

Supercharging Sales

Investing in B2B selling for jobs and growth



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Report by the All-Party Parliamentary Group
for Professional Sales

March 2021

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This report was prepared by the Association of Professional Sales acting as secretariat for the inquiry.



All-Party Parliamentary Group for Professional Sales

Purpose

To improve recognition by Parliament and industry of the importance of sales and its impact on the UK economy; to promote and advance sales as a profession; to boost the success of British industry, especially in international trade.

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Thanks

The APPG would like to thank Emsi for donating the labour market analytics on the B2B sales profession used in this report. <https://www.economicmodelling.co.uk>

Previous APPG report:

The Missing Link

Inquiry into the role of sales in increasing the productivity of small and medium-sized enterprises. https://the-aps.com/resource/resmgr/appg/appg_sales_inquiry_report_1.pdf

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Foreword



As a business-to-business salesman I spent years driving the motorways of Britain to talk to clients and understand their needs, and as a B2B manager I helped my sales team to win business and drive prosperity. So it's with the benefit of personal experience that I can assure you that the UK wouldn't function without B2B selling, which is a huge part of the economy. Since I left the profession, the job has only become more demanding - requiring deep product knowledge but always with a high need for customer insight, empathy, communication, collaboration, strategy and critical thinking.

I was a founder member of the All-Party Parliamentary Group for Professional Sales, and our first inquiry in 2019 looked at why so many SMEs were underperforming at this essential business activity. We highlighted too little B2B sales knowhow and slowness in taking on new technology. Snobbery about selling was another problem, stopping good recruits

coming into the profession. If we fixed these problems the economy would enjoy significant growth in productivity. Here's what we said in 2019, and every word rings truer today:

"Our report identifies a critical shortage of professional salespeople that affects every business, but SMEs in particular. It also highlights a negative attitude in Britain towards selling that is holding the economy back. The government needs to intervene to close the skills gap, and to promote a more business-like attitude towards selling."

Several months after our report was published, Covid-19 arrived and caused a revolution in the way we sell, on top of a deep recession. So this, our second inquiry, looks at the changes caused by the pandemic, and the lessons we need to learn. Can good, ethical, professional B2B selling help tackle the huge challenges the economy now faces?

Many thanks to the expert contributors from business and academia whose views are quoted throughout.

Our findings are that SME owners need to learn to sell in a new way. Many have only started adopting digital technology and are being held back by a lack of business-to-business selling skills. B2B salespeople need to be upskilled, and more need to be trained. We say that the government must intervene to help, as the recession has left many SMEs too weak to do it alone.

If we turn round attitudes, and if we upskill our workforce, then B2B selling will be a major force to power the UK out of recession, creating jobs and building new markets overseas. Let's get selling!

A handwritten signature in black ink that reads "Mark Pawsey". The signature is written in a cursive, slightly stylized font.

Mark Pawsey MP

Chair of the All-Party Parliamentary Group for Professional Sales



We need now a new dynamic commercial spirit to make the most of UK breakthroughs so that British ideas produce new British industries and British jobs.

The Rt Hon Boris Johnson MP, Prime Minister

The report in 100 words

The Covid-19 pandemic has had a profound effect on business. It has accelerated the digital revolution in how we trade and exposed an acute skills shortage in professional business-to-business selling.

Many larger corporates have managed the shock, but a majority of SMEs are struggling because they lack the same resources and skills in B2B selling, sales management and digital technology. SMEs are the backbone of the economy, but they need urgent government support to help them trade. Action now will equip the UK to do business across the world as an independent trading nation, boosting our future productivity and prosperity.

Our three key recommendations

- 1 Recognise the importance to the economy of B2B selling**
- 2 Encourage more entrants into the B2B sales profession at SMEs**
- 3 Promote higher sales skills and uptake of digital sales technology**

Executive Summary

Business-to-business (B2B) selling is better known as “trade”, “commerce”, “importing” and “exporting”. It is vital to the economy, creating wealth and supporting ten million jobs. It is skilled work, recently recategorised by the Office for National Statistics as a profession. Too few statistics are collected about B2B selling, which is often muddled with retail sales despite being four times more valuable. The UK has a skills shortage in B2B selling, intensified by the pandemic. We need more and better salespeople to recover from recession and boost overseas trade. This government must recognise the importance of B2B selling and help it flourish.

Part One: A Selling Revolution

- Businesses have responded to Covid-19 by adopting digital ways of selling and this has enabled the economy to weather the second and third lockdowns more successfully than the first. Trading by digital means has made the economy more resilient and saved jobs. Unfortunately when it comes to selling there remains a wide gap between the digital haves – big businesses and growth-orientated SMEs – and have-nots.
- Compared with larger companies, SME salespeople struggled with a range of obstacles that hindered them from switching smoothly to the digital marketplace.

Shortage of sales skills: Skilled B2B sellers were already in short supply before Covid-19, and the demands of the pandemic meant the need for advanced selling skills increased. There were 197,000 unique job postings for B2B sellers from March to September 2020, in a profession that only numbers 539,560'. The skills deficit was greatest for SMEs, which rarely train staff.

Shortage of management skills: Covid-19 made it urgent for SMEs to adjust their sales model, but many owners were too busy and needed help developing a strategy. The majority of SME owners have yet to adopt efficiency-oriented management practices and do not use customer relationship management (CRM) software. Lack of sales understanding leads SME owners to make mistakes when hiring salespeople.

