Clemson University

Strategic Business Practices

A Comparative Analysis of Ireland and the United States

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The people of Ireland care deeply about their history and share a sense of community with a very long-term view. Each and every place that we visited had a story about their past and how it led to the current day. Whether it was the story of Vikings building the church, the owner signing a 9,000 year lease, or a monk fencing off land to feed people during a famine; the people really care about their history and why things came to be. This gives them a very long-term perspective which impacts how they communicate and act in business.

Ireland tends to have more of an indirect communication style while the US tends to favor more of a direct style of communication. People in Ireland often act and speak in ways to avoid being rude in order to build a long- term relationship in their business dealings. They also seek to have a sense of community and consensus when making business decisions. Their sense of history and longer timeline perspective leads the Irish to have less transactional relationships than is found in the US. They look to build relationships over time and develop trust and mutual respect with their counterparts. Irish businesses also tend to be more risk averse than in the US. They prefer long term stability and will tend to take more time discussing with all stakeholders rather than rushing forward.

Ireland has focused on building strategic industries and has gone out of their way to create favorable tax outcomes to incentivize companies to establish significant locations in Ireland. Ireland has one of the lowest corporate tax rates in all of Europe. This alone makes it very attractive for companies to set up headquarters in Ireland to maximize their profits by paying less in taxes. Ireland has also established a 25% tax credit for certain Research & Development which incentivizes innovation and investment in Ireland by companies such as Google. Ireland also eliminated taxes completely on racehorses. This led to significant growth in equestrian activity with Ireland becoming renowned for their breeding of racehorses. Through legislation and tax breaks Ireland has managed to attract and develop significant advantages for these industries.

Multinational firms like Google experience several strategic advantages by operating in Ireland compared to the United States. Ireland has one of the lowest corporate tax rates in all of Europe, at only 12.5%, which makes it a very attractive place for companies to set up and process their revenue through. Ireland also has a relatively young and highly educated English speaking population. This provides a workforce to staff the high-tech companies. It also has allowed Ireland to build a reputation as a business friendly location with workers that already have expertise in high-tech which further encourage companies to establish a presence on the island. Ireland is a member of the European Union which allows for free movement of people and goods with the majority of the European countries. It also utilizes the Euro for its currency which is a stable currency that allows it to do business across most of Europe with no foreign exchange risk.

Ireland also has several advantages due to its location and climate. For example, for a multinational with global operations, Ireland has relatively easy time zone overlap for most of the world. This allows Ireland to facilitate discussions and knowledge transfer between the US and Eastern Europe or Asian locations for many multinational companies given its longer window of working hours that overlap with most locations. Another advantage of Ireland is that the cool, moderate year-round temperatures and constant rain allows companies to save on cooling costs. This is especially helpful to Google as they have large data centers that they need to keep temperature regulated. The constant rain has another benefit as it can even help companies save on the water bill as they can use the rainfall instead of other sources. Google, for example, collects the rainfall and uses it for their bathrooms.

However, there are also several constraints that multinational firms face while in Ireland. While Ireland has a young highly educated population, it is still limited in size and constrained by the overall small population. This also results in a relatively small domestic market which would necessitate a multinational to ensure broader European market penetration. And while companies in Ireland are generally able to do business across the European Union there are differences in each individual country that they need to navigate. For example, we saw in Ireland that there was a sugar tax on soda which would be a specific concern for a company such as Coca-Cola. The exact limits on sugar in different European countries would need to be monitored and mitigated whenever rules and regulations changed in any location. Additionally, many of the companies that have moved to Ireland for the tax advantages have faced scrutiny and challenges from other jurisdictions interested in receiving additional tax revenue.

