



Overcoming Barriers to Scaling Irish Enterprises

Coordinated Action on Capital,
Capability, and Culture





10-Point Multi-Year Plan for Scaling

“Ireland’s economic success has been significantly bolstered by foreign direct investment. Yet, to ensure long-term resilience, we need a new strategic approach to both nurture and retain Irish-owned multinationals, while also developing a strong indigenous sector that has ownership and decision-making rooted in Ireland.”

David McGee
Partner, Strategy & Leader,
PwC Ireland

Ireland’s economic success has been significantly bolstered by foreign direct investment. Yet, to ensure long-term resilience, we need a strategic approach to nurture and retain Irish-owned multinationals, prevent the early sale of high-potential firms, and keep ownership and decision-making rooted in Ireland.

While Ireland excels at fostering startups—thanks to a robust university sector, entrepreneurial spirit, and state support—the central challenge lies in scaling these companies into global players. A [2024 Department of Enterprise, Trade and Employment \(DETE\) study](#), and others, have all emphasised this problem.

Key barriers to growth include:

- Access to finance.
- Talent and skills shortages.
- Challenges in internationalisation.
- Limited innovation capacity.
- An unfavourable business environment.
- Risk aversion and growth ambitions.

Irish firms face systemic barriers that limit their ability to grow. A co-ordinated national approach is needed. We distil these challenges into what we call the “three Cs”



“While Ireland excels at fostering startups— thanks to a robust university sector, entrepreneurial spirit, and State support— the central challenge lies in scaling these companies into global players. A co-ordinated national approach is needed. We distil these challenges into what the analysis terms the ‘three Cs — Capital, Capability and Culture.’”

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The Three Cs: Capital, Capability, and Culture

Capital

Scaling requires substantial capital for product development, market expansion, and hiring. However, securing growth finance in Ireland remains a challenge, with a significant financing gap for scaling businesses. A 2025 Government commissioned report by the Department of Enterprise, Tourism and Employment identified an estimated €1.1 billion gap in equity financing for Irish businesses at the scaling stage. This gap is especially pronounced for later-stage funding rounds, with a shortage of investments in the €5–10 million deal range needed to fuel expansion.

The domestic venture capital market is also relatively small, with average fund sizes far below the optimal level needed for large-scale investments. As a result, many firms remain undercapitalised, relying on internal funding and showing reluctance to take on external debt or equity. For instance, according to the ESRI in 2022 there is a very clear drop in the SME borrowing appetite since the pre-pandemic period with the share of firms willing to borrow in order to expand falling from 45 per cent in 2019 to 38 per cent in 2021.

To address these gaps, policymakers have introduced initiatives like state-backed scale-up funds and tax incentives. However, access to appropriate funding remains crucial. Other countries, like Singapore with its Temasek fund, are taking bold steps to support indigenous companies. Ireland must consider similar tools and incentives to keep pace globally: For example, leveraging the Ireland Strategic Investment Fund (ISIF), deep engagement with the European Investment Bank (EIB) and unlocking passive capital within family and private ownership – to prioritise the scaling agenda at a national level.

“As Ireland seeks to remain competitive globally, tackling these structural challenges across capital, capability and culture will be essential to unlocking the next phase of business growth. Recognising the scale of the challenge, implementation will require a multi-year, coordinated approach rather than short-term interventions. However, international competition is intensifying, with countries deploying increasingly ambitious strategies to retain and grow domestic firms.”

Colm O’Callaghan
Partner, Private Business,
PwC Ireland

Capability

Scaling demands not just more employees, but specialised skills and experienced leadership. Many Irish enterprises struggle to find and retain the right talent. PwC’s 2026 Irish CEO survey found that 60% of Irish business leaders are struggling with the availability of key skills. Furthermore, a [Trinity College Scale Ireland](#) report notes that about 48.5% of start-up founders in 2025 saw skill shortages as a major issue affecting their business. Irish firms consistently cite persistent difficulties in attracting and retaining skilled personnel, particularly at senior levels.

For example, beyond technical skills, scaling up requires leadership and strategic management expertise – an area where many young firms are still building capacity. The [2025 scaling](#) finance report noted some firms are “not able to recruit personnel with the capabilities to secure later-stage financing and scale-up” – highlighting the importance of financial and management expertise for growth.

