

Key Skills for Enterprise to Trade Internationally

June 2012



Executive Summary

EGFSN Report: Key Skills for Enterprise to Trade Internationally¹

(The full report can be read at EGFSN website: <http://www.skillsireland.ie/>)

Aim of Study

This Study by Forfás and the Expert Group on Future Skills Needs focuses on the skills capability of enterprises to enable them to successfully compete in the key markets and for sectoral opportunities - as identified in the *Government Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015*. The development of the skills and talent required by enterprises has the potential to drive export sales performance and enhance Ireland's proposition for attracting inward business investment. This Study is seen as a priority by the development agencies supporting enterprise due to difficulties being experienced by client companies in recruiting international marketing and sales staff and for foreign language skills.

Future skills demand is considered over a 3 - 5 year period in terms of providing the quality, diversity and quantity of skills required. The emphasis is on the skills and competences required in key business functions areas within companies including (i) Management (ii) International Marketing, (iii) International Sales, (iv) Fulfilment (distribution/installation), (v) Customer Service/Support, and (vi) Design and Development. Integral linkages to the manufacturing / generation business function are highlighted including the demand for technical skills and lean manufacturing.

The specific sectors which are examined are (a) ICT, (b) Life Science, (c) Engineering, (d) Cleantech and Sustainable Building, (e) International Business Services, (f) Food & Drink (g) International Education Services, (h) Tourism and (i) the Cultural Sector.

Background

There is a consensus that Ireland's economic recovery will necessarily be export-led. Economic forecasts anticipate continuing growth in Ireland's export position. However, Irish trade is seen as geographically and sectorally concentrated with 85% of the value of total exports resulting from foreign owned companies (with 70% of exports by value coming from IDA assisted companies²). Enterprise Ireland estimates that client company new export sales grew in excess of €1bn in 2011³. There is potential for foreign affiliates and indigenous companies to further grow existing markets in the UK, US, and the Eurozone and to develop new markets including China, Brazil, Russia, India, South Africa (BRICS) and the Middle East. As identified in the *Forfás Making it Happen - Growing Enterprise for Ireland Report* - export led growth requires a whole of enterprise approach. This includes the need for enterprises to embrace innovation, enhance productivity, and improve competitiveness - critical factors for export growth.

¹ Published June 22nd 2012

² IDA Ireland End of Year Statement, 2011.

³ Enterprise Ireland End of Year Statement, 2011.

Methodology

The methodological approach used for the study includes the following elements:

- A concise piece of research work undertaken with 42 selected companies, employing 16,000 staff, both foreign affiliates and indigenous enterprises (of different sizes and at different stages of export market development), around their required skills and competences - within the key export markets and for sectoral opportunities - as identified in the Government Strategy and Action Plan.
- Consultations on these issues with fifteen key stakeholders - both public and private.
- Three workshops with a wider group of sixty companies and stakeholders focused on specific topic areas - SMEs, product exports, and service exports.
- Six case studies of successful international trading firms from different sectors to gain greater insight into their skills and talent capability strengths.
- Examination of international practice in education and training supports for building export capability i.e. Denmark, Netherlands, Finland, Germany, UK and Singapore.

Recommendations made focus on the use and redirection of current relevant public education and training provision and the role for enterprise in continuing professional development. The stated time periods for consideration of the expected implementation and impact of recommendations are (a) Short Term (1-2 years), (b) Medium Term (3-4 years), and (c) Long term (5 years+).

Drivers of Change

Drivers of Change impacting on the trading performance of Irish companies include the following:

- Private and Public Sector Budgets are under strain world-wide, particularly within those major markets into which Irish companies are currently exporting.
- International Trade Agreements which stimulate the growth of international trade are crucial for countries like Ireland with relatively small domestic markets.
- Locations with a critical mass of quality skills and talent best support international trading activity and act as an incentive for inward investment by companies.
- The need to ensure a competitive cost base is resulting in a drive for increased efficiency with a focus on lean manufacturing and improving productivity through the use of new technology, improved work organisation and knowledge acquisition.
- European and USA markets are major sources of export sales for Irish companies. Income level growth within emergent BRICS markets is generating additional market demand. Expanding into new markets requires a ramping up of skills and experience levels.
- Converging technologies such as ICT, biotechnology, nanotechnology and cognitive sciences are presenting new product and service business opportunities and resulting in the development of new skillsets and working practices.
- Country specific regulations/directives, export and import documentation, legal and contractual issues and intellectual property protection differ across countries. Companies must build up the necessary skills and knowledge on these issues.

Different Export Models

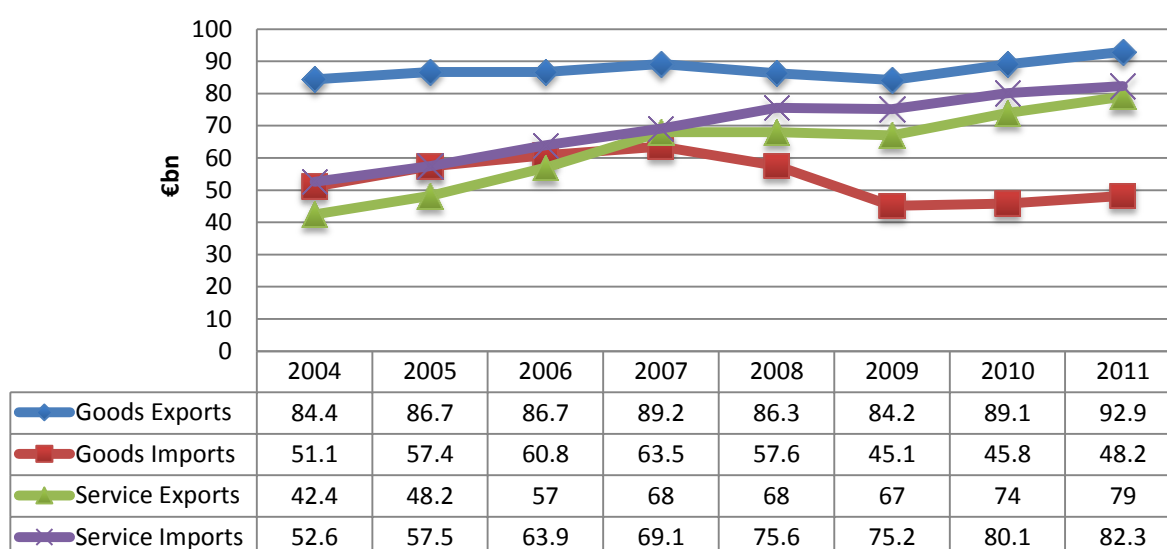
The research undertaken has identified several export business models. These require differing skillsets and talent. Companies may operate elements within these different models. These main approaches are:

