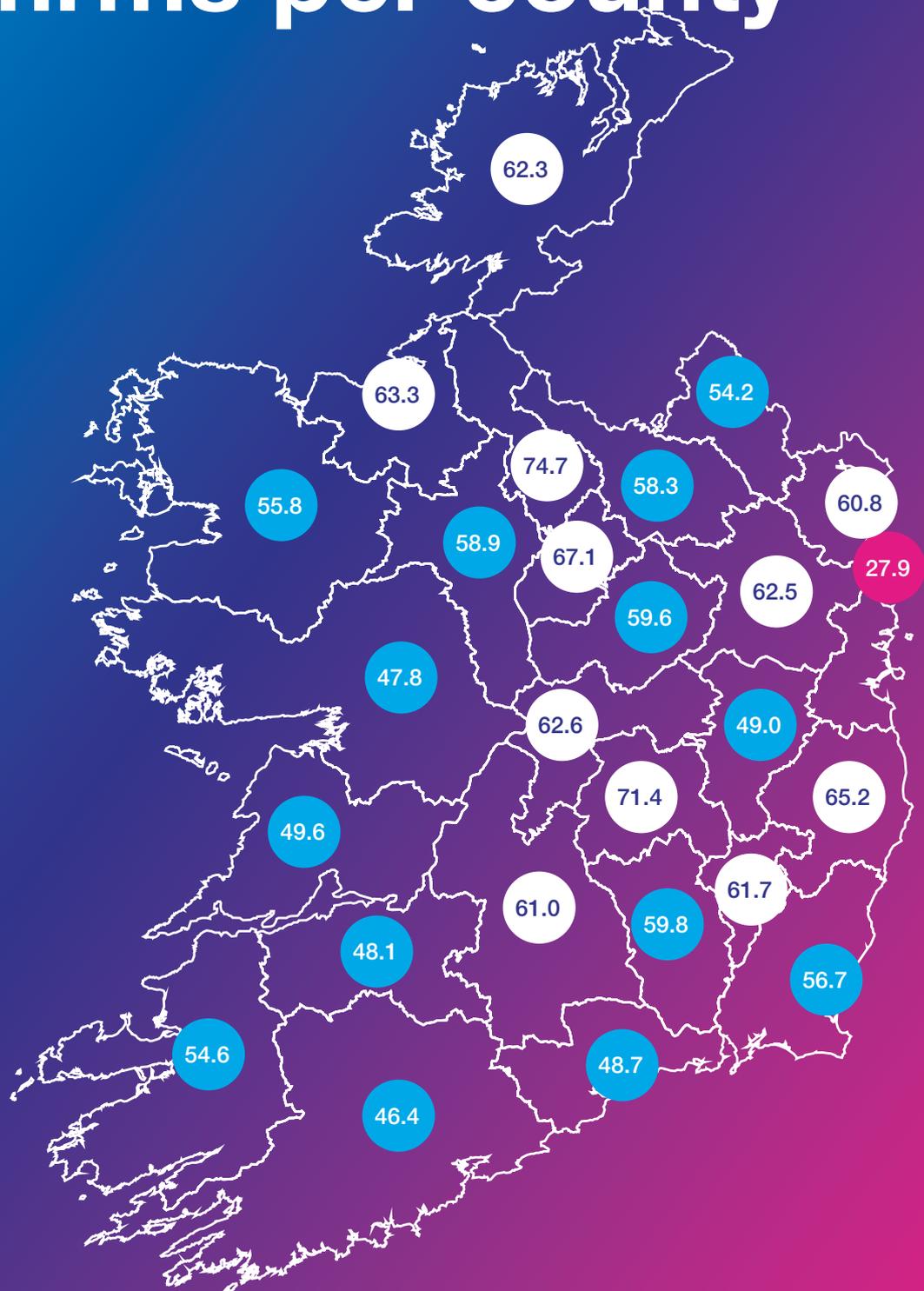
# Small business in Ireland: facts and figures



Source: Central Statistics Office (CSO)

# Percentage of private sector employment in small firms per county

Carlow	61.7
Cavan	58.3
Clare	49.6
Cork	46.4
Donegal	62.3
Dublin	27.9
Galway	47.8
Kerry	54.6
Kildare	49.0
Kilkenny	59.8
Laois	71.4
Leitrim	74.7
Limerick	48.1
Longford	67.1
Louth	60.8
Mayo	55.8
Meath	62.5
Monaghan	54.2
Offaly	62.6
Roscommon	58.9
Sligo	63.3
Tipperary	61.0
Waterford	48.7
Westmeath	59.6
Wexford	56.7
Wicklow	65.2



Source: CSO

Fact: Small businesses are found in every village, in every town and every city in Ireland.