Shortage of technology and digital skills: The UK is only 12th for technology adoption among OECD member countries. Covid-19 spurred salespeople to use digital tools more, but most SMEs quickly stopped evolving their tech use, unlike larger companies. SMEs will not adopt the next wave of sales technology – e.g. AI, chatbots – if they have not first absorbed the basics: having a website, retailing online, cloud computing, and using CRM software.

- Many of the technologies used by B2B salespeople as a result of Covid-19 promote productivity. More research is needed to help guide government strategy to capture the benefits. Covid-safe work styles for salespeople reduce carbon emissions, and could help towards achieving net zero.

Part Two: Jobs and skills

- Jobs and skills are key challenges facing the UK economy as it emerges from recession. Upskilling the B2B sales workforce in SMEs and encouraging more young people to retrain in B2B selling will speed economic recovery and job creation. It will help Britain to commercialise its R&D innovations and it will facilitate overseas trade. If the UK achieves its upskilling and retraining needs it will boost the economy by £150–190 billion a year by 2030, the CBI says.

The government must intervene because the UK has consistently failed to recruit and train the B2B salespeople the economy needs. The government should use its influence to promote awareness of and respect for B2B selling, and to stimulate demand for sales learning. Sales should be studied at school, college and university; more work-based qualifications should be devised as pathways into the profession, and B2B sales needs a chartered professional body. The government should back a “Let’s Get Selling” campaign for the UK.

- B2B sales should be given a higher priority by policymakers. To signal this, B2B sales and sales management courses should be eligible for full funding under the Lifetime Skills Guarantee. Young people should be encouraged to retrain in B2B sales. Representatives of the profession should be asked to participate in government/industry advisory groups. The ONS should collect separate statistics on B2B selling to help guide policy.
- More people must be recruited into the B2B sales profession to meet demand. The Kickstart programme, traineeships and apprenticeships should be used to recruit people into B2B selling in SMEs. On-the-job learning is the most effective way to gain skills. JobCentres and careers advisers should inform people about retraining in sales.

Courses and qualifications: The Department for Education should oversee these efforts to create more paths into the profession. Standardised B2B sales courses should be drawn up for the Kickstart programme and traineeships. Course content should align with the successful higher and degree-level B2B sales apprenticeships. Level 2 and 3 apprenticeship standards should be developed.

- Upskilling SMEs in B2B sales requires action on several fronts because their needs are diverse:

Teaching: There is a shortage of sales teachers at FE colleges and sales speakers at Growth Hubs, but a wealth of expertise in large businesses. A scheme where companies donate the time of their sales enablement professionals to deliver an agreed syllabus – “Teach Sales to Help Out” – could be trialled in a Local Skills Improvement Plan (LSIP) pilot area.

Mentoring: Large businesses should be encouraged to mentor the leaders and salespeople at their SME resellers, like the successful programme at Toshiba Tec UK.

Apprenticeships: There are bureaucratic, practical and financial obstacles for SMEs in taking on apprentices; the Education & Skills Funding Agency should cut bureaucracy and increase the training allowance for the Level 4 B2B sales apprenticeship. The government should pay the first six months of wages for apprentices. Growth Hubs should offer support to SME owners.

- Many SME leaders need to learn more about sales, and to acquire the skills to manage professional salespeople, through bite-size online learning and short courses. SME owners who “don’t know what they don’t know”, do not engage with business advice and are less open to change, should be reached through their banks, accountants and peer network.
- The government should help SMEs to sell digitally by setting national targets for the adoption of proven digital sales technology by SMEs, including cloud computing and customer relationship management software. It should consider making business grants, vouchers and support through the tax system conditional on meeting targets to adopt proven technology.
- SMEs will need help to pay for their training needs. Financial incentives for SMEs to take on apprentices must continue and the government should pay the first six months’ wages. Extra funding should be allocated to Growth Hubs for sales courses and peer networking. The costs of retraining people who have lost their jobs will fall on the taxpayer, but this is not a new cost. This APPG recommends a ‘Go for Skills’ programme – a year-long tax incentive for skills training and buying digital technology.

Conclusion

Many positive benefits flow if we can enable UK firms to adopt professional B2B sales skills and technology. These include increased economic resilience; higher employment, productivity, tax revenues and earnings; and greater respect for the UK brand overseas.

Introduction

Business-to-business selling - or, to call it by its other names, "trade", "commerce", "exporting" and "importing" - is very valuable to the UK economy. Some 80% of UK businesses make part or all of their turnover from selling to other businesses. Business-to-business sales are believed to be 44% of the UK's annual economic output (GVA), worth an estimated £1.7 trillion. B2B companies pay nearly £22 billion in corporation tax, and employ more than 10 million people. Looking ahead, the UK is relying on a surge of B2B selling overseas to develop new markets after quitting the EU.

