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Client

Invest Northern Ireland

Project

Sales and Marketing Research Project

Division

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1 EXECUTIVE SUMMARY

1.1 Introduction

RSM McClure Watters was appointed by Invest NI in November 2012 to complete research investigating and assessing the supply of skills needed for exporting at present, forecast the future requirement for these skills, highlight gaps in existing and predicted skills supply and provision, and make recommendations to address any issues identified.

1.2 Terms of Reference

The Terms of Reference outlined the following requirements for the research:

- To determine the future requirement for Professional Sales[1], Strategic Export Marketing[2] and the International Business Communication[3] skills needed to support the vision for Northern Ireland of export led economic growth;
- To identify what actions are needed to ensure that the supply of these skills is sufficient to support this vision; and
- To identify any other actions required to enable Northern Ireland companies to make most effective use of the supply of these skills.

(Source: Invest NI Sales and Marketing Research Project Terms of Reference 2012).

1.3 Methodology

The methodology for the research involved a review of policy context for skills development in professional sales, marketing, and international business communication, as well as policy and strategy context for export development.

Secondary research included a review of relevant literature concerning the needs of companies with regard to exporting skills, market-specific needs, and international studies of best practice.

The supply of qualifications for sales, marketing and international business communication skills was examined through analysis of student enrolment figures for the past three years, concerning relevant courses from Secondary Education through to Further Education and Higher Education. The future demand for these skills and

[1] Learned ability to take a structured approach to developing and implementing an effective sales strategy within an organisation. Capacity to deploy the key elements of a structured approach to executing sales.
[2] Learned ability which enables the effective identification of marketing opportunities and the development and implementation of strategies in response to these opportunities, with a particular emphasis on export markets.
[3] Capacity to communicate effectively in a business context with people from different countries and cultures.

qualifications was assessed using the Working Futures[4] model, which set out estimates for the demand for sales, marketing and international business communication resources up to 2020. Analysis was undertaken to compare and contrast the supply of skills with the likely demand, in order to expose potential shortfalls in the supply of skills which might restrict the potential for export-led economic growth in Northern Ireland.

A series of focus groups and interviews were carried out with students, careers advisors, and parents in order to ascertain the perception of professional careers in sales and marketing. Consultations were carried out with strategic stakeholders, including public bodies, training organisations and business representatives to explore issues with regard to the export capabilities of Northern Ireland companies, and to determine the skills which companies would need to support export-led economic growth.

Surveys were conducted with companies at various stages of international export maturity, including companies which had not considered exporting, companies which planned to export in the future, and companies which were experienced exporters. These surveys aimed to assess the current and future demand for professional sales, marketing and business communication skills and qualifications. A survey of recruitment consultants examined the levels of remuneration for careers in professional sales and marketing, and sought to define the difficulties associated with accessing sales, marketing and business communication resources in Northern Ireland.

Recommendations were developed based on the research findings and set out the key actions for development for professional sales, marketing and international business communication skills and resources which will support the strategic objective for export-led growth of the Northern Ireland economy.

1.4 Conclusions

1.4.1 Literature review

The literature review demonstrated that companies exporting or preparing to export experience different skills issues depending on their size, experience of exporting and the market they are exporting to.

Research noted that exporting companies found it difficult to export to non-English speaking markets beyond the EU without language and cultural awareness skills relating to their target export markets[5]. This was also cited as a particular problem[6] for

[4] The Working Futures Model has been developed by the Warwick Institute for Employment Research (IER) and Cambridge Economics (CE). The Working Futures model projects the demand for skills as measured by occupations and qualifications.
[5] British Chamber of Commerce (BCC): Exporting is good for Britain (2012).
[6] Economics Paper no 13: International Trade and Investment- The Economic Rationale for Government Support, BIS (2011).

companies trying to export to China and Russia, given that the pool of experienced managers with language and culture awareness experience in these markets is very small[7]. Companies exporting to the EU found that that language and culture were not significant barriers to doing business. However, research has found that non exporting companies perceive their lack of foreign language skills and cultural awareness as being much more of a barrier to exporting that they really are[8].

It was found[9] that the main difficulty faced by exporters was the need to build and maintain relationships in the target market. This was found to be difficult for both experienced exporters as well as inexperienced firms.

For both exporters and non-exporters, the research[10] demonstrates that smaller companies are more likely to encounter knowledge-related barriers (such as a lack of knowledge on specific markets or the business networks essential to doing business in that market). It was found that internal knowledge transfer was one of the key ways in which sales and marketing managers develop. Large companies with sales and marketing teams therefore have access to a larger pool of knowledge than smaller companies. The lack of resource in smaller companies means that knowledge sharing is more difficult or doesn't happen at all. Also, in smaller companies the knowledge gained from exporting is often based with one person and if he/she leaves the firm the knowledge goes with them.