- Companies utilising a direct selling approach - where the company has set up its own route to market - with staff and offices located in their target market and / or where the company has identified a Channel Partner, distributor, or agent in the specific market.
- Companies supplying into the global supply chain of another company (either as a first-tier or sub-tier supplier), where there are specific production/service standards to adhere to.
- Companies utilising technological platforms and use of data analytics and social media to offer added value services that drive businesses performance and offer customers the opportunity to design and experience their own products/services.
- Foreign affiliate Headquarter operations based in Ireland which manage global business activities including R & D, sales and marketing, supply chain management and IP management - such as for Europe, the Middle East and Africa (EMEA). These are not necessarily located with the manufacturing sites.
- Foreign affiliate companies with manufacturing sites based in Ireland supplying into their parent internal supply chain based abroad - with the company here having little role in the marketing & sales function. Many of these companies realise the importance of acquiring these key functions to further develop their Irish base of operations.
- Companies that export products/services in global partnership arrangements - or in a strategic alliance with other international companies such as for infrastructural type projects within the Cleantech/Sustainable Building sector or IT consultancy projects.
- Indigenous companies, that as well as exporting from their Irish base, have foreign subsidiaries active in overseas markets, which the company regards as a complementary part of their export model.
- For Tourism and International Education Services - the business focus is on attracting clients/customers into the country. The promotion and design & delivery of the customer experience whilst in Ireland and the related skillsets which help realise this are key.

Ireland's Trade Performance

As can be seen from Figure E.1 below, the value of Ireland's Goods Exports increased by 10% over the period 2004 to 2011 (much of this increase occurring over the last two years). Meanwhile, the value of Goods Imports fell by 6% over this period - recovering somewhat in 2011. The value of Service Exports increased by 86% over this period, with Service Imports increasing by 56%.

Figure E.1: Ireland's Trade Performance 2004 - 2011 (€bn)



Source: CSO, Merchandise External Trade, March 2012 Release and for Services: Balance of International Payments, Dec 2010.

Main Trading Partners (Imports plus Exports)

As can be seen from Table E.1, 76% of the value of Ireland's trade is with 10 countries - the USA and UK accounting for 38% of trade between them.

Table E.1: Ireland's top 10 Trading Partners (Imports plus Exports) 2010 (€bn)

Rank	Country	Total Trade Value 2010 (€bn)	% of Total Trade
1	USA	€57.0bn	20%
2	UK	€53.4bn	18%
3	Germany	€21.1bn	7%
4	Netherlands	€18.9bn	7%
5	Belgium	€17.1bn	6%
6	France	€14.8bn	5%
7	Italy	€10.0bn	4%
8	Spain	€8.2bn	3%
9	Switzerland	€7.7bn	3%
10	China incl. Hong Kong	€7.6bn	3%

Source: Analysis of CSO Trade Releases 2010.

Note: Service Imports from the Netherlands mainly represent inter-affiliate service purchased by multi-national companies based in Ireland. Many global pharmaceutical companies operate a distribution centre in Belgium from where their products (including Irish pharmaceutical exports to Belgium) are distributed to other European countries.

Findings and Conclusions

The identified skills and competencies required by enterprise(s) to drive their trade and export performance are highlighted in Figure E.2. This includes existing demand and that arising within exporting companies over the next 3 - 5 years.

Figure E.2: Key Skills & Competency Requirements



Global & International Management Skills

Strategic export business planning, export sales planning, and market research skills are key areas where Irish SMEs need improvement. SME managers need to build up international management skills to lead and manage projects across countries. Managers in foreign affiliates need to build up global management skills to manage business activities worldwide and to leverage added value business activity for the Irish operation. Global management skills are required for leading cross functional teams, nurturing major global sales accounts and maintaining relationships with customers, partners and suppliers. Product Managers with the skills to manage the process of new product / service innovation and utilise skills from across business function areas are required. Entrepreneurship skills are a core competency requirement for managers - both within foreign affiliates and indigenous SMEs.

It would be valuable if current trade/export information resources, (i.e. Enterprise Ireland, Bord Bia, and Irish Embassies abroad), were made available through a single portal, including advice and supports available at different stages in a company's trading and export development.

International Marketing Skills

Market research is a key area where SMEs are identified as being weak. SMEs need to prioritise their marketing objectives and focus on offering a unique value proposition to their customers. This requires scale, commitment and a dedicated senior management resource. SMEs should strategically prioritise markets and sectors and undertake preparatory market research. Market research should be conducted by staff with foreign language proficiency & cultural awareness. Companies should be aware of the long lead in time to gaining orders in markets such as Asia Pacific, Russia and Brazil as well as Germany and France. This requires the nurturing and building up of relationships with prospective international customers. Marketing programmes should ensure coverage of the value and use of E-commerce and social media applications. There is potential to more fully exploit international E-commerce sales and purchases. Currently 22% of Irish companies make E-commerce sales to the domestic market while 14% make such sales to another EU country. For E-commerce purchases, 45% of companies make purchases from the domestic market while 15% make purchases from another EU country⁴. E-commerce skills are required in order to optimise business opportunities in developed markets. Companies' promotional material (web-based and literature) needs to be kept up-to-date and produced in the language of the target market.