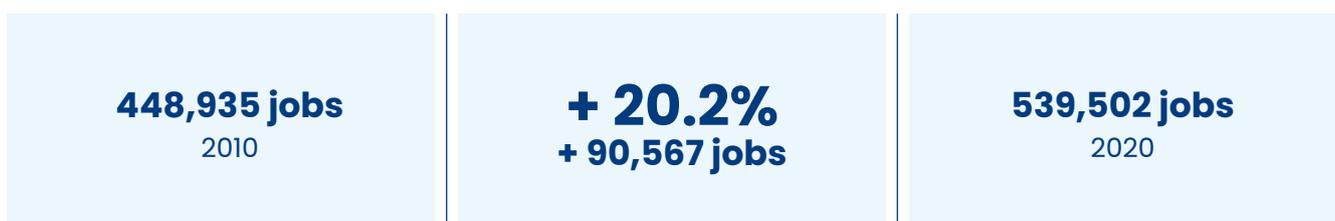
It seems peculiar that such an important part of the economy has to be judged by estimated figures, but that reflects Britain's uncomfortable relationship with sales. When official statistics are collected, no distinction is made between retail sales (consumer shopping) and B2B selling. This hampers proper understanding. B2B selling is four times as big as retail (known as business-to-consumer, or B2C), and the policy needs of the two sectors are different.

Becoming an effective B2B seller takes skill and experience. Where a retail sale tends to be a quick transaction, selling to another business is typically a lengthy and complex activity. Many people are involved on each side, and deals can have multiple stakeholders. If you consider arranging a B2B contract for the just-in-time re-supply of components to a car factory overseas, or to supply financial technology to a multinational bank, the salesperson will need extensive market insight and negotiating skill, and the ability to find solutions to legal and logistical problems. B2B sales can be very high value compared to retail. A strategic outsourcing contract can run into billions of pounds and last for years.

B2B selling requires a professional level of proficiency. In fact, almost unnoticed in the midst of the pandemic, B2B selling was recategorised by the Office for National Statistics as a profession. This upgrade in status was based on evidence that a majority of B2B sales job postings call for a degree and five years' experience.

The impact of the pandemic has made it more important for policymakers to distinguish between retail and B2B. Jobs in retail are disappearing as consumers move to digital self-service; by contrast, the number of B2B selling roles is steadily growing (see Chart 1, below), posts are hard to fill, and the sector suffers from a skills shortage.

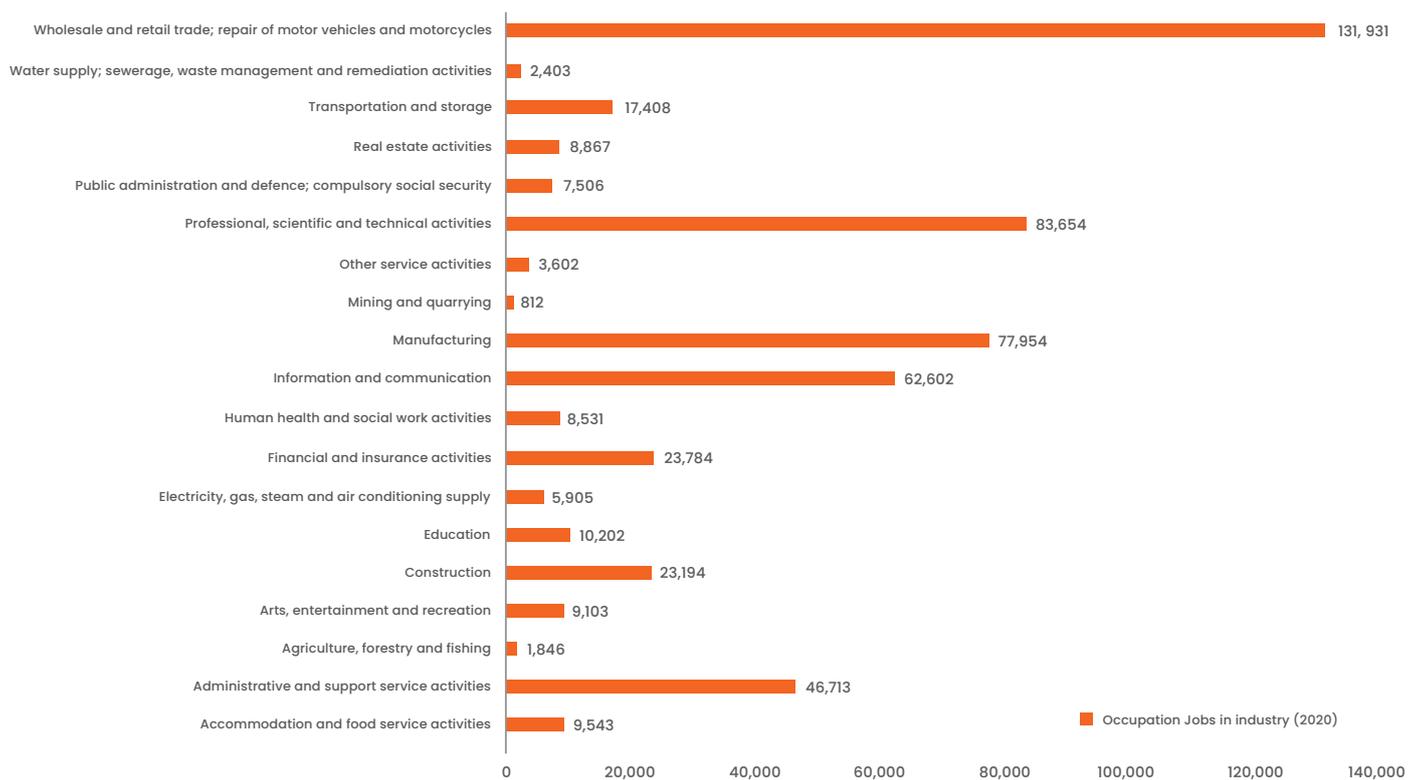
Chart 1: UK trends in numbers of B2B salespeople in the last decade