While initiatives to fund tech education and improve stock option schemes are underway, more is needed to bridge the knowledge gap in scaling. Without adequate talent – whether software engineers, sales teams, or seasoned executives – companies struggle to execute growth strategies. This is why talent development and attraction are a cornerstone of Ireland’s enterprise policy. Recent initiatives range from funding tech education and apprenticeships, to improving schemes like the Key Employee Engagement Programme (KEEP) stock options (intended to help startups attract and retain skilled staff). The talent gap remains a persistent scaling challenge for Irish enterprises.





“Ireland is in a global race to scale its indigenous enterprises. The opportunity is clear – but so too is the threat if we do nothing. Therefore, this needs urgent and decisive action, without which the next generation of Irish multinationals risk being built elsewhere.”

John Dillon
Partner, PwC Private Leader

Culture

A conservative growth mindset among Irish SMEs can hinder scaling efforts. Only 14% of Irish CEOs tolerate high risk in innovation projects. Compounding this issue, a traditionally cautious approach to borrowing and equity financing among Irish SMEs has contributed to undercapitalisation. A Central Bank analysis of SME investment (2023 data) noted that about 80% of Irish SMEs reported being content with their existing scale, indicating a limited appetite for expansion. A cautious approach to risk, with many firms content with their current scale, is a mindset that can limit growth opportunities.

This mindset issue is reflected not only by individual attitudes, but broader societal perceptions of risk, success, and entrepreneurship. Scaling is a national strategic issue and needs to become a national priority. Ireland must actively foster a culture where ambition is recognised, supported, and celebrated.

To foster ambition, Ireland could build a premier network for founders and CEOs, providing access to government decision-makers and other sectoral national and international experts. Recognising entrepreneurial success through national high-profile awards – helping legitimise ambition - could also help shift the cultural narrative. Overcoming risk aversion and fostering greater ambition will require, not just better policies, but a more deliberate effort to celebrate success and make scaling part of Ireland’s national story.

10-Point Multi-Year Plan for Scaling

Our 10-Point Multi-Year Plan outlines a comprehensive package of tax, capital, talent, and policy reforms to tackle the structural barriers facing indigenous businesses. A multi-year plan is essential for meaningful progress.

01

Create deep Irish scale-up capital

(Close the funding gap)

Capital



Capability

Culture

Challenge: Irish firms sell because late-stage capital is unavailable domestically.

- Establish a Sovereign Scale Up Capital Fund, co-investing with private capital.
- Mobilise domestic savings via State-backed investment products (e.g. growth / green bonds).
- Target Series B to pre-IPO stages, where Irish ownership is most vulnerable.
- Prioritise businesses that commit to staying headquartered in Ireland and majority Irish owned.

Goal: Remove the “forced sale” funding cliff.

02

Reduce CGT to International norms

Capital



Capability

Culture

Challenge: Ireland’s 33% CGT rate actively discourages entrepreneurship, reinvestment and long-term ownership. It also inhibits the unlocking of passive capital held within individual, family and private ownership - limiting the Irish public from an incentive perspective to invest and participate in scaling indigenous businesses.

- Commit to a phased reduction of CGT to 20% over a defined period (e.g. 3–5 years), giving certainty and signalling intent.
- Explicitly recognise CGT reform as a growth and reinvestment lever, not a tax giveaway.
- Position CGT reduction as central to keeping ownership, capital and decision-making in Ireland.
- Foster a positive entrepreneurial culture by ensuring that

03

founders and business owners are genuinely rewarded for their risk-taking, commitment and long-term growth ambitions—demonstrating that sustained effort, success and scaling will be recognised through a competitive tax regime.

Goal: Unlock transactions, reinvestment and scaling behaviour across the economy.

Reform entrepreneur & scale-up Equity Taxation

(Prevent premature exits)

Capital



Capability

Culture



Challenge: Founders are forced to sell early for tax reasons.

- Increase the lifetime cap on Entrepreneur Relief, reflecting modern scale-up valuations.
- Introduce a “Scale-Up Relief”: enhanced CGT outcomes where founders retain significant equity beyond revenue or valuation thresholds.
- Allow founders to realise limited liquidity at CGT rates (subject to caps) while retaining control — encouraging organic growth over trade sales.

Goal: Make staying Irish-owned financially rational as companies grow.