# Our vision, mission and values

## Vision

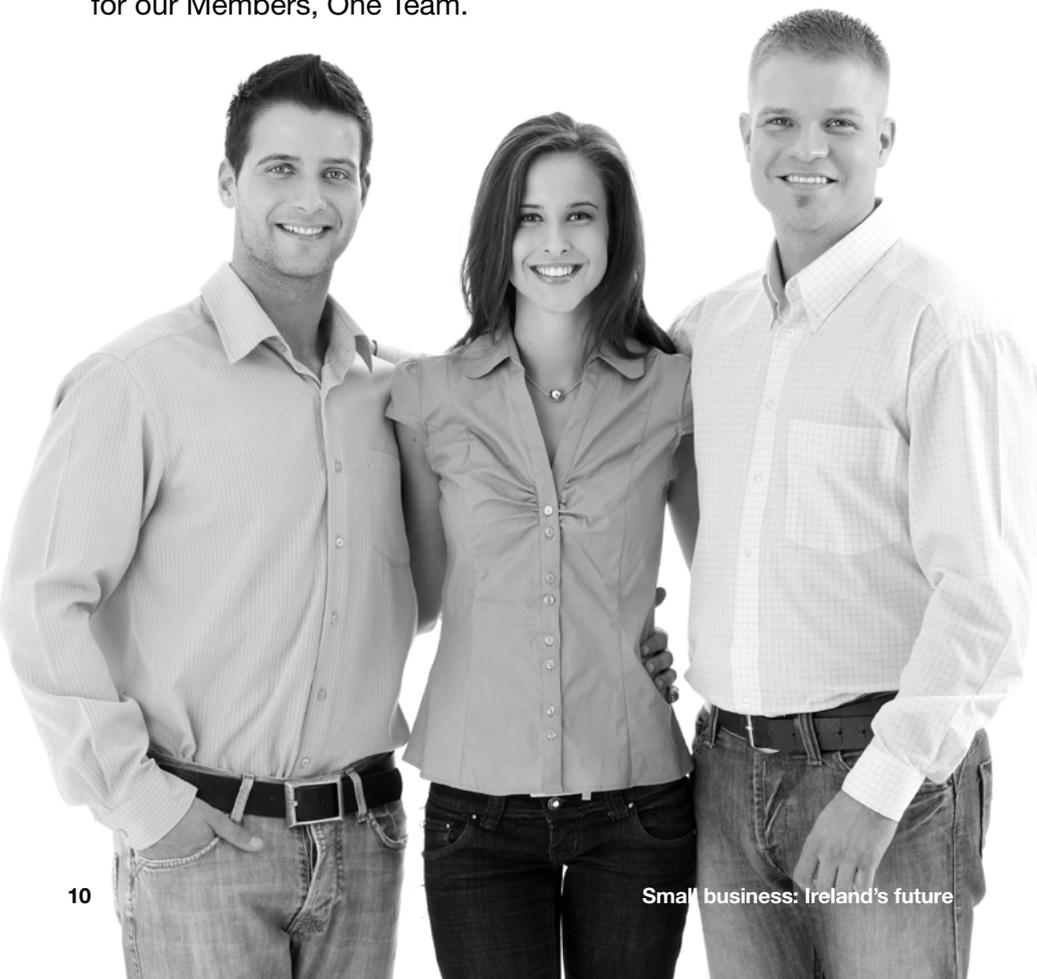
To be the leading membership organisation championing small businesses success, harnessing and promoting their expertise and advocating with impact for our members.

## Mission

To support and link our members, advocate for small business and promote them as vital contributors in the Irish economy.