Source: Emsi Data Q1 2021.1

The APPG encourages the government to recognise the importance of B2B selling to the economy and the value of the skills it involves. We want the government to tackle the skills shortage that has grown more acute during the pandemic. The economy needs more skilled professional B2B salespeople than it currently has. Business-to-business salespeople are spread across all economic sectors (see Chart 2, below) so the lack of B2B sales skills affects all parts of the economy. If this can be achieved, then sales will rise in volume and value, which means the UK economy will grow. It is the activities of B2B salespeople that will haul the UK out of recession and reduce the Covid-induced debt pile. It is B2B selling that will make the UK thrive outside the EU.

Chart 2: Where B2B salespeople work (by industry sector in 2020)



Source: Emsi Data Q1 2021.1

Part One: A Selling Revolution



B2B decision-maker preferences and behaviours have shifted dramatically since the onset of Covid-19. The go-to-market revolution is here and B2B sales is forever changed.

Survey: UK B2B decision maker response to Covid-19 crisis, McKinsey

The Covid-19 pandemic has caused the biggest interruption to normal commercial activity since 1929. The pandemic has resulted in a large-scale switch to digital means of buying and selling for B2B businesses. This change is permanent. Corporate buyers who were previously reluctant to make purchases without sitting in the same room as the salesperson, particularly with new suppliers, have been won over. A McKinsey survey of B2B decision-makers at large UK companies found that in April 2020 only 52% rated online buying as effective as face-to-face, but by the end of July that had increased to 74%. If a similar survey had been conducted in February 2021 it would likely have revealed even higher levels of acceptance.

It is hard to overstate the speed and importance of the change to the way UK businesses sell. Digital transformation, which in the UK had been ambling along for several decades, accelerated to a gallop over a few weeks in spring and summer. The Enterprise Research Centre found that 95% of SMEs made more use of video-conferencing. As business travel halted and offices and call centres shut, salespeople went home and found themselves staring with fascination into the living rooms of buyers they had previously only seen in a suit at a corporate HQ. The relationship between buyer and seller shifted; it became more buyer-centric.

The change to digital selling has strengthened the resilience of the UK economy. During the first UK-wide Covid-19 lockdown GDP fell by more than 20%, but in the second lockdown GDP fell by only around two percentage points relative to the start of the year, according to the ONS. The second time around, businesses had adapted the way they sold so they could continue to make revenue. This was a significant contributing factor to reducing the impact of economic restrictions.

Businesses changing the way they sell and adapting to digital technology were, therefore, crucial factors to the UK economy weathering Covid-19. But adoption patterns were not uniform. Our inquiry heard evidence of significant differences in response: between large companies and small, and between proactive, growth-minded SMEs and a minority of other SMEs who seemed to be too nervous to move.

At one extreme, within six months 45% of the cohort of Goldman Sachs 10K small business alumni had pivoted their business model, expanded their product line and taken on new technology. At the other extreme, instead of transferring their systems to the cloud and getting used to talking to clients by video-conferencing, a minority of SMEs furloughed their sales teams and saw revenues drop away. These companies fit the categories, described in BEIS research on tech adoption, of “defiant resisters” and “reluctant innovators”.



For SME owners who previously had a fear of sales, because they didn't know how to do it correctly, that fear has grown; and that has had a knock-on effect on turnover and whether they have furloughed people. A lot of people decided not to sell, and parked their business, which for me wasn't the direction they should be taking.

Inquiry witness Alison Edgar MBE, The Entrepreneur's Godmother

Other SMEs fell into the middle ground, keen to do something as profits fell but so busy firefighting that they lacked time to work on strategy. The LEP Network received a surge of inquiries from anxious entrepreneurs asking for advice on rethinking their business model.

After the initial rush to adopt and adapt, more differences started to appear. Most large companies and progressive SMEs continued to evolve, exploring more technologies, switching to flexi-working and planning changes to their office estate. But after their initial effort many SMEs stopped taking on new technology, according to the State of Small Business Britain 2020 report, which blamed shortage of skills, leadership and innovation – with lack of digital skills the main culprit.

Chart 3: Number of unique B2B sales job postings during pandemic



Source: Emsi Data Q1 2021.1

The pandemic is not over. If fresh restrictions have to be imposed, less tech-enabled companies will remain at risk of struggling financially through being unable to reach customers. The UK government should enable the minority of SMEs that have not adopted technology to start to do so, and those that have stopped adopting to continue to evolve; because then the whole UK economy will be more resilient against future shocks, and more jobs will be saved – and in a resilient, technologically advanced economy, more jobs will be created.

Obstacles to change

So why have some companies adapted more readily than others? What were the obstacles to SMEs changing the way they sell and adopting digital technology? The State of Small Business Report 2020 describes a divide between companies that had already equipped themselves with digital technologies, and had “digital skills”, and those that had not.



Businesses which had adopted digital technologies before Covid-19 struck were armed with appropriate tools which have helped them to overcome some of the challenges of lockdown.

State of Small Business Britain 2020, p22

While this is certainly true, the lack of digital technology is not the only reason why SMEs have struggled during lockdown. Shortage of sales skills, and lack of leadership skills, are also important factors.