OECD's research[11] highlights that SME's frequently report a lack of firm resources and access to international contacts as significant barriers to exporting. This finding is supported by BIS research which found that 60% of exporters surveyed[12] reported managerial time and resources as a significant barrier to expansion of exporting activity into new markets.

[7] Institute of Directors /UK Trade & Investment Doing Business Overseas survey, August 2010, cited in Economics Paper no 13: International Trade and Investment- The Economic Rationale for Government Support, Department for Business, Innovation, and Skills (BIS) (2011)
[8] Export barriers: What are they and who do they matter to? University of Nottingham (2007) – Companies which did not export viewed the lack of an office in the foreign market as a major barrier, whereas this was not the case for experienced exporters.
[9] Export barriers: What are they and who do they matter to?, University of Nottingham (2007)
[10] Economics Paper No.5: Internationalisation of Innovative High Growth SME's, BIS (2010)
[11] Top Barriers and Drivers to SME Internationalisation, Report by the OECD Working Party on SMEs and Entrepreneurship, OECD (2009)
[12] UKTI 2008 Internationalisation survey, which had 900 responses from a random sample of UK exporting firms. 96% were SME's.

The European Commission research study[13] and the Forfás report[14] both advocate the importance of language to exporting successfully. They highlight the need for companies to develop language management measures in line with their exporting plans. Example of language management measures used by successful export companies include:

- Use of local agents to solve language problems;
- Creation of websites with special cultural and/or linguistic adaptations;
- Use of linguistic audits;
- Use of professional translators/interpreters;
- Translation of promotional, sales and/or technical materials;
- Language training and cultural briefing schemes;
- Online language learning; employee selection and recruitment policy;
- Encouraging cross-border staff mobility;
- 'Buddying' with foreign colleagues and cross-border secondment schemes;
- Forging links with local universities;
- Taking on foreign students on placement;
- Native-speaker recruitment;
- E-commerce involving multilingual operations; and;
- Product or packaging adaptation in line with local tastes and customs.

1.4.2 Business Survey Findings

The RSM McClure Watters exporting surveys found that companies in Northern Ireland experienced the following barriers when either trying to export for the first time or expanding their exporting activities into new markets:

- Non-exporting firms[15]:
  - The cost of up-skilling their workforce (45.8%);
  - The cost of recruiting staff with the relevant skills (44.4%); and
  - Lack of supply of individuals with relevant skills (23.6%).
- Firms preparing to export[16]:
  - Difficulty in establishing a dialogue with prospective customers/partners (50%);
  - Obtaining information on an export market (46%);
  - Staff not trained (32%);
  - Language / cultural differences (29%); and
  - Resource / staff constraints (29%).

[13] Report on Language Management Strategies and Best Practice in European SMEs; the PIMLICO Report, EU Commission Directorate General for Education and Culture (2011)
[14] Expert Group on Future Skills Needs Report on Skills for Enterprise to Trade Internationally, Forfás (2012)
[15] See Non-Exporters Survey in Section 5.3 Firms Not Exporting.
[16] See Preparing to Export Survey in Section 5.2 Firms Preparing to Export.

- Experienced exporting firms[17]:
  - Difficulty in establishing a dialogue with prospective customers/partners (28.1%);
  - Resource / staff constraints (27%);
  - Language / cultural differences (25.8%);
  - Obtaining information on an export market (24.7%); and
  - Staff not trained (7.9%).

Respondents highlighted significant gaps with existing staff with regard to marketing (strategic planning, tactical planning, PR, digital marketing) and to a lesser extent with sales (planning and identifying sales prospects). Qualitative evidence from the surveys also showed that non exporting firms were unclear on their exact difficulties and respondents spoke about needing access to experienced exporters to help guide them through the process.

The feedback also demonstrated a low level of awareness by non-exporters of the programmes available to help them export. Less than 15% of companies were aware of available supports including Going Dutch, First Stop Shop and Trade Accelerator Vouchers.

Existing exporters highlighted the need for a programme that would facilitate the completion of cost effective research on market opportunities in export markets. Respondents spoke often about the explorers programme as an example of the type of support that would be most beneficial.

1.4.3 Recruitment Consultants

Fifty per-cent of recruitment consultants surveyed had difficulty finding staff with experience in preparing operational plans with regard to:

- Market Entry and Market Growth;
- Channel Development and Sales Strategy;
- Promotion, digital/on line actions for each export market;
- Digital Marketing; and
- Delivering on these plans.