International Sales Skills

Based upon the research work undertaken, there is need for a change in mindset with regard to sales as a profession, as it is currently held in low esteem. There is relatively little formal international sales course provision within the education and training system. Existing provision mainly covers Business to Consumer sales whereas a main requirement of exporting companies is for Business to Business, Business to Government, and Technical sales. These roles (which may include Inside Sales⁵ as well as field-based sales) require international sales skills and foreign languages. A module on international sales could be included in relevant third level business and technical courses. International marketing programmes and the B.Comm platform, as they currently exist, could have a stream on international sales added to their final year. Post graduate diploma courses in international sales could be introduced. An International Sales Degree programme with foreign languages could be introduced with the active engagement and support of business. Curricula should include Business to Business, Business to Government and Technical sales.

Channel Marketing Skills - Identification/Support and Management

The identification, support and management of the right Channel Partner is a main reason for the success of SMEs in overseas markets. Companies expanding into new markets should conduct a thorough process of research, selection and recruitment of a Channel Partner to meet their market objectives. Contracts with the Channel Partner should clearly spell out the expected performance criteria. The support team based in Ireland should include people with the language proficiency of the target market to manage and provide the necessary support to the Channel Partner/Agent.

⁴ Eurostat Statistics in Focus 18/2012 - E- Commerce Trading Activity.

⁵ Inside Sales is where a sales team is based in-house rather than in the field. Inside sales staff utilise technological platforms to communicate with customers via the web and by telephone and are engaged in providing business solutions to clients. Such staff require product knowledge, business acumen and foreign language proficiency. Inside sales staff usually have a bigger client caseload than field sales staff. In both cases (Inside Sales and Field Sales) the sales process remains the same.

Fulfilment - Distribution & Installation Skills

Project Management is an identified skill gap for both SMEs and foreign affiliates, in terms of planning and managing projects and effective working with international partners and suppliers.

These skills are particularly valued for Cleantech, Engineering, and IT systems projects.

Professional supply chain management skills are valuable in ensuring that products are delivered to the right place at the right time, and for the sourcing and delivery of raw material. There are differing product and services certification and regulations across international markets.

Completing the required customs documentation and logistical requirements for emerging markets, especially the BRICS countries, presents a challenge - including for foreign affiliates. While foreign affiliates can afford a dedicated resource for this specialist role, most SMEs cannot. There is a relatively small pool of skills in the country with the ability to complete the documentation and transport logistics requirements for BRICS countries. Feedback from companies is that these specialist skills are relatively overpriced. A base of such knowledge may exist within the purchasing function of companies which import from BRICS markets. Training on these requirements should be included within marketing and sales, purchasing and logistical programmes to build up domestic capability.

Customer Service/Support Skills

Customer service/support positions have a central role in maintaining and nurturing customer relationships and ensuring the quality of customer experience. Foreign language skills, cultural awareness and communication skills are key requirements for personnel engaged in these roles, including technical support staff. There is potential for companies to more fully utilise the wider linguistic and cultural diversity within the 'new arrival' community to fill available positions and as a support for inter-cultural awareness training. Available proprietary online cultural awareness resources, already in use by major companies here could be more widely utilised. Customer service /support staff should receive continuing training in communications (oral, presentations, clear diction, avoiding use of colloquialisms, correct pace of speaking, active listening and social perceptiveness), when speaking to the customer directly or online.

Product/Service Design Skills

Product and services innovation is driven by knowledge and understanding of the customer and offering them a differentiated unique selling proposition. Design skills to meet customer requirements by taking on board 'real time' feedback on improvements are a challenge for Irish exporters. Customising products and services requires a design / innovation culture in all aspects of the business. Similar to the ambitions of Singapore, Ireland should seek to build up a design capability to help enterprises gain wider global business opportunities. An awareness of international design standards and codes and an ability to review and assess these could be built up through continuing professional development (CPD), and within technical and business programmes - for example, engineering.

The cross-disciplinary teaching of design disciplines (industrial, fashion, craft, architecture) could be consolidated within the 3rd level education system - with opportunities for students to undertake practical design project work within companies to develop customer insight and

commercial awareness. This would also facilitate greater enterprise input into the shaping and delivery of course provision.

Foreign Language Proficiency/Cultural Awareness

Foreign language capability and cultural awareness are essential for enterprise to compete in an increasingly global marketplace. An improved supply of domestic foreign languages capability would act as a major boost to enterprises achieving their export potential - and enhance Ireland's proposition for foreign direct investment. A National Foreign Language Education Policy needs to be developed with a 5 -10 year horizon vision, to provide an integrated and coherent approach to foreign language teaching in all learning contexts. This would include scaling up the supply of foreign language skills (number, range and proficiency) being taught at third level - for German, French, Spanish, Italian and for emerging market languages including Mandarin Chinese, Japanese, Russian and Arabic (the latter at relatively lower numbers). It would be valuable if the assessment of foreign language learning proficiency outcomes were aligned to the Common European Framework of Reference for languages (CEFR)⁶. The contextualisation of language teaching at third level in terms of its value to students in business and science departments would be valuable - especially for managers, engineers and sales/marketing personnel.

Companies that trade internationally can most clearly communicate a message to students, parents and teachers that foreign language proficiency and cultural awareness are essential skillsets for future rewarding employment opportunities. They can play a lead role, supported by educational and training institutions, in communicating this message. There are a range of business and technical positions within companies requiring foreign language proficiency and cultural awareness. While a basic level of foreign language proficiency is beneficial for introductory meetings with buyers in major European markets, it is essential that business and technical staff possess foreign language fluency for the company to grow market share and become a preferred supplier.