1. Shortage of sales skills

When faced with a lockdown, if companies do not have effective sales processes in place and staff are not trained in how to sell, then digital technology will not confer much advantage, and can even be counterproductive.



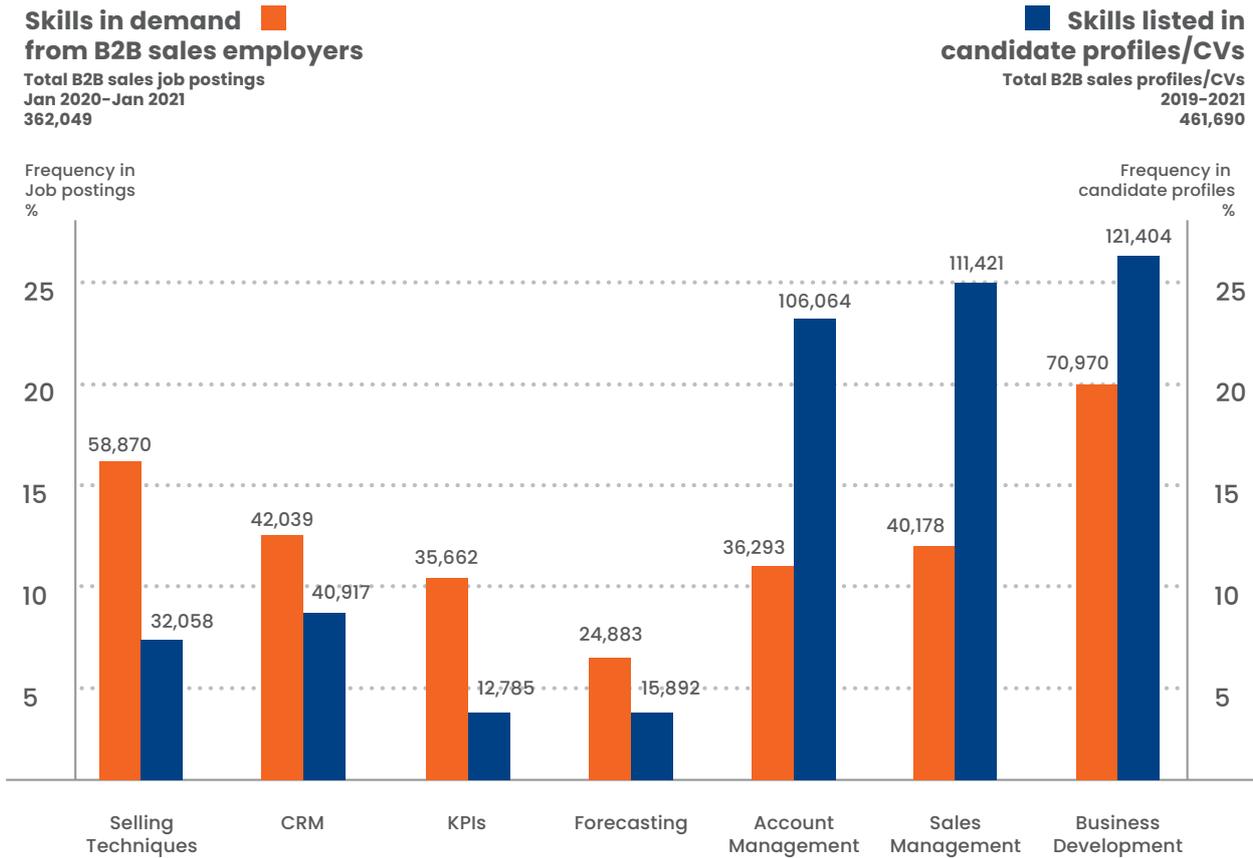
To give ourselves the best chance of success we must make sure everyone has the skills which will allow them to get good jobs, both now and in the future.”

The Rt Hon Gavin Williamson MP, Secretary of State for Education

Higher levels of skill and experience were needed to respond effectively to the many new challenges of selling during a lockdown. So a shortage of advanced sales skills was a significant obstacle to companies' ability to trade.

The indications from the jobs market were that companies were advertising, with increasing intensity, for salespeople with specific skills: an advanced grasp of professional, customer-centric selling techniques, and competence in the use of digital tools like customer relationship management software (CRM) to generate key performance indicators (KPIs) and to forecast the state of the sales pipeline (see Chart 4 below). But this demand went unmet, as too few of the 461,690 B2B salespeople (candidates) on the books of UK recruitment agencies were able to offer these more advanced skills. Instead they described themselves as proficient in the more traditional, inter-personal skills of account management, sales management and business development.

Chart 4: Skills shortages in B2B sales



Source: Emsi Data Q1 2021.1

After the initial fall in jobs listings, demand for skilled B2B salespeople picked up. Sales Accounts and Business Development Managers (the selling category which the ONS has just updated to professional status) ranked as the second most in-demand occupation after nurses, with more than 197,000 unique job postings between March and September 2020. That figure starts to look like a significant level of demand set against the total 539,502 B2B sellers in the profession in 2020, according to Emsi. There were more job adverts for B2B sellers than there were for care workers and home carers in the same period, which totalled 196,853.

As the economy emerges from the latest restrictions in Q2 2021, demand for salespeople with advanced skills will ramp up further. A likely consequence is that the number of unfilled sales posts will continue to grow as the pandemic recedes, holding back UK recovery. This will act as a drag on UK efforts to expand overseas trade.