04

Fix succession & ownership continuity

(Keep businesses Irish)

Capital



Capability

Culture



Challenge: Tax friction pushes businesses into external sales.

- Amend CAT Business Relief so surplus trading cash held for resilience does not disqualify relief.
- Ensure bona fide shareholder exits and share buybacks are treated as CGT events, not income.
- Provide clearer Revenue guidance to facilitate management buy-outs and family succession.

Goal: Keep ownership transitions onshore.

05

Supercharge employee ownership & talent retention**(Compete globally)**

Capital



Capability

Culture

**Challenge:** Irish companies struggle to attract senior talent without diluting founders.

- Radically simplify and enhance KEEP, removing disproportionate penalties for administrative errors.
- Enable Employee Ownership Trusts (EOTs), drawing on the UK model.
- Reduce tax and reporting friction on share-based remuneration for private companies.
- Tax efficient employee equity schemes to help Irish companies attract top talent without diluting founders excessively.

Goal: Use ownership, not just cash, to compete for talent.

06

Strengthen R&D, innovation & commercialisation**(Build global leaders)**

Capital



Capability



Culture

Challenge: Too much Irish IP is commercialised elsewhere.

- Increase R&D tax credit intensity for scaling indigenous firms.
- Expand applied research partnerships between industry and universities in priority sectors.
- Support IP creation beyond traditional R&D (e.g. brand, commercial intangibles).

Goal: Turn Irish innovation into Irish multinationals.

07

Build a world-class scale up talent pipeline**(Avoid relocation)**

Capital

Capability



Culture

**Challenge:** Firms outgrow domestic talent pools.

- Introduce Scale-Up Talent Visas with fast, low-friction processing.
- Expand leadership programmes for founders and senior teams.

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- Offer tax credits for substantial investment in workforce upskilling.

Goal: Allow companies to scale leadership without leaving Ireland.

Strengthen Incentives for Domestic Retention of HQ and IP

(Avoid relocations)

Capital



Capability

Culture



Challenge: Scaling Irish companies face strong incentives to move HQ and IP to more favourable jurisdictions.

- Introduce HQ Retention Incentives — similar to incentives used in Switzerland and Singapore—rewarding companies that keep headquarters, senior leadership, and Intellectual Property (IP) in Ireland.
- Provide long-term tax stability agreements for high-growth indigenous businesses to support multi-decade planning.
- Support to remain listed on ISE where possible.

Goal: Reduce the pressure to relocate HQs as companies scale.

09

Simplify the tax system

(Free up growth capacity)

Capital



Capability



Culture

Challenge: Complexity diverts management time and deters scaling.

- Introduce a short-form corporation tax return for smaller / lower-risk companies or introduce pre-populated corporate tax returns for smaller companies.
- Reduce Enhanced Reporting Requirements from real-time to annual reporting, at least for SMEs.
- Commit to a root-and-branch review of SME-facing reliefs (R&D, EIS, KEEP) so they are genuinely usable.
- Simplify R&D claims for smaller / lower-risk companies.
- Undertake a “root and branch” review of all returns and reliefs available to ensure that they are “small company friendly”.

Goal: Let founders focus on scaling, not compliance.

10

Make indigenous champions a national priority

(Culture and focus)

Capital

Capability



Culture



Challenge: We under-prioritise and under-celebrate Irish success.

- Build on Enterprise Ireland's ATLAS initiative to deliver a world class flagship scale-up programme.
- Concentrate support on fewer firms with genuine multinational potential.
- Actively celebrate Irish-owned multinationals and mobilise the global Irish business network.

Goal: Normalise the ambition of building large Irish-owned multinationals.



Contact us:



John Dillon
Partner, PwC Private Leader
john.p.dillon@pwc.com



David McGee
Partner, Strategy & Leader, PwC Ireland
david.a.mcgee@pwc.com



Laura Gilbride
Partner, Private Deals, PwC Ireland
laura.c.gilbride@pwc.com



Paraic Burke
Partner, Head of Tax, PwC Ireland
paraic.burke@pwc.com



Colm O'Callaghan
Partner, Private Business, PwC Ireland
colm.ocallaghan@pwc.com



Mairead Harbron
Partner, Private Clients, PwC Ireland
mairead.harbron@pwc.com



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