## Values

Authentic, Ambitious, Respect, Trust, Committed to delivering for our Members, One Team.



## Connecting

Creating valuable connections and networks for members through:

- Devising a series of dedicated programmes for peer-to-peer networking and mentoring;
- Maximising regional connectivity through online communities and local alliances; and
- Holding regional town halls with small business and local political leaders.

# Vision

# Mission

## Innovating

Positioning small business at the forefront of technology and sustainability, helping them maximise the opportunities they bring to their business through:

- Making innovation funding more available for small business - be the conduit of small business to wider stakeholders and state agencies;
- Linking with key strategic partners who will bring the technology capabilities to members;
- Developing an innovation roadmap for the SFA to support our members more efficiently; and
- Devising a series of practical tools to support small business on their sustainability drive.

## Representing + influencing

Advocating for members and promoting their expertise and contribution to the economy through:

- Dedicated public affairs campaigns;
- Reports and knowledge sharing in the areas of ESG, HR, Digital and Access to Finance; and
- The introduction of an SME Tax Roadmap.

## Growing

Supporting small business owners to scale, export and create sustainable jobs across the economy through:

- The provision of relevant & accessible training through the Mentorswork initiative plus other learning initiatives;
- The development of a dedicated SME State Agency with responsibility for the administration and development of supports, programmes and resources for Small Business; and
- Access to a membership affinity programme and a list of preferential member services in support of practice.

# SFA key policy asks

## Tackle the growing cost of doing business



### ■ Recent Labour market initiatives and EU legislation, such as

- Statutory Sick Pay
- Auto-enrolment
- Extended family leaves
- National Minimum Wage
- Right to request remote working

have added to cost pressures and administrative burden of small businesses. Government must seek to coordinate the individual pieces of legislation and apply the SME Test across Government Departments to reduce the regulatory burden on small business. Individual initiatives need to be introduced in a phased manner.

### ■ Access to finance – improve access to bank and non-bank finance for small businesses, boosting competition and reducing the high interest rates paid by Irish businesses compared with those in other EU countries.

### ■ Access to insurance and rising Insurance costs – improve competition in the Insurance market and address rising employer liability and professional indemnity insurance costs.

## Boost investment and help attract talent by improving the tax environment



### ■ Investment

- Reducing the general CGT rate to 20%.
- Increasing the lifetime limit for CGT Entrepreneur Relief to €15 million.
- Simplifying the administration procedure for the R&D Tax credit.

### ■ Talent

- Introducing a tax relief for non-domiciled new hires by small business.
- Increase the APSS limit of €12,700 to encourage employee retention.
- Introducing a workable share option scheme for small businesses.

## Preparing small firms for the future

- Upskilling – Providing sufficient training in leadership, digital readiness and financial management skills.
- Digital – introducing meaningful voucher schemes that cover investment in hardware, software and cybersecurity as well as online presence.
- The development of a dedicated SME State Agency with responsibility for the administration and development of supports, programmes and resources for Small Business.
- Public procurement – Securing better access for small business to public contracts.