The companies which suffer most from a sales skills shortage are SMEs. The main reason is that 93% of SMEs (which employ more than half of the UK workforce) do not train their sellers, according to the Industrial Strategy Council. This has created a vicious circle, where the gap in sales skills between large companies and SMEs has become wider over time.

There has never been enough knowledge and skill trickling down from the corporates to help SMEs to catch up.



It really came as a surprise to me that a lot of SMEs don't understand the sales journey. So I think if they don't, there has to be some encouragement to start educating their salespeople, with funding to support them, and investment to help them with digital selling.

Inquiry witness Josh Travers, B2B sales degree apprentice, Royal Mail

The gap between large and small companies has also had an impact on the calibre of recruits. Smaller businesses are less attractive to ambitious, able salespeople because they offer fewer training opportunities or career prospects.

Another reason for the shortage of B2B selling skills at SMEs was the absence until recently of nationally-accredited qualifications to drive up standards.

Case study: Diegesis

A business software solutions SME that solved its hiring difficulties by taking on two talented young graduates as apprentice sales executives.

Nick Denning has hired a number of salespeople during his entrepreneurial career in digital technology, with mixed results. "Finding people who could understand our offerings, develop a pipeline and then reliably deliver sales has been very difficult," said Mr Denning, chief executive officer at Diegesis, in southwest London.

"I have worked with some outstanding sellers and sales leaders so occasionally we got it right; a proposition could be explained by someone who enjoyed picking up the phone, talking to customers and practising professional sales skills to navigate a path to closure, but this was rare.

"Too often, I encountered salespeople who could sell themselves not the product, yet could not convert claims of past performance, of pipeline building and closure into delivered sales. Reflecting now, the likely cause was my inability to identify the nature of sales skills, determine the skills an individual actually had and match them to the competencies we needed. A skill I had hiring developers was just as non-transferable to sales staff, just as their skills did not transfer to our complex offerings. All had something to give but in a small company the world is brutal for a seller who cannot own and deliver the whole sales process."

Mr Denning decided that the best thing to do was for Diegesis to develop its own salespeople. He engaged a senior sales mentor who was a member of the Association of Professional Sales (APS) and who was familiar with the government-funded apprenticeship programme. The result was that two young graduates were hired as sales executives on the higher apprenticeship programme in B2B sales, one through sales training provider BMS and another through Pareto Law.

Mr Denning is delighted with his two recruits: "This way, we have two dynamic young people. Georgia and Brooke will do really, really well for us. Very soon, they will be the first people that customers meet, and they will come across as professional, competent salespeople. That is vital for our business."

2. Shortage of management skills

Another important factor affecting how well SMEs did during the pandemic was leadership skills. Managing during remote working required the ability to monitor business efficiency, keeping an eye on staff performance, cashflow and other key metrics.



When I've coached or counselled mid-market SMEs there's normally quite a poor capability on strategic leadership, they've kind of grown by accident.

Inquiry witness Phil Jones MBE, managing director, Brother UK

New technologies have the potential to help B2B sales leaders in SMEs be more efficient – e.g. customer relationship management tools to oversee interactions with customers past, present and future, and enterprise resource packages for business performance monitoring. Managers do however need to be proficient for the technology to be useful. If they lacked the skills, it took time and resources to acquire them; and time and resources were in short supply.

At a time of upheaval when B2B selling has transferred to the digital arena, an SME owner needs insight to select the right digital sales technology for their business. It is not an easy task for an SME owner who does not have a grounding in B2B selling, and – as several witnesses put it – “doesn't know what they don't know”.

Poor decisions round sales hires also impacted performance. There is often a tendency for SME employers – influenced by stereotypes – to choose the cliché of a fast-talking seller rather than searching for a candidate with professional sales skills. The impact on a small business of a bad hire can be substantial. For businesses with a long sales cycle it can be a year before the SME owner discovers that the salesperson has failed to produce a sales pipeline to justify their £45,000pa basic salary. The impact of hiring the wrong person was magnified by Covid-19.

3. Shortage of technology and digital skills

Adopting essential technology made the difference between paralysis and continuing to trade during the pandemic. Unfortunately UK SMEs were coming from a low base. International comparisons show UK companies have lagged behind OECD competitors for years, ranking only 12th in the world for tech adoption, according to Andrew Haldane, the chair of the Industrial Strategy Council.



Increasing business adoption of key technologies and management practices would be worth over £100bn to UK GVA.

From Ostrich to Magpie, CBI, 2017

When salespeople use a customer relationship management tool (CRM) efficiently, productivity rises by more than 18% on average. CRM software is used to manage and analyse interactions with past, present and potential clients. Other essential technologies include having a website and the ability to sell online, using cloud computing, and online accounting. Each was important in helping businesses adapt to lockdown conditions. But far from all SMEs were using these technologies when the pandemic began. In 2015, the proportion of UK firms adopting cloud computing was nearly 30% below Europe's best performers. This slowness to adopt probably left the UK economy more exposed to the initial impact of the pandemic, as our businesses were relatively unprepared to move to a more digitally-based economy.

The Business Futures Survey showed that after the initial haste to use digital technology more, SMEs slowed down and halted their adoption. They left their digital revolution unfinished, having taken on just enough to get by. The primary reason for this was a lack of digital skills.