The recruitment consultants surveyed stated that they had difficulty finding candidates proficient in German, Mandarin and Russian.

[17] See Exporters Survey in Section 5.1.

1.4.4 Pupils/ Parents and Careers Advisors

Focus groups with students[18] demonstrated that they were unaware of career opportunities and potential career paths within sales and marketing. They and their parents had negative perceptions of careers in sales and marketing. Their perceptions were based on the roles being focused on cold calling and on salaries being commission based and below norm levels for professional jobs. A review of salaries advertised by recruitment consultants for 130 sales and marketing positions in 2012, shows that starting and senior salaries where above the average for NI professional occupations.

Our research found that there are qualification pathways for those following a career in marketing, but that none exist for those involved in sales. The need for sales qualifications was iterated by several stakeholders, including training organisations and professional bodies such as the Chartered Institute of Marketing and the Sales Institute of Ireland.

1.4.5 Education Provision

Language development at secondary level and FE level has decreased over the past three years, whereas those undertaking languages at HE level has increased. The FE sector provides language training at Belfast Metropolitan College in Polish, Russian, Mandarin, Japanese, Portuguese, Spanish, French and German. The HE sector provides language training in Spanish, French German and Portuguese.

The analysis of FE and HE sales and marketing education provision has shown that there are 10 marketing courses ranging from QCF[19] level 4 to post-graduate level (QCF levels 7 and 8). There are however fewer accredited sales courses leading to qualifications, with 4 sales courses available from the Chartered Institute of Marketing delivered through Belfast Metropolitan College leading to up to QCF level 7 qualifications[20].

1.4.6 Supply of Workforce Development Programmes

There are a range of workforce development programmes, involving one to day courses, mentoring, seminars and workshops in sales, business development, marketing, and export skills.

Funding is available from DEL and Invest NI to support the some of the costs involved with these programmes. Invest NI also offers to offset part of the costs of employing an export manager through the Key Worker Grant

[18] See Section 7 Consultations and Focus Groups.
[19] Qualifications and Credit Framework.
[20] These are detailed in Appendix 7 CIM Courses.

There are specific programmes geared to helping businesses focus on exporting to specific markets such as Going Dutch, Going South Africa and GoCanada, however no programmes specifically tailored for BRIC and Middle-East markets are currently available.

Companies can also avail of workshops, mentoring and consultancy services through council funded programmes geared at supporting local SMEs prepare to export or increase exports to specific markets.

The analysis of existing sales/marketing support programmes available from bodies including local government, Invest NI and DEL[21] demonstrates that companies are not availing of all the training and development support available. Supply-side information[22] demonstrated that there was a lack of uptake in programmes aimed at upskilling existing sales and marketing professionals.

Companies reported that their awareness of many of the existing supports aimed at helping companies to export or up-skill was particularly low,[23] particularly with specific supports such as Going Dutch[24]. The availability of support for trade missions and trade exhibitions was more widely known, but in both cases almost half of the companies which responded were unaware that this support was available. The awareness of programmes aimed at supporting skills development in sales and marketing was also particularly low.[25]

Analysis of the support provided through BITP[26] shows that companies are not using this assistance to develop in house staff in sales, marketing, language or cultural awareness.

There are a number of programmes available to provide graduates with language and cultural skills and experience, however only a small number of graduates use these programmes. They also are not focused on helping companies export.

For pre-employment development programmes, the number of graduates being developed annually as a % of the NI annual graduate population is small. If the number of students and graduates completing the programmes is combined, approximately 250 per year will avail of these programmes; less than 3% of the total graduating population (approximately 12,000 graduated with an undergraduate degree in 2011/12.[27])

[21] See Section 7 Consultations and Focus Groups.
[22] See Section 7 Consultations and Focus Groups and Section 10.2.
[23] See Section 5.3.4.3
[24] Only 12.5% of respondents had heard of the Going Dutch Programme
[25] 42% of respondents had heard of the Acumen programme, and less than 20 had heard of Elevate.
[26] Now developed into the Skills Growth Programme and the Skills Accelerator Grant
[27] Source: DETI/NISRA higher education statistics 2012

1.4.7 Gap Analysis

An analysis of current trends in exporting[28], along with the responses to the surveys[29] shows that the most important languages (excluding English) needed by companies exporting or expecting to export are: Arabic, Spanish, Russian, Hindi, Malay, Mandarin, Cantonese, Korean, Kurdish and Portuguese.