## Make small businesses part of the solution to climate change

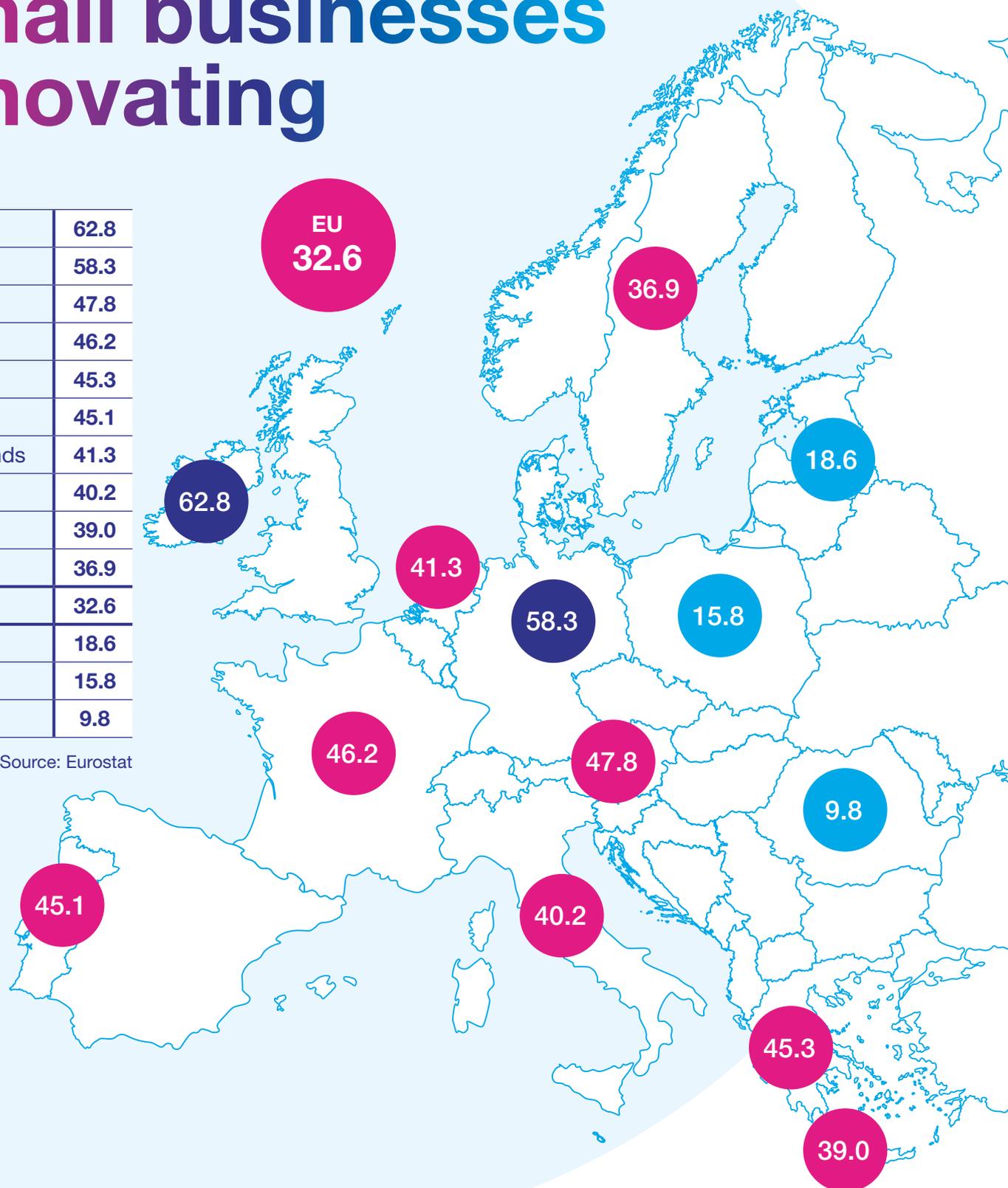
- There is a need for policy makers to give clearer targets and time lines to small business to allow them to plan their strategy for transition to a low carbon model.
- Small businesses want to embrace the transition to a low carbon economy – but they cannot do this without support. Government and State Agencies must put in place supports to level the playing field and help small firms make a just transition.



# Percentage of small businesses innovating

Ireland	62.8
Germany	58.3
Austria	47.8
France	46.2
Greece	45.3
Portugal	45.1
Netherlands	41.3
Italy	40.2
Cyprus	39.0
Sweden	36.9
<b>EU</b>	<b>32.6</b>
Latvia	18.6
Poland	15.8
Romania	9.8