This leaves SMEs at continued risk. If the country has to return to lockdown for any reason, small businesses without skills risk needing to turn to the taxpayer for support once again. Moreover, corporates have adapted to buying digitally, and expect suppliers to be able to sell to them through the digital channel. For the first time, more money was spent on deals arranged via video conference during the pandemic than in traditional, in-person meetings - whose value fell by 55%.



Businesses that use digital technologies have, on average, higher productivity, and are more likely to export, invest in R&D, and innovate... [They] are also more likely to have in place some efficiency-orientated management practices, such as employee and business performance tracking.

State of Small Business Britain 2020, p20

Third, technology does not stand still - indeed, periods of disruption tend to quicken the pace of innovation - and if a company has failed to adopt mainstream digital tech when it is available now, it is even less likely they will invest in chatbots or AI in the future. So the digital revolution in selling needs to go on for all UK businesses; and to ensure that happens, SMES must continue to adopt more digital technology, and ensure their sales professionals have the skills to use it effectively. This will make the UK economy more competitive and productive.

Benefits of the selling revolution: progress on productivity and net zero

Not all the impacts of the pandemic have been negative. By driving UK businesses to seek out digital technology to enable them to trade, it has paved the way for improvements in some of the most intractable problems facing the economy.

● Productivity

Productivity is the biggest and most persistent challenge to the UK economy, which lags 16.3% below the G7 average for productivity. Yet a significant minority of companies have reported productivity gains during the pandemic, according to the ONS. One of the most encouraging statistics in the ERC's State of Small Business Britain 2020 report was that 62% of SMEs adopted new digital technologies because of the pandemic.

Video conferencing is now widely used for B2B selling and offers the potential for productivity gains. Virtual meetings are quicker and easier to arrange than face-to-face meetings. No-one has to waste hours travelling when a negotiation involves several stakeholders, or when the client's decision-makers are scattered between international offices. There are savings both in costs and in senior decision-makers' time, which would previously be spent in transit when it is hard to be productive.

Cloud computing offers remote access to a company's systems and databases for employees who are remote-working, allowing the potential to work anywhere with no loss of efficiency.

The ERC's Business Futures Survey shows that between 2019 and the autumn of 2020, use of productivity-boosting customer relationship management tools (CRM) by small businesses rose from 26% to 46%, and by medium-sized enterprises from 31% to 52%. The government should encourage more SMEs to start using CRMs.

There are conflicting reports on the impact of flexible working on productivity. A study by the Banque de France found that where staff were trained, well-equipped and well-supported, productivity gains of up to 20% were achieved. Some of the time saved without commuting was spent working. Employees were happier and less likely to quit their jobs, reducing the high costs and lost productivity incurred while new staff are recruited and onboarded. By contrast, where the transition to flexible working was sudden, enforced and ill-prepared for, productivity losses of up to 40% were reported, as employees struggled to find quiet places to work, lacked essential equipment, or coped with children at home.

● Net Zero

Selling remotely can have an important part to play in reducing carbon emissions by SMEs through fewer business miles travelled for sales meetings, and lower printing and paper use. SMEs should monitor their carbon budget, set targets and record progress.

Remote working also has the potential to cut emissions through reduced commuting. Fuel demand is lower than it was before the Covid-19 crisis, and economic forecasts predict that it will not return to its pre-pandemic trajectory. In addition, many corporates now plan to switch from large office buildings to smaller premises, and this too will allow them to reduce their carbon footprint. This is another area where more research is needed, not least to assess how far carbon emissions are merely displaced from the office to individual workers' homes.

Part Two: Jobs and Skills

Recommendations in Part 2 are in bold purple type



Growth starts with growing your people, as a basic philosophy.

Inquiry witness Phil Jones MBE, managing director, Brother UK

The pandemic has struck against a backdrop of dwindling investment in workplace skills by both employers and the government. Investment halved in real terms in the last decade, just as the need for technical and interpersonal skills was accelerating. The CBI's 2020 report "Learning for Life: Funding a world class adult education system" estimated that 90% of the UK workforce (26 million people) would need upskilling within 10 years to enable them to continue to do their jobs as technology advances. B2B salespeople certainly fall into that 90%.

Against this backdrop of skills shortages, Covid-19 has created rising levels of unemployment, particularly among the under 25s. Hospitality, leisure, travel and retail have shed the most jobs. Some occupations were already at risk from automation and AI, and will not return even if the economy recovers smoothly. Before the pandemic, the CBI estimated that five million people would need to change their occupation because of new technology over the next decade. CBI researchers told this APPG that the effects of Covid-19 are likely to bring forward this timescale by some distance.

The cost of the necessary upskilling and retraining was estimated at £130 billion. But if the UK achieved its upskilling and retraining target it would produce an 8-10% boost in GVA, which by the year 2030 would represent an annual uplift to the UK economy of £150-190 billion.

The APPG for Professional Sales has tried to judge its recommendations in this report through the prism of jobs and skills. The UK needs to promote the right mix of both for the economy to remain resilient and prosperous for years to come.