A high proportion of positions within firms that require native language proficiency, such as for positions in Inside Sales, are currently being sourced from abroad. This provides a valuable supply source for companies based here who are operating on a European and global market. However a more sustainable approach over the medium term would be to build up domestic foreign language proficiency levels to fill a greater number of such positions. There is also potential for firms to recruit from within the 'new arrival' community that has built up in recent years and from the pool of international students studying and graduating here. There is a growing demand from exporting companies for affordable and flexibly provided foreign language and cultural awareness training.

For export markets in Asia and the Middle East, foreign language capability, can be addressed in the short term in different ways including, recruitment, upskilling employees, use of professional translation and interpreter services, and the hiring of native speaking Channel Partners / Agents in the target market. It would be valuable for Ireland in the medium to long term to build up a cadre of Mandarin Chinese, Japanese and Arabic speaking business and technical professionals to fully capitalise on growing export market sales opportunities in those regions.

⁶ Some Irish institutions currently utilise the CEFR i.e. UCD Applied Language Centre. The CEFR is currently utilised by the main European Language Learning Institutions. Reference levels are outlined in Appendix 3.

Recent EU research concludes that companies can achieve higher export sales growth through having a workforce foreign language development strategy in place which supports their export business plan ⁷. However, while awareness of the value of foreign language skills is high among Irish exporting companies, it is much lower among companies who do not export and those who export only to English speaking countries. In a recent EU Eurobarometer Report, which surveyed companies across 27 EU countries employing more than 50 employees, only 9% of Irish companies surveyed considered that foreign language skills would be essential for future graduates over the next 5-10 years - compared to a 31% EU average⁸. This was second lowest out of 27 EU member states (only the UK was lower). An employer led information campaign highlighting the value of foreign language capability in driving export sales performance (aimed especially at SMEs) would be valuable.

Irish primary schools currently have the lowest level of foreign language tuition in Europe - across 27 countries⁹. In 2010, approximately 3% of Irish primary school students were studying a foreign language - compared to the UK 69%, and an EU average of 79%. This 3% uptake was due to the Modern Languages in Primary School Initiative launched in 1998. As part of Budget 2012, this initiative will cease at the end of 2011-12 school year, with the savings from this measure going towards the cost of implementing the new Literacy and Numeracy Strategy. As can be seen from Table E.2 below, the percentage of students studying modern languages at both Lower and Upper Secondary level is less than the EU average.

Table E.2: Percentage of Students who Study Foreign Languages - Primary, Lower Secondary and Upper Secondary Levels of Education - 2008 - Selected Countries

Country	Primary Level % students studying one foreign language	Primary Level % students studying a second foreign language	Lower Secondary % students studying one foreign language	Lower Secondary % students studying a second foreign language	Upper Secondary % students studying one foreign language	Upper Secondary % students studying a second foreign language
EU Average	79%	10%	93%	40%	83%	39%
UK	69%	19%	-	-	32%	12%
Denmark	56%	4%	96%	26%	91%	27%
Netherlands	32%	-	-	-	100%	86%
Finland	68%	5%	99%	92%	99%	92%
Germany	56%	4%	96%	26%	91%	27%
Poland	67%	13%	77%	26%	81%	49%
Ireland	3%	1%	66%	21%	58%	17%

Source: Eurostat Statistics in Focus: 49/2010.

⁷ EU Commission, Report on Language Management Strategies and Best Practice in European SMEs - the PIMLICO Report, 2011.

⁸ EU Eurobarometer Report: Flash EB no 304 - Employers Perceptions of Graduate Employability.

⁹ Eurostat Statistics in Focus: 49/2010.

There have been positive developments at second-level led by the Post-Primary Languages Initiative initiated in 2000 by the Department of Education and Science. Second level students can now take French, German, Italian and Spanish within an engaging teaching approach at Junior Certificate level and a wider range of modern foreign languages at Leaving Certificate, including French, German, Italian, Spanish, Japanese, Arabic and Russian, with other languages being offered on a non-curricular basis¹⁰. French (49%), German (13%) and Spanish (7%) are the main modern language subjects taken. Japanese has been introduced at Leaving Certificate in 35 schools, with 247 students sitting Japanese in 2011. Japanese is also offered in 31 schools at Transition year for 1,900 students. Russian is established as a Transition year subject in 24 schools¹¹. A new Chinese language and cultural course has recently been launched for Transition year students. The NCCA is in the process of designing a short course in Chinese language and culture that would be available to Junior Cert students from 2014 as an option.

Currently, in the order of 2% to 3% of total enrolments (combined part-time and full-time) in HEA funded third level institutions are reported as studying a modern foreign language subject (in a modern foreign language only course or with a modern foreign language as a main subject e.g. for B.A Business and French, where the subjects are Business and French¹²). This figure does not include those studying foreign languages as a module within other courses. The majority of enrolments taking a foreign language only course are studying in Universities. The IoTs represent a small percentage of such enrolments¹³. There are only a small number of IoTs where enrolments are taking a modern language as a main subject. In addition to third level enrolments taking a foreign language only course and/or a foreign language subject as a main subject of their course, there are also a considerable number of students, particularly on business programmes, who are studying a foreign language as a module within their course. However, data is not available from Institutions on the quantum of this provision, either in quantity or proficiency attainment terms. This would be a valuable exercise for Institutions to undertake. Such modules are valuable where they include language learning on relevant business and technical programmes.

Findings are that there is a relative lack of Irish graduates with foreign language proficiency and international market experience. Employers value such a period abroad, which increases the students' employability and job prospects. ERASMUS is the EU's flagship education and training programme that enabled 2,508 students¹⁴ from Ireland to study and work abroad in 2010/11. The research work indicates that it would be valuable if the ERASMUS programme was more focussed on placements in non-English speaking countries, including Germany, France, Italy and Spain - for study opportunities through a foreign language and for in-company placements. There is scope for increasing numbers on student placement programmes into the BRICS countries. National targets need to be set for the sending of Irish students on study and work placement opportunities to Europe (such as exists for the attraction of International students coming to study in Ireland).

