



## **Press Release**

# ***Innovate Market Sell***

## **Succeeding in International Markets**

Enhancing innovation, marketing and sales capabilities will be critical for the future success of Irish exporting small and medium-sized enterprises (SMEs). Equally important will be the development of the inter-relationship between the three functions. These are the key messages from a report, "*Innovate Market Sell*", prepared for Forfás, Enterprise Ireland, Bord Bia and the Expert Group on Future Skills Needs and launched today (24<sup>th</sup> November, 2004) by **Mr. Michael Ahern, T.D., Minister Trade and Commerce** at a press conference in the National Concert Hall.

Complimenting the work of the agencies and welcoming the report on his own behalf and that of his Ministerial colleagues to whom it was addressed, Minister Ahern said: "At first reading I was immediately struck by the number of cross cutting issues addressed here. It examines among other things sources of innovation, market information flows, sales skills and how institutions should address the identified interrelationships and gaps and is a particularly good example of agency collaboration, which should serve as a model for future work of this nature.

"The recent report of the Enterprise Strategy Group, *Ahead of the Curve: Ireland's Place in the Global Economy*, put forward a comprehensive framework for ensuring the continued vitality of Irish enterprise over the medium-term. Two of the key themes in that report are the need for greater innovation in the indigenous sector and the need for indigenous enterprise to be market-led with suppliers of goods and services being "closer to their customers". The ability of firms to innovate successfully will hinge on their ability to apply customer and market knowledge to the development of attractive products and services", continued Minister Ahern.

"The onus is now on business, the Government and the relevant state agencies to move forward with the recommendations in this report in a prompt fashion. I will be talking to my cabinet colleagues about how we can expedite this process", said Minister Ahern.

The basis of the report is an in-depth survey of export-oriented SMEs in key sectors: engineering and electronics; healthcare; consumer products; food/drink and software and internationally-traded services.

Among the findings of the survey were:

- Customers are the most important source of innovation with 86% of the SMEs surveyed generating new ideas here;
- Linkages with universities and research centres were found to be weak and are not a significant source of innovation;

- The Irish SMEs surveyed encounter significant difficulties in sourcing high calibre sales personnel with international experience and sectoral knowledge;
- Firms surveyed also have difficulty in finding sales staff who combine technical and market knowledge. As a result, the firms tend to source their sales personnel from their technical ranks; however, these individuals often lack the complementary skills necessary to become top-class salespersons;
- Only 25% of the sales staff in the firms surveyed have a *relevant* third-level qualification; yet in marketing the figure is 67%;
- Just 22% of sales staff and 11% of marketing staff receive **planned** annual training;
- Identified obstacles to greater training include access, in terms of time and location, as well as ability to pay; and
- The key deficiencies reported among sales staff were: presentation skills; negotiation skills; account management; and sales management. This latter role is often awarded to the top salesperson despite the fact that the skill sets required are quite distinct.

### **Key Recommendations**

The report advocates greater provision of tailored i.e. sector-specific and highly targeted programmes by the training providers. Successful exemplars include the SalesSTAR programme, run by Enterprise Ireland, FÁS and the Irish Software Association and aimed exclusively at CEOs of software companies; and UCC's Dip. in Business Management for senior managers in the food and drink sector.

The report contains other recommendations including:

- The need for Higher Education Institutes (HEIs) to align their marketing and sales curricula closely to the needs of SMEs;
- Training providers should make sectoral training more accessible, focused and action-oriented. Modules in sales and marketing, should also be available to students of technical disciplines;
- Industry placements should be an integral part of all business, marketing and sales degree programmes;
- The provision of tailored programmes to up-skill technically qualified sales personnel should be examined;
- Enterprise Ireland should expand its existing Innovation Management Programme to include basic skills training in innovation process management for both technical and marketing staff specifically tailored to the target SME needs.

The report also highlights the responsibility firms have to enhance their own sales and marketing capabilities. State interventions will ultimately fail unless they are complemented by an enlightened attitude among senior management of these firms to education and training.

**Ends.**

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### **Note to Editors**

#### **Innovation**

Innovation is defined as the exploitation of new ideas in pursuit of a competitive edge and ranges from the development of new or enhanced products and services, to the introduction of new business models or new work practices.