Stimulating demand for B2B sales learning



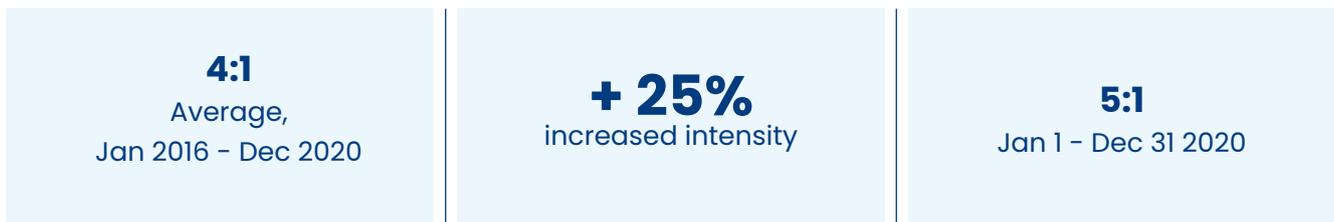
Sales is something that was never spoken about in school; it just seems to be something that people fall into. Until that perception of sales has changed, we're not going to see young people wanting to go into sales naturally.

Inquiry witness Josh Travers, B2B sales degree apprentice, Royal Mail

Why does the government need to get involved in supporting B2B sales? Many believe it is the job of the market to upskill and retrain salespeople, not the taxpayer.

The market however has failed, over many decades. There is an insufficient supply of salespeople coming into the profession and skilled B2B sales roles are hard to fill. Relying on the market has produced the polarised position we are in, where corporates and SMEs are far apart in their levels of sales proficiency. The extent to which demand for B2B salespeople has held up and even intensified during the worst recession since 1929, illustrates that action is needed to fill unmet demand for these skills in the economy.

Chart 5: Intensity* of B2B sales job postings during pandemic



Source: Emsi Data Q1 2021.1 * Intensity = the number of times the job is readvertised

The market has been unsuccessful because compared to other careers, sales is either disregarded or held in low esteem. Parents and schools careers advisers do not point young people towards a potential career in B2B selling, tending to mistake it for cold calling or 'chugging'. Young people do not dream of a future in sales, and so the profession is denied the stream of willing, motivated recruits that other professions enjoy.



I would agree there's some stigma attached to sales, and one of our biggest challenges has been speaking to schools, colleges, careers advisers and parents, helping them understand that it's a professional, rewarding career."

Inquiry witness Rob Omar, director of academies, CCS Media

Schools do not incorporate sales into any part of the school curriculum, and this should change. Primary and secondary schools should run practical activities including Young Enterprise, the Tenner Challenge and stalls at school fairs, to **introduce young people to commercial skills. Careers advisers should offer information on B2B selling** as a potential career and a source of work experience. UK universities are not producing sales graduates.

Unlike accounting, management, human resources or marketing, there are no full-time degree courses in B2B sales in the UK. (There are hundreds in the US.) This is not because there is nothing to study about B2B sales – far from it. Failure to study sales academically has helped to ensure it stays in low esteem and to limit recruitment.



The levels of detail and commercial nous it takes to run a key account well, exceeds anything that many finance degrees offer. But the public perception seems to be completely different.

Inquiry witness John M Rudd, Professor of Marketing, Warwick Business School

Persuading students and universities to take on sales courses is not something that will happen overnight. In the short term it is more important to focus on promoting high quality work-based training. However, if the UK is to get the supply of professional, skilled B2B sellers it needs to supercharge the economy, attitudes to selling need to change.

The government can take a lead in this, by showing that it regards B2B sales as a valuable driver of the economy. The government should update and **expand information on B2B selling and sales careers on www.gov.uk**. Government departments including the DfE, BEIS and MHCLG should partner with the Association of Professional Sales to **promote a “Let’s Get Selling” campaign**. That campaign should give prominence to influencers who can act as **role models for young people entering the sales profession, particularly young women**, as the prevailing stereotype remains the fictional dodgy salesman, DelBoy Trotter. A social media campaign with influencers talking about the rewards of careers in B2B selling would help generate interest among young people.

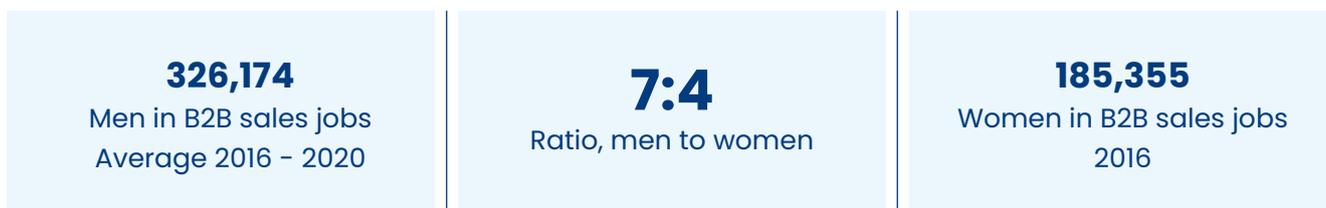


There’s a significant issue for women going into sales; the role models all tend to be men. There is also a need to look at diversity.

Inquiry witness Julie Kapsalis, Chair, Coast to Capital LEP

The APPG for Professional Sales recommends that the Department for Education introduces sales teaching in schools, and fast-tracks the creation of a **T Level in Commercial Skills**, to give young people an insight into B2B sales as a potential future career.

Chart 6: Gender ratio in B2B sales



Source: Emsi Data Q1 2021.1

B2B selling is unique among professional occupations in having no chartered body to oversee and lobby for the profession. The Association of Professional Sales (APS) has started its journey to gather information for the Privy Council to award it chartered status. This report recommends that in due course