¹⁰ The list of non-curricular languages at Leaving Certificate level being offered for examination are Latvian, Lithuanian, Romanian, Modern Greek, Finnish, Polish, Estonian, Swedish, Czech, Bulgarian, Hungarian, Portuguese, Danish, Dutch.

¹¹ Royal Irish Academy Committee for Modern Languages and Cultural Studies - National Languages Strategy, 2011.

¹² Source: HEA 2011 (Also as reported in HEA / IRCHSS Report 'Playing to our Strengths: The Role of the Arts, Humanities and Social Sciences and Implications for Public Policy' (2010)'

¹³ HEA Analysis of all Full & Part time Enrolments in the Academic year 2010/11 by Field of Study (ISCED).

¹⁴ This was an 18% increase over the previous year.

Specific Employment Opportunities

The 42 companies surveyed for this study, which employ a total 16,000 workforce, indicate a positive employment outlook, with their employment levels expected to increase by between 15% - 20% over the next three years - the ICT sector and International Services sector reporting the most positive outlook.

Drawing upon the research and consultations undertaken for this study, several potential areas for well-designed conversion programmes to fill employment opportunities arising within exporting companies at the wider economy level are highlighted. These programmes with a total capacity for 2,200 places could potentially be started in late 2012/early 2013.

- Computing Software Professionals (NFQ Level 8 +) - a further 800 places under the NFQ Level 8 Conversion Programme (which is part of the Governments *ICT Action Plan - Meeting the high-level ICT skills needs of enterprise in Ireland*) - in addition to the initial 768 place underway.
- Customer Sales/Service Support with foreign language proficiency (NFQ Levels 7/8) - 800 places.
- Engineers (mechanical, automation, development & design) (NFQ level 8 +) - 250 places.
- International Sales Professionals - with foreign languages (NFQ Levels 7/8) - 250 places.
- International Project Management (NFQ Level 7/8)- 100 places.

There is scope for well-designed conversion programmes, developed in partnership with industry, (e.g. similar to the NFQ Level 8 ICT Skills Conversion Programme launched in early 2012) to help fill these employment opportunities in the immediate term. Potential candidates for conversion are those who possess relevant qualifications and experience and/or those that require a 'topping' up qualification in addition to their existing qualification/experience - and with an interest and aptitude for the role.

Key Skills and Competences required across Business Function Areas

The following Table E.3 provides an overview of the key skills and competences required by the exporting companies surveyed across sectors by main business function areas. This is further broken down by professional skills, technical skills, organisation skills and soft skill requirements.

Table E.3: Key Skill Sets and Competency Requirements across Business Functions

Key Business Functions	Professional Skills	Technical Skills	Organisational Skills	Soft Skills
Management	<ul style="list-style-type: none"> ▪ Global Management (foreign affiliates) ▪ International Management (SMEs) ▪ Strategic Export Business Planning ▪ Project Management ▪ Product Management ▪ Foreign Languages & Cultural Awareness 	<ul style="list-style-type: none"> ▪ Selection and Management of Channel Partners ▪ Knowledge of international legal /Contract/IP issues ▪ Lean Manufacturing ▪ Quality Assurance /Cost Control ▪ International Financial Mgt/Risk 	<ul style="list-style-type: none"> ▪ Strategic Thinking ▪ Building Partnership/ Suppliers/ Strategic Alliances ▪ Networking ▪ Relationship Building ▪ Negotiation Skills 	<ul style="list-style-type: none"> ▪ Entrepreneurial Skills ▪ Emotional Intelligence ▪ Analytical Skills ▪ Customer Focus ▪ Communication Skills ▪ Teamwork ▪ Creative Problem - Solving
International Marketing & Sales	<ul style="list-style-type: none"> ▪ Market Research ▪ International Sales Business to Business, Business to Government, Business to Consumer. ▪ Account Management ▪ Foreign Languages & Cultural Awareness 	<ul style="list-style-type: none"> ▪ Target Market knowledge ▪ Product/Services technical know ▪ Design of written and web material for target markets ▪ E-commerce Skills ▪ Social Media Skills 	<ul style="list-style-type: none"> ▪ Sales Team support for Channel Partner ▪ Negotiation Skills ▪ Networking ▪ Relationship Building 	<ul style="list-style-type: none"> ▪ Customer Focus ▪ Entrepreneurship ▪ Commercial Awareness ▪ Emotional Intelligence ▪ Initiative ▪ Teamwork ▪ Communications
Fulfilment - Distribution & Installation	<ul style="list-style-type: none"> ▪ Foreign Languages & Cultural awareness ▪ Knowledge of Sector & Market Regulations/ Customs especially for BRICS countries ▪ Supply Chain Management 	<ul style="list-style-type: none"> ▪ International logistical/skills (air/sea/rail/road/ online) ▪ Export credit insurance ▪ Engineering Skills (automation & industrial design) 	<ul style="list-style-type: none"> ▪ Relationship Building ▪ Customer/ Client Focus Ethos ▪ Networking ▪ Negotiation Skills 	<ul style="list-style-type: none"> ▪ Commercial Awareness ▪ Teamwork ▪ Presentation Skills ▪ Communication ▪ Analytical and Numerical Skills
Customer Service / Support	<ul style="list-style-type: none"> ▪ Customer Service/ Sales Skills ▪ Foreign Languages & Cultural Awareness 	<ul style="list-style-type: none"> ▪ Technical knowledge of Products/Services ▪ Order administration 	<ul style="list-style-type: none"> ▪ Relationship Building ▪ Customer/ Client Focus Ethos 	<ul style="list-style-type: none"> ▪ Communication Skills (oral and written)-person to person and online
Product / Service Development & Design	<ul style="list-style-type: none"> ▪ Design & Innovation Skills ▪ Foreign Languages & Cultural Awareness ▪ Commercial Awareness 	<ul style="list-style-type: none"> ▪ Awareness of customer needs in different markets ▪ Knowledge of international Design Standards and Codes 	<ul style="list-style-type: none"> ▪ Relationship Building ▪ Customer/ Client Focus Ethos 	<ul style="list-style-type: none"> ▪ Creative Problem Solving ▪ Teamwork ▪ Presentation Skills ▪ Communication Skills

Sectoral Skills Needs

The following Table E.4 provides a concise overview of main skills requirements for each sector included within the scope of the report. These findings are reported on in more detail within Chapter 5 of the report.