The supply of language skills in Arabic, Hindi, Malay, Korean and Kurdish and associated cultural awareness skills is lacking in Northern Ireland, at second level education and FE[30] through to HE[31] level[32].

Analysis of the data within the Working Futures model[33] demonstrates that under a medium demand scenario[34] without additional intervention there would be a likely demand for up to 270 graduates to fill entry-level export sales and marketing positions per year. The demand for experienced resources (i.e. middle management and director) was demonstrated as being between 170 and 250 people needed per year without intervention.

The demand scenarios[35] considered in the Working Futures projections demonstrated that between 100 and 410 entry-level graduate resources would be required to satisfy annual demand. For experienced mid-level and senior managers, between 90 and 390 resources are likely to be required per annum.

Comparing the supply of higher education graduates (approximately 380 per year) with the demand from the quantitative Working Futures section (approximately 270[36] per year), approximately 70% of students graduating in subjects related to sales, marketing and languages/cultural awareness would need to enter exporting occupations to satisfy this demand. This is particularly unrealistic, although if the supply of further education graduates[37] was to be considered as well, the proportions needed to satisfy the expected demand would be much lower.

[28] See Section 9.3.
[29] See Section 5.
[30] FE through BMC provides Polish, Russian, Mandarin, Japanese, Portuguese, Spanish, French and German.
[31] HE provides Spanish, French, German and Portuguese.
[32] See Sections 8.4, 8.5, and 0.
[33] See Section 9.4.2.
[34] See Section 9.4.5.
[35] The level of demand is likely to be influenced by the extent of public sector intervention and macroeconomic factors. Three scenarios for variance in macroeconomic conditions were presented in Section 9.4.5. An example of one factor considered is the potential for a lower corporate tax environment in Northern Ireland as a result of devolution. Under a lower corporate tax scenario, it was projected that an increase in demand of 4.9% could be expected. The baseline figures for the "business as usual" scenario were calculated using the 2010 Working Futures data for expected economic growth, inflation, interest rates and demographics.
[36] Under a "business as usual" scenario without additional intervention.
[37] See Section 0.

1.5 Recommendations

Recommendation 1: We recommend that the existing group[38] continues to operate in order to oversee the implementation of the recommendations and in particular to provide the link to industry/ business which is so important to the success of the recommended initiatives.

Industry/ business leadership and ownership of the need to invest in sales/ marketing training and development is essential to developing the capability within companies to generate the export performance needed from companies to contribute to economic growth.

Recommendation 2: Raise the Profile/ Attractiveness of a Career in Sales and Marketing.

We recommend that industry is encouraged to work with Sector Skills Councils, FE, HE and Schools to develop a plan of action as to how sales and marketing careers are promoted within their sectors, as an attractive career option to students. Consideration could be given to young apprentice type events in schools and work placements to increase awareness of sales and marketing career opportunities[39].

We recommend that DEL Careers Service with other stakeholders such as the Chartered Institute of Marketing and Sales Institute of Ireland should showcase careers to young people to demonstrate the opportunities that exist. Measures should be undertaken to raise the awareness of:

- Remuneration;
- Career pathways;
- Associated skills and qualifications;
- Potential employers;
- Travel opportunities; and
- Employment Prospects.

Industry role models should be encouraged to visit schools and to promote the sales and marketing careers that exist for students.

Recommendation 3: Sales and Marketing- Skills Audit for Invest NI clients

We recommend that a sales/ marketing skills audit tool is developed and used by Invest NI Client Executives with client companies to support the identification of training/ development needs against export marketing and sales competencies[40]. Invest NI should focus this resource on those clients within the priority sectors that have the potential to export or export further. This tool should include an assessment

[38] The existing group was headed by Noel Brady and included representatives from the Institute of Sales, Chartered Institute of Marketing; the Training Sector and the Business Sector.
[39] Recommended by careers teachers as the most effective way in engaging with young people.
[40] Reference CIM sales/ marketing skills diagnostics as an example of what a tool could look like.

of the opportunity for digital marketing[41] for each company, and the resultant skills required.

The assessment tool should set out the competencies required to deliver on both operational and strategic sales/ marketing roles needed to support exporting. The tool should be used by relevant managers or in house training managers to complete these assessments. The assessment tool would indicate strengths and areas for development. Results from the tool could be used to identify which of the other Invest NI and DEL supports are most relevant for the companies.

Recommendation 4: Graduate Sales and Marketing – Export Development Programme for Priority Sectors

We recommend that a government funded Graduate Sales and Marketing programme to help companies export, is devised which will provide the training to graduates in export sales and marketing and subvent the cost to companies moving into new markets. Numbers supported through the programme should be up to 270 per annum.