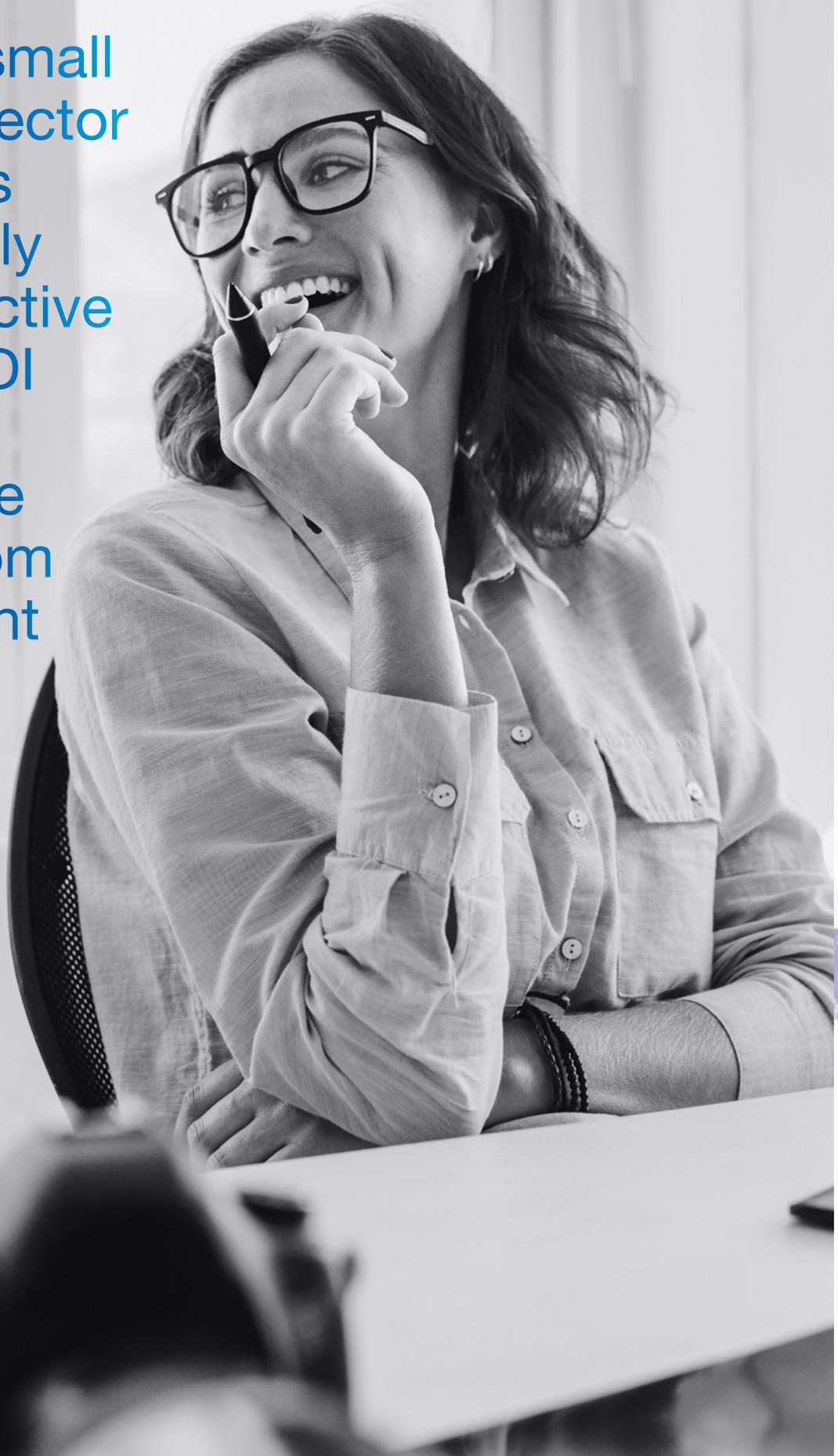
Source: Eurostat





Fact: The small business sector in Ireland is the most innovative in the EU.

Fact: The small business sector in Ireland is substantially less productive than the FDI sector and needs more support from Government to close the gap.

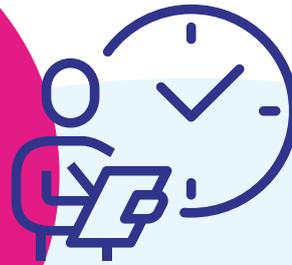


# Productivity gap

Value-added  
(productivity) per  
person employed

**€295,665**

in large firms



**€74,164**

in small  
and medium  
firms



**98%**  
share are  
Irish-owned  
companies



**2%**  
share are  
foreign-owned  
companies

**47.4%**  
of share of  
Gross Value  
Added

**52.5%**  
of share of  
Gross Value  
Added







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