Table E.4: Sectoral Skills Needs

- **Life Science:** The building up of strategic export planning, international marketing and sales, foreign languages (Mandarin Chinese & Russian-given plans to target these markets) and legal/IP skills are essential for generating additional value-added opportunities for the Irish operation.
- **Food & Drink:** Strategic export planning, international marketing and sales, foreign languages (German, French, Arabic, Mandarin Chinese, and Portuguese), food safety, quality management, and product development & innovation are key skills needs. SME deficits relating to selecting, managing and supporting Channel Partners/Agents need to be addressed. Supply chain security and consistency is a key requirement for international customers.
- **ICT:** Strategic export planning, management, international marketing and sales with language and cultural awareness skills, E-commerce web design, content management and social media skills are key needs. Foreign language proficiency requirements include German, French, Italian, Dutch, Portuguese, Swedish, Polish, Norwegian, and Danish. There is a demand for high-level ICT Computing skills - (ICT Action Plan to help address this).
- **Engineering:** Project management, international marketing, international sales with foreign languages (German, French, Russian, Mandarin Chinese, and Japanese), and cultural awareness are key skill needs - as well as for software engineers and design engineers with a focus on product design and development.
- **Cleantech:** Strategic export planning, entrepreneurship skills, market research, international sales, and project management are key requirements. There is a demand for marketing, sales and customer service/support staff with foreign language proficiency - including German, French, Spanish, Dutch and Mandarin Chinese) and for engineering design skills.
- **International Services:** International Sales, product/service design skills, entrepreneurship and project management are key skills required for driving export performance. Foreign language skills are required (European and Asian) especially for customer sales and technical support).
- **Tourism:** Irish tourism requires a skilled and professional workforce in order to deliver the highest standards of service. Applied tourism courses should be introduced at NFQ levels 6&7 with a flexible delivery mode on the subjects of E-commerce, marketing & languages - including German, French, Italian, Spanish and Mandarin Chinese).
- **International Education:** Sales with foreign languages, cultural awareness and web based marketing skills are key skills needs. Short courses should be provided for International Office staff on management, marketing, intercultural skills, and foreign languages (Asian and Arabic).
- **Cultural:** German & French language training is required for promoters seeking to exploit untapped markets in continental Europe. Project Management training for artistic events is required. Chinese cultural awareness training is required for twenty groups/organisations.

Main International Trade related skills identified for Selected Markets

The following Table E.5 provides an overview of the main skills and competency requirements for enterprises when trading with selected markets. These findings arise from the research work undertaken with companies and from discussions with a range of key stakeholder organisations.

Table E.5: Selected Market Skills Needs

The following are the main international trade related skills identified for selected markets.

- **Germany:** Strategic export business planning, export sales planning and market research are areas where Irish companies are relatively weak. There is a lack of awareness of the degree of support/motivation (in the appropriate language) that a Channel Partner needs. E-commerce skills are required in order to deal with a sophisticated market. Languages and cultural awareness are major inhibitors of Ireland's ability to export to Europe's largest market. Market research requires use of native language speakers to undertake research (locals, consultants or potential use of German interns).
- **France:** The sales cycle lead time can take between 18 months and two years. French companies look in great detail at suppliers. Irish companies need to give sufficient time for developing buyer relationships. Main reasons for the success of Irish companies exporting to France are the selection of right Channel Partner, the development of a unique selling proposition. French language proficiency is essential for building up customer relationships.
- **Russia:** The government sector is more prevalent than in other economies. The acquisition of product certification and import approval skills and awareness of legal/contractual and IP issues are important. It is essential to have access to Russian language skills and awareness of how business is done in both the formal and informal economy.
- **Brazil:** The competition in Brazil is intense and there is a need to prioritise the product/service market. Preparatory market research and relationship building are essential to getting orders. Customers are looking for a long term relationship. The selection of a good Agent/Channel Partner who can support the sale of products / services locally is critical. There is a need for knowledge of import tariffs, custom import documentation and shipment requirements. Brazilian Portuguese language capacity and cultural awareness are important.
- **Asia Pacific:** Irish companies need to prioritise specific markets and follow up on contacts and sales opportunities. This requires scale, commitment and a dedicated management resource at senior management level. Chinese business prefers to deal with suppliers they have built up a close relationship with. Consistency in the delivery and quality of orders and responding to customers in a timely way is essential to sustaining sales. In China & Japan, it is essential for companies to possess a language capability (own or contracted) to conduct business.
- **USA:** Irish businesses need to be well funded and capitalised to ensure they can commit to the long term scaling requirements of the US market. Companies must be aware that their basic product must be augmented with other customer requirements such as guarantees, installation, servicing packages etc., to provide a *Total Service Solution*. Irish companies must undertake comprehensive market research to understand how their product fits in the competitive US market environment. A main factor for commercial success in the US market is the speed at which a supplier can deliver the required product.

Recommendations - Implementation

As a small, open and export focussed economy, it is essential that the Irish workforce is equipped with the internationally orientated skills necessary to drive enterprise trading performance. This would also enhance Ireland's proposition for attracting inward investment opportunities. There is scope for optimising the use of current resources to ensure that public and private education and training provision is fully aligned to the skills requirements of enterprise. Companies have a key role to play in ensuring that the continuing professional development of their workforce supports their strategic export business plan.