The evidence has demonstrated that companies seeking to move into new export markets have a need for cost effective resources to conduct market research and business development. However, the existing pool of graduate resource lacks experience in export markets which the companies see as essential.

There is a need for the public sector to support the development of the existing pool of graduate resources to equip them with the skills needed to complete research, develop plans and create opportunities for companies in export markets.

Graduate training and development should have an emphasis on the following areas:

- Creating strategic sales and marketing plans;
- Preparing operational plans with regard to:
- *Market Entry and Market Growth;*
- *Channel Development and Sales Strategy;*
- *Promotion, digital/on line actions for each export market;*
- *Digital Marketing;*
- Delivering on operational plans;
- Creating strategic sales plans;
- Sales and pipeline forecasting;
- Customer Relationship Management;
- Closing sales skills.

Language and cultural awareness training should be provided as relevant to the export markets. Government funding should be used to subvent the cost of the programme (training and graduate salary) to the companies involved. The focus should be on the

[41] Surveys highlighted digital marketing as a key area for development, regardless of which export market.

priority sectors by the NI Executive to ensure that the maximum benefit/ impact can be derived from the support.

Recommendation 5: Building the Sales and Marketing Function in companies operating in priority sectors.

5a: Build awareness at Owner Manager/ Board level of how to assess Sales/ Marketing competence

We recommend that Invest NI build awareness at Board/ Owner Manager level in client companies of the skills/ competencies required regarding professional sales and marketing.

5b: Develop existing Sales and Marketing Managers

We recommend that Invest NI encourage existing clients to assess the need to develop their sales and marketing staff and to provide accredited sales/ marketing programmes in order to build the competence of existing employees in these areas.

5c: Internationalisation of Existing Managers in Priority Sectors

We recommend that an Internationalisation Programme is devised for sales/ marketing managers already employed and who are working in export markets or who plan to work in export markets (particularly BRIC and Middle East). This programme should be for at least 50- 100[42] managers per annum.

An Internationalisation Programme should be devised to equip managers with the skills and expertise needed to devise and implement both strategic and tactical sales and marketing plans in export markets whilst developing their knowledge and experience of the language/culture. The programme should be a mix of:

- Workshops to work through individual company export projects;
- Training in language and culture;
- Mentoring by an experienced exporter in the market place to support the development of networks/ identification of business partner; and
- Time spent in the market to identify and meet local partners/ potential customers.

[42] We recognise that Working Futures predicts that between 170-250 managers are needed per annum; however we have assumed that 75% of these are felt to be competent, in line with survey results and we recognise it will be difficult for companies to release these staff for this development which will reduce numbers coming forward for development.

Recommendation 6: Match 'Associates[43]' from Non EU/ Non English Export Markets with NI Export Companies

We recommend that a pool of experienced sector specific exporters based in the export markets[44] is identified to work as associates to NI companies[45] (that are unable to release a manager to go on the internationalisation programme) seeking to enter or expand in the non EU/ non English speaking export markets.

This service should only be available to companies intending to export to BRIC, Asia or the Middle East for the first time. The resource is needed to help companies understand the culture and develop the relationships and networks they need to break into these markets.

Invest NI should provide a matching service for NI companies and use existing Export Assistance to help with part payment of the costs.

Recommendation 7: Encourage and Support the Introduction of Language Management/Communication Strategies for Exporting Companies

We recommend that Invest NI encourage client companies to include Language Management/ Communication strategies in their company training plans, using the measures detailed in the PIMLICO study[46].

The Invest NI Skills Accelerator Grant and Skills Growth Programmes provide the funding mechanism to support companies who wish to invest in language and cultural awareness development of their employees.

Recommendation 8: Increase the supply of students studying Foreign Language Skills

We recommend that schools implement the recommendations as set out in the DE strategy 'Languages for the Future' and increase the number of students leaving school able to speak 2 or more languages. The focus should be on the following languages: Arabic, Spanish, Russian, Hindi, Malay, Mandarin, Cantonese, Korean, Kurdish and Portuguese.

With the exception of Spanish, the supply of these language skills is lower that the projected demand[47] for Northern Ireland. There is a need to build the pipeline of resource from second level education through to Higher Education level[48].

[43] Associates here means experienced exporters working in foreign markets willing to work on a contract basis to deliver a number of outputs for the NI companies- such support to devise an export strategy; identification of business networks/ partners relevant to the strategy; identification of 5-10 potential customers.
[44] BRIC, Middle East and Asia.
[45] Excludes those companies with managers on the Internationalisation Programme
[46] Report on Language Management Strategies and Best Practice in European SMEs: The PIMLICO report EU Commission 2011.

Recommendation 9: Improve Awareness of Existing Support Mechanisms for Workforce Development

Invest NI, DEL and Councils should promote the range of programmes available to support the upskilling of employees in sales, marketing, language and culture. This should be actioned on a market basis, with case studies prepared setting out the process managers should undertake when planning to enter a new market and how part of that process involves assessing the training/ development needs of their staff and providing the support needed to ensure they are competent in the sales and marketing roles required.

[47] Markets where these languages are prominent were amongst the most frequently cited by companies as target markets for expansion over the next three years. See Section 9.3.2 Entry level and language skills demand.

[48] See Sections 8.4 Secondary Education as relevant to careers in Sales/ Marketing and 8.5 Apprenticeships, 0 Further Education Colleges and 8.7

Higher Education Institutions.

2 BACKGROUND

2.1 Introduction

This section sets out the background to this research, as well as the terms of reference and the methodology used to meet these. The structure of the remainder of this report is detailed in Section 2.5.

2.2 Background

RSM McClure Watters was appointed by Invest NI in November 2012 to complete research investigating and assessing the supply of skills needed for exporting at present, forecast the future requirement for these skills, highlight gaps in existing and predicted skills supply and provision, and make recommendations to address any issues identified.

The impetus for this research has derived from an intention, articulated in strategies and policies in Northern Ireland, to increase export led economic growth. A key element of achieving this is for Northern Ireland companies to have in place the right skills mix to sell their products and services. The skills required span the continuum from those needed to sell professionally in local markets, to those required for business to market and sell their products and services internationally. The Economic Strategy clearly articulates what is required in this regard:

"We must also work to develop sales and marketing professionals, alongside foreign language skills, if Northern Ireland companies are to compete successfully in global markets."

(Source: Invest NI Sales and Marketing Research Project Terms of Reference 2012).

2.3 Terms of Reference

The terms of reference for this research were as follows:

Research Objectives

The three research objectives of this project are:

- To determine the future requirement for professional sales, strategic export marketing and the international business communication skills needed to support the vision for Northern Ireland of export led economic growth;
- To identify what actions are needed to ensure that the supply of these skills is sufficient to support this vision; and
- To identify any other actions required to enable Northern Ireland companies to make most effective use of the supply of these skills.

Specific requirements

Specific requirements are:

- Assess the future requirement, both quantitative and qualitative, for professional sales, strategic export marketing, and international business communication skills:
- Quantify the existing and likely future demand, to the extent that is meaningful, for professional sales, strategic export marketing, and language/cultural awareness skills from companies operating in Northern Ireland;
- Determine the relative breakdown of professional sales, strategic export marketing, and language/cultural awareness skills by level of qualification / experience based on enterprise needs and international best practice / experience;
- Identify qualitative changes in the nature of the future requirement for these skills;
- Explore attitudes towards careers in sales and marketing from the perspective of potential new entrants into these areas and other influencers such as parents, teachers and careers advisers;
- Explore attitudes towards the need for investment in, and development of, sales and marketing skills from the perspective of Northern Ireland companies seeking to enter or expand in new markets. Examine the need or desire to gain external recognition for the sales profession;
- Identify, and where possible quantify, to an extent that is meaningful, the current provision of professional sales, strategic export marketing, and language/cultural awareness skills that is available in Northern Ireland. Consider the extent to which industry is aware of current provision;
- Assess the adequacy of:
    - the current flow through the range of programmes already available including pre-employment and workforce development; and
    - the pool of professional sales, strategic export marketing, and language/cultural awareness skills in the existing workforce to satisfy the likely demand profile in the sector.
- Explore the potential of complementary supply mechanisms; and
- Put forward recommendations for ensuring that the future professional sales, strategic export marketing, and language/cultural awareness skills needs of the economy can be satisfied.

(Source: Invest NI Sales and Marketing Research Project Terms of Reference 2012).

2.4 Methodology

A specific seven stage approach was developed to meet the requirements set by the terms of reference. These stages were:

- Stage 1: Project Planning;
- Stage 2: Secondary Research;
- Stage 3: Interviews with DEL; DE, Invest NI and FE Colleges;
- Stage 4: Surveys;
- Stage 5: Additional Stakeholder Interviews;
- Stage 6: Modelling/Forecasting of Future Requirements; and
- Stage 7: Reporting and Dissemination of Findings.

2.5 Structure of this Report

The remainder of this report is structured as follows:

- Section 3: Policy and Economic Context: Drivers for this Research;
- Section 4: Literature Review;
- Section 5: Company Surveys: Primary Data;
- Section 6: Recruitment Consultant Surveys: Primary Data;
- Section 7: Consultations and Focus Groups;
- Section 8: Supply-Side Information;
- Section 9: Demand-Side Information;
- Section 10: Analysis of Skills Supply and Demand; and
- Section 11: Conclusions and Recommendations.

Due to the size of the appendices listed these are contained within the Appendices Report, which is a standalone document:

- Appendix 1: Questionnaires
- Appendix 2: Preparing to Export
- Appendix 3: Exports Survey
- Appendix 4: Non-Exporters Survey
- Appendix 5: Focus Groups
- Appendix 6: Support Programmes
- Appendix 7: Chartered Institute of Marketing (CIM) Courses
- Appendix 8: Working Futures Data.

3 POLICY AND ECONOMIC CONTEXT: DRIVERS FOR THIS RESEARCH

3.1 Introduction

The policy and economic context within Northern Ireland demonstrates the need for research into sales and marketing.

Table 3.1: Context and Policies in Northern Ireland

Strategy	Link to the Research
Programme for Government 2011-15	Priority 1 of the PfG, 'Growing a Sustainable Economy and Investing in the Future' has its chief purpose to achieve "long term economic growth by improving competitiveness and building a larger and more export-driven private sector". To do this, the PfG states that the labour market must be rebuilt in the wake of the global economic downturn and the economy rebalanced to improve the wealth and living standards of individuals. Key to this is upskilling the workforce.
Northern Ireland Economic Strategy Action Plan 2012	One of the four overarching economic goals in the Strategy is to "increase the level of exports and external sales". This will involve working with employers in the priority sectors[49] to address current and future skills issues. Specific targets relating to exporting include: • Increasing the value of manufacturing exports by 20% and the value of exports to the emerging economies by 60% by 2014/15; • Developing an agri-food strategy and action plan to drive export led growth in the agri-food sector; and • Promote 60 new start-ups exporting outside the UK and a further 440 selling to GB (2014/15).
Invest NI Corporate Plan 2011-15	The Invest NI Corporate Plan has a particular focus to increase the value of manufacturing exports by 20% and the value of exports to emerging economies by 60%. With respect to the strategic focus, the plan states "We will develop and deliver a scaling strategy

[49] The priority sectors, in the Northern Ireland Programme for Government, are: Telecommunications and ICT, Life and Health Sciences, Agri-food, Advanced Material, Advanced Engineering.

Strategy	Link to the Research
	which focuses on encouraging high growth businesses to increase exports and innovation in order to improve productivity, and develop strong, highly skilled management teams which can lead to business success." Invest NI states 6 economic drivers which will be priorities for rebalancing and rebuilding the Northern Ireland economy. These are: • Stimulating innovation and creativity • Improving employability and the relevance and use of skills • Competing in the global economy • Encouraging business growth • Developing our economic infrastructure • Promoting employment and employability On the driver of "Competing Globally", Invest NI highlights that "A key focus will remain on Brazil, Russia, India and China (BRICs) and we will continue to monitor and strategically target opportunities which emerge from Columbia, Indonesia, Vietnam, Egypt, Turkey and South Africa (CIVETs) as well as the cash-rich countries of the Middle East. We have extended our global footprint, strengthening our presence in the United States, Canada, UAE, Russia, Latin America, South Africa and Saudi Arabia and will continue to do so in areas or countries of opportunity."
Success Through Skills – Transforming Futures – Northern Ireland Skills Strategy 2011	'Success through Skills – Transforming Futures' is the Skills Strategy for Northern Ireland. According to the strategy, the skills of the people joining the workforce from education will only meet approximately half of the demand for skills in 2020. One of these challenges therefore is the need to up-skill and re-skill those already in the workforce in Northern Ireland. As over 75% of the 2020 workforce have already completed their compulsory school education, the up-skilling of the existing workforce must be viewed as an important element of the changing workforce structure and, as such, is identified as an important theme in the skills strategy. This strategy includes a number of long term strategic goals (up to 2020) to "ensure there are sufficient skills available over the next decade to

Strategy	Link to the Research
	address the productivity gap with the rest of the UK". The specific targets are as follows: • Strategic goal 1: Increase the proportion of those people in employment with Level 2 skills and above to 84-90% by 2020, from a baseline of 71.2% in 2008; • Strategic goal 2: Increase the proportion of those people in employment with Level 3 skills and above to 68-76% by 2020, from a baseline of 55.43% in 2008 and • Strategic goal 3: Increase the proportion of those people in employment with Level 4-8 skills and above to 44-52% by 2020, from a baseline of 32.9%4 in 2008.
Languages for the Future: Northern Ireland Languages Strategy, Department of Education Northern Ireland 2012	This strategy was launched in 2012 as a reaction to the growing concerns in Northern Ireland that there was a decline in the level of learning of languages. The strategy recommends that schools encourage the availability of at least two languages in addition to English, and that "that the teaching of languages at primary level be strongly encouraged." For further and higher education, the strategy highlights "that FE and HE institutions be encouraged to offer extended training in language competence to all students…" and that "the universities should seek to strengthen their enrolment on languages degrees." For businesses, the strategy recommends that "employers be encouraged to provide language training opportunities, to recognise that languages are a skill priority and be given incentives to reward language competence."
Graduating to Success – Higher Education Strategy for Northern Ireland 2011	The Higher Education Strategy sets out the direction of higher education in Northern Ireland to 2020. The strategy has an emphasis in being more responsive to the needs of the economy, improving the quality of education, improving access to education, and being more flexible in terms of delivery and funding. Also included within the strategy is the commitment to leverage the potential of further education colleges to facilitate the upskilling and reskilling of

Strategy	Link to the Research
	the workforce. Additionally, knowledge transfer and innovation is highlighted as an area for development, and iterates a commitment to increase knowledge transfer activity and improve links with small and medium enterprises (SME's). Recommendations also included that the higher education institutions should seek to expand their international activity by: • Attracting more students from abroad; • Encouraging more 'home' students to avail of international mobility opportunities; and • Further developing their portfolio of overseas institutional partnerships.
Preparing for a Lower Corporation Tax Environment – The Impact of a Lower Corporation Tax in Northern Ireland on the demand for Skills, Employability and R&D Capacity, 2012	This report gives evidence that, going forward to 2020, the proportion of people in employment with higher education qualifications will be significantly higher than at present. Similarly, the report also demonstrates that the proportion of those in employment with "low" or no qualifications will significantly decline.

3.2 Summary

The Northern Ireland Economic Strategy sets out a commitment to achieve long term economic growth by improving competitiveness and building a larger and more export driven private sector.

The Northern Ireland Economic Strategy sets out the priority sectors (Health and Life Sciences, ICT, Agri-food, Advanced Materials, Advanced Engineering, Technical Capabilities, Telecoms and Sustainable Energy) as being central to achieving export goals.

The target is set to increase by 20% the amount of export attributed to NI firms by 2015. To do this and deliver the Economic Strategy, there is a recognition that firms need to invest in the skills of their employees. The Skills Strategy- Success through Skills is clear that as 75% of our 2020 workforce are already in employment, there needs to be a strong focus on upskilling our existing employees. In addition, the Higher Education Strategy recognises the need to increase the internationalisation of our young people, by encouraging them to avail of learning opportunities abroad and through the Language Strategy, increased opportunities to learn foreign languages through schools, colleges and businesses. Research into the any reduction in

corporation tax, highlights the need for more highly qualified employees to meet the needs of businesses.

Overall to deliver on the exporting targets set for the economy will require a focus on upskilling those in employment and the development of future talent in schools and colleges to support internationalisation efforts in the future.

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4 LITERATURE REVIEW

4.1 Introduction

This section includes a review of recent academic research into the skill needs of companies already exporting or planning to export, as listed below:

- Export barriers: What are they and who do they matter to? University of Nottingham (2007);
- Top Barriers and Drivers to SME Internationalisation, Report by the OECD Working Party on SMEs and Entrepreneurship, OECD (2009);
- Economics Paper No. 5: Internationalisation of Innovative High Growth SME's, BIS[50] (2010);
- Economics Paper no 13: International Trade and Investment- The Economic Rationale for Government Support, BIS (2011);
- Labour Market Intelligence on Languages and Intercultural Skills in Higher Education, University Council of Modern Languages (2011);
- Report on Language Management Strategies and Best Practice in European SMEs; the PIMLICO Report, EU Commission DG EAC (2011);
- Marketing: Labour Market Report 2011/12, CFA (2012);
- British Chamber of Commerce (BCC): Exporting is good for Britain Factsheets (2012);
- Expert Group on Future Skills Needs Report on Skills for Enterprise to Trade Internationally, Forfás (2012); and
- Roads to Success: SME Exports, House of Lords Select Committee on Small and Medium Enterprises (2013).

[50] Department for Business, Innovation and Skills (UK)