The Stud Farm gains its competitive advantage through its environmental advantage, reputation, tourism, and economic advantage. The Stud farm has an environmental advantage from the constant rain and mineral rich soil in Ireland. These conditions create lush greenery, therefore allowing their horses to graze on high quality grass. This eliminates the need to purchase feed, and gives the horses a naturally vitamin-dense diet. Not only is the grass and other plants full of nutrients, but also the water is both natural, mineral rich, and plentiful. This aids in the horse's overall health, size, and strength. There is also an advantage due to the reputation that Ireland has for the exceptional quality of racehorses. This reputation helps to incentivise racehorse owners in other countries to ship their horses to Ireland to breed. This cycle perpetuates itself, where those countries only send their best horses to breed, which in turn continues to produce higher and higher quality racehorses. Furthermore, The Stud Farm keeps its competitive advantage by not allowing the sperm to be sold; this means that there is a limit on the amount of offspring the horses can have.

The Stud Farm also gains an advantage from the diversification that they have. The farm isn’t just a place for breeding horses, it is an experience that allows for different sources of income, from training to tourism. The virtual horse customization and racing simulator, gift shop, dining, and Japanese garden are all experiences that attract customers and increase popularity. In addition they offer training and management courses for others to become responsible breeders and owners in the racehorse industry. These additional services and offerings help to diversify income at the farm.

Muckross Creamery is able to develop and defend its competitive advantage in a globalized context by focusing on its strong brand name and its quality. Muckross is owned and operated by the Fleming family, a fifth generation creamery that is known for its reputation and quality. They focus on being a farm-to-table artisan ice cream producer, pasteurizing and flavoring their ice cream with the milk they harvest from their own farm. Muckross also differentiates itself by focusing on their Irish identity in the global market. Irish dairy has a high-quality, clean and fresh reputation, and Muckross leverages this in the global markets of the US, Europe and United Kingdom. They have created a competitive advantage with their generational expertise, maintaining an inimitable creamery. With their long standing reputation, ensuring they use premium in-house or locally-sourced ingredients, and utilizing their Irish culture as an identity of their brand, Muckross Creamery has a long standing competitive advantage as a premium product.

The people of Ireland have a lot of pride in where they are from so being locally owned and sourced helps to incentivise people to buy. Giving the experience of visiting the farm and being able to see the cows that they use for the ice cream. Making yogurt out of the excess gives purpose, and a source of revenue, for something that used to be waste. There is a really strong sense of nationality and pride in one's own town. This is evident through things like hurling where people only play for the team where they are from and don't move like how it is in the US.

When comparing business strategies between Ireland and the United States, it is essential to understand how cultural, institutional, and environmental factors shape competitive success in each country. Porter’s Diamond illustrates that Ireland offers significant factor conditions, including a young, highly educated, English-speaking workforce, though limited by the country’s small population and domestic market size. In contrast, the U.S. has a vast, diverse talent pool and a much larger internal consumer base. Demand conditions also differ, with U.S. markets pushing rapid innovation and aggressive competition, while Irish markets value trust, long-term relationships, and community-driven branding. Ireland’s related and supporting industries in technology, pharmaceuticals, and agriculture benefit from government incentives and EU membership, which gives companies access to broader European markets. The U.S. provides extensive supporting industries across all sectors, facilitating rapid scaling and innovation within the country. Firm strategy, structure, and rivalry are influenced by cultural norms: Irish businesses emphasize collaborative, consensus-driven decision-making and long-term partnerships, while U.S. businesses typically prioritize fast-paced, transactional growth and direct communication. Multinational companies entering Ireland must carefully choose between Think Global, Act Local or Think Global, Act Global strategies. Act Local is often more effective in Ireland, where local identity, cultural relevance, and storytelling are essential. For example, Muckross Creamery thrives by leveraging its Irish heritage and farm-to-table quality, while U.S. companies like Chick-fil-A could succeed by embedding Irish culture, sourcing locally, and creating unique interactive experiences to appeal to Irish consumers, much like Guinness and Jameson have done. Conversely, some global firms like Google maintain standardized practices but still adapt culturally by fostering relationship-based workplace dynamics in Ireland. A PESTEL analysis further reveals key external factors: politically, Ireland’s low corporate tax rates, favorable R&D incentives, and EU membership make it attractive for multinationals, while the U.S. offers more regional variation in policies and tax structures. Economically, Ireland's small but highly globalized market contrasts with the U.S.'s large, self-contained economy. Socially, Irish culture prioritizes community, national pride, indirect communication, and long-term loyalty, differing from the U.S.'s individualistic, fast-moving, and direct business environment. Technologically, Ireland has developed a strong presence in the tech sector supported by a young workforce and government investment, though the U.S. remains the global leader in technological depth and innovation ecosystems. Environmentally, Ireland's cool, rainy climate presents natural advantages for agriculture and data center cooling, as seen with Google's rainwater reuse initiatives. Legally, Ireland's adherence to EU regulations like GDPR requires U.S. companies to adjust their privacy and consumer protection strategies. Access to human capital in Ireland is strong but limited in scale, infrastructure is modern yet smaller compared to the U.S., and Ireland's innovation networks are well-supported by the government and the EU, though the U.S. offers more extensive and diverse opportunities. Overall, Ireland provides exceptional strategic positioning as a gateway to European markets, offering advantages in tax structure, workforce quality, and cultural richness, while the U.S. delivers unmatched scale, infrastructure, and consumer diversity. Businesses must adapt to these environmental differences to build sustainable competitive advantages in each context.