The following nine main recommendations (and related actions) are made in this regard. They are denoted by time period for their implementation and impact (S/T - Short Term - 1 to 2 years; M/T - Medium Term - 2 to 4 years, and L/T for Long Term - 5 years+). Each recommendation denotes a Lead Partner(s) responsible for its implementation.

1. Develop Global / International Management Skills in Managers and Graduates

Managers in foreign affiliate companies should build up global management skills to both manage business activities worldwide and to leverage increased added value business activity for the Irish operation. Irish SME managers can benefit from greater international management experience.

- Build up Global and Product Management Skills within foreign affiliates for managing cross functional teams, global sales accounts and customer/supplier relationships through flexible continuing professional development. Foreign affiliate managers should actively seek opportunities which develop their Global Management Skills.
S/T to M/T - Lead: Employer Bodies/Companies, Skillnets.
- Build up SMEs' international management skills including strategic export planning and ability to manage projects with partners and suppliers across countries. Irish managers should take up international management experience opportunities (more flexibility is required in this regard).
S/T to M/T - Lead: Employer Bodies/Companies, Enterprise Ireland.
- Build up international graduate placement programmes that have received a strong endorsement including the EI Graduates for International Growth programme, IBEC Export Orientation Programme, Bord Bia Food Export Graduate Programmes and Farmleigh Fellowships.
S/T to M/T- Lead: Enterprise Ireland, Employers Bodies/Companies, Bord Bia.
- Make Public trade related information resources (i.e. EI, Bord Bia, Irish Embassies overseas) more widely available through a single portal to guide companies, particularly indigenous SMEs, in their export/import research and planning similar to EnterpriseOne Singapore.
S/T to M/T - Lead: Enterprise Ireland.

2. Enhance International Marketing Capability

A high professional standard of international marketing and sales capability in Ireland will help drive export / trade growth. The selection, support and management of the right Channel Partner is a main factor for success in overseas markets.

- Build up SMEs' skills for prioritising strategic market opportunities. Ensure preparatory market research is conducted by staff/outside expertise with foreign language & cultural awareness.
S/T - Lead: Employer Bodies/Companies, Enterprise Ireland.
- Improve companies' process of research, selection and recruitment of the right Channel Partner. Ensure the support team within the company has the mandate and necessary skillsets to provide full backing to the Sales Team/Channel Partner in the target market.
S/T- Lead: Employer Bodies/Companies, Enterprise Ireland.
- Strengthen the focus within international marketing programmes on the potential value and use of E-commerce and social media applications.
S/T - Lead: Universities/IoTs, Skillnets.
- Build up skills capacity within companies to more fully exploit the potential for international E - commerce sales and purchasing.
S/T to M/T - Lead: Employer Bodies/Companies.

3. Build-up a Cadre of International Sales Professionals

International Sales Professionals with foreign language proficiency are a key skillset. There is need for a change in mindset with regard to sales as a profession, as it is currently held in low esteem. There is little formal international sales training provision within the third level education system.

- Include a compulsory module on international sales in third level business courses.
- Add a stream on International Sales to the final year (3rd or 4th year depending on whether it includes ERASMUS or placement) of international marketing programmes and the B.Comm platform as it currently exist.
Introduce Post Graduate Diploma course(s) in International Sales with foreign languages at third level e.g. German/French/Spanish. The course should combine education with practical work experience. At least two programmes should be targeted for starting in 2012.
- Introduce an International Sales Degree Programme with foreign languages - with the active engagement and support of business.
- Include Business to Business Sales, Business to Government Sales and Technical Sales in international sales course curricula as well as existing business to consumer sales.
S/T to M/T Lead for above five actions: HEA, Universities, IoTs.
- Offer elements of the EI International Selling Programme and Excel at Export Selling Workshop Series more widely to companies.
S/T - Lead: Enterprise Ireland, Employer Bodies.

4. Build-up Project Management, Logistical and Procurement Skills

Ensuring the security and consistency of the supply chain, is an essential requirement for international customers. This requires international project management skills and a consistent supply delivered to the right place at the right time to customers.

- Build up international project management skills within foreign affiliates and SMEs, via CPD, for the planning, initiating and management of international projects and collaborating with different partners-especially for cleantech/engineering and IT systems projects.
S/T - Lead: Employer Bodies/Companies, Universities, IoTs, Skillnets.
- Build up knowledge within companies of requirements for international export and import documentation, shipping, warehousing, packaging specifications, tariffs, product specifications and related legal/IP protection especially for BRICS countries, via CPD and public and privately provided procurement and logistical programmes.
S/T - Lead: Employer Bodies/Companies, Universities, IoTs, SOLAS/Education & Training Boards.
- Build up global supply chain management skills, via CPD, for the export of goods and services and import of raw materials to ensure the standard of supply chain security and consistency sought by international customers.
S/T to M/T - Lead: Employer Bodies/Companies.

5. Enhance International Customer Service / Support Skill

Customer service / support positions play a central role in maintaining and nurturing international customer relationships over time and ensuring the quality of the customer experience.

- Ensure customer service/support staff are proficient in the foreign languages/cultural awareness of international customers and that they receive continuing communications skills training (oral, presentations, clear diction, correct pace of speaking, active listening and social perceptiveness, for communications either directly and/or online).
S/T to M/T- Lead: Employer Bodies/Companies, Skillnets, SOLAS/Education & Training Boards.
- Increase the wider use by companies of proprietary online cultural awareness resources, already utilised by major companies here, as well as the Enterprise Ireland programme on *Doing Business in Different Cultural Environments*.
S/T to M/T- Lead: Employer Bodies/Companies, Enterprise Ireland.
- Utilise existing employees recruited from abroad, and 'newcomer' individuals living where the business is based, as a resource for in-company cultural awareness programmes.
S/T to M/T- Lead: Employer Bodies/Companies.

6. Build-up International Design & Development Skills Capability

Ireland should seek to position itself as a niche global design centre and build up a design capability which will help enterprises gain wider business opportunities in the global market-similar to comparable sized internationally trading countries such as Finland and Singapore.

- Consolidate existing design education infrastructure at 3rd level to develop the required breadth and depth of cross-disciplinary design skill sets and strengthened engagement with enterprise-similar to centres of design excellence elsewhere (Aalto University Design Centre Finland, Stanford Design Programme USA, and Central Saint Martin, London).
M/T - Lead: Department of Education & Skills, HEA.
- Review product and service design courses for relevance and content - by consultation with relevant professional and business bodies. Introduce an entrepreneurship module and structured credited placement opportunities on third level product/service design programmes to develop international customer awareness and commercial acumen.
S/T to M/T - Lead: HEA, Universities, IoTs.
- Introduce a design graduate placement programme for export growth orientated SMEs - for work on new product/service design for overseas markets.
S/T to M/T - Lead: HEA, Enterprise Ireland, Employer Bodies/Companies.
- Promote the strategic value of design skills to companies exporting/planning to export for offering a unique selling proposition to customers in international markets (similar to the approach of DesignSingapore Council).
S/T - Lead: Employer Bodies/Companies, IDA Ireland, Enterprise Ireland.

7. Build-up a Multi-lingual Workforce for an increasingly globalised marketplace

An improved supply of foreign languages capability (numbers, range and proficiency) would act to boost enterprise export potential. Foreign language proficiency and cultural awareness is an essential skillset for future employment opportunities in an increasingly globalised labour market. There is an urgent need to increase the domestic supply of modern foreign language skills - at the scale and proficiency level required by enterprise.

- Develop a National Foreign Language Education Policy with a 5 - 10 year horizon vision, to provide an integrated and coherent approach to language teaching (content and method of learning) and cultural awareness at progressive levels of proficiency in all learning contexts.
S/T- Lead: Department of Education & Skills.
- Boost the supply of foreign language skills (numbers and proficiency level achieved) at third level - including German, French, Spanish and Italian as well as Mandarin Chinese, Japanese, Russian and Arabic. This approach should include contextual language learning for specific purposes, such as for managers, engineers and international marketing and sales professionals. Align the assessment of foreign language learning proficiency outcomes to the Common European Framework of Reference for Languages (CEFR).
S/T to M/T- Lead: Department of Education & Skills, HEA, Universities, IoTs.
- Strengthen the focus on language and intercultural awareness and sensitisation at primary level to motivate students learning and engagement with languages at 2nd level-European and Asian.
S/T - Lead: Department of Education & Skills, NCCA.
- Set targets for increased European student placements (ERASMUS and Institution led), with a focus on study opportunities through a foreign language and in-company placements - in Germany, France, Italy and Nordic countries. Support foreign language immersion learning in parallel with studies and placements. Build up current numbers on in-company placement programmes in BRICS countries.
S/T to M/T- Lead: HEA, Universities, IoTs, Employer Bodies/Companies.
- Companies should implement a foreign language and cultural awareness management strategy aligned to their strategic export business plan and put in place the necessary support elements including the professional development of their workforce and potential recruitment from within the 'new arrival' community and the international student supply pool here in Ireland.
S/T to M/T - Lead: Employer & Professional Bodies/Companies.
- Employers should communicate the value and practical application of foreign language proficiency for international business and technical career opportunities to students (particularly at second-level), parents and teachers.
S/T - Lead: Employer Bodies/Companies.
- Increase awareness within companies (both foreign affiliates and SMEs) of the need for acquiring foreign language capability to boost their international trading performance - including through CPD. Utilise case study examples of companies that have achieved export sales growth through the implementation of a foreign language management strategy.
S/T - Lead: Employer Bodies/Companies, IDA Ireland, Enterprise Ireland, Engineers Ireland.

8. Develop Soft Skills and competence for successful international customer working

Soft skills are increasingly a main differentiator for companies recruiting candidates, both for working effectively internally within the company and for effective engagement with international partners, customers and suppliers. It is essential for individuals to build up these competences within their personal skills portfolio.

- Build-up the development of soft skills and competences within 2nd and 3rd level education and training curriculum and continuing professional development through practical project based work and in-company placement opportunities. The NCCA should integrate development of these skills/competences in the current Review of 2nd level education curriculum and assessment.

S/T to M/T - Lead: HEA, NCCA, SOLAS/Education and Training Boards.

The specific soft skills required are:

'Business Skills'	'People Skills'	'Personal Skills'
Entrepreneurship	Emotional Intelligence	Initiative
Design & Creativity	Relationship Building	Adaptability/Flexibility
Commercial Awareness	Teamworking	Analytical/Numerical Skills
Customer Focus	Negotiation Skills	Critical Thinking/Problem Solving
Leadership	Communication Skills	Integrity/Ethics

9. Address Opportunities for Employment in International Business

Well-designed conversion programmes can help fill identified employment opportunities arising within exporting companies at the wider economy level.

- Introduce well designed conversion programmes, in partnership with industry, to help fill identified employment opportunities arising within exporting companies. Estimations are that 2,200 Conversion Programme places could be provided starting in late 2012/early 2013. Potential candidates to fill these opportunities should possess relevant qualifications and experience in a related discipline including those that require a 'topping' up qualification- and importantly, have an interest and aptitude for the role. The specific conversion programme employment opportunities are for:
 - Computing Software Professionals (NFQ Level 8 +) - a further 800 places under the NFQ Level 8 Conversion programme (in addition to the 768 places currently underway).
 - Customer Sales/Service Support with Foreign Languages (NFQ Levels 6/7) - 800 places. (Specifically German, French, Spanish, Italian and Dutch).
 - Engineers (mechanical, automation, development & design) (NFQ level 8 +) - 250 places.
 - International Sales Professionals - with foreign languages (NFQ Levels 6/7/8) - 250 places. (Specifically German, French, Polish and Russian).
 - International Project Management (NFQ Levels 7/8) - 100 places.

S/T - Lead: HEA, Universities, IoTs, SOLAS/Education & Training Boards.