After seeing the operations of three separate businesses in Ireland, one of which being Google - an American company, we believe that there are two things that businesses should do when launching a business in Ireland: diversification and differentiation. First, companies should differentiate their products by intertwining their company story and interactive experiences with their products and branding. Irish culture, and Irish businesses as a result, rely heavily on historical precedent and storytelling in their branding. Take the Irish National Stud for example: during our visit we were told the story of how the Stud's founder believed in star signs affecting a horse's performance, and then shown how it affects the operations and overall aesthetic of the Stud to this day. This use of storytelling in the Stud's branding was so impactful that even the Queen of England gave an astrology-related gift to the Stud as a present. As for the diversification aspect, we as a group were able to simulate what it is like to buy, train, and compete using race horses in the Stud's interactive museum. Additionally, this experience served as a way to both educate visitors on what the Stud sells and entertain the visitors at the same time - successfully diversifying its business model. Such strategy is not only effective at the Irish National Stud, but also in two of Ireland's most recognizable brands: Guinness and Jameson. Both brands lean heavily into their Irish heritage and use local suppliers to make their world-renowned products, while simultaneously offering excellent interactive experiences for its customers in Dublin. That being said, should an American company want to launch business in Ireland, said company should learn from the companies that we visited by making their story a vital part of their branding and by offering a unique interactive experience for their customers to enjoy at the Irish location. Take Chick-Fil-A, which has already launched a location in Northern Ireland, for example. While yes CFA could successfully operate in Dublin like other American companies such as McDonalds and Starbucks have, it could take a page out of the Irish playbook and lean into storytelling for its branding. Picture this, a museum-like experience that demonstrates how Chick-Fil-A started, why the mascot is a cow, why employees say “my pleasure,” what CFA does to make their chicken taste different from other fast food restaurants, etc. In this way, it would be quite similar to the Guinness experience, but this strategy would both differentiate and diversify Chick-Fil-A as a business in Ireland. CFA could take this strategy even further by sourcing the chicken and potatoes used at the Irish locations exclusively from local Irish farms, further cementing the company as a part of the Irish community and further contributing to the company’s story in Ireland. Of course, this particular strategy is not the only way to succeed as a business in Ireland, but from our experiences during the study abroad, we found that emphasizing differentiation, diversification, and storytelling is crucial for success in Ireland.

In conclusion, this study abroad was a wonderful experience that allowed us to gain hands-on experience in Irish culture and business practices. Specifically, we first learned how cultural values, government policies, and government regulations affect how business is conducted in Ireland. Then, we learned how business strategy differs for multinational, mixed, and local companies, and why it is important to understand said differences. Afterwards, we learned how to use PESTEL and Porter’s Diamond to analyze the external environment for companies. Finally, we now are able to apply what we learned during this course to help an American business successfully launch operations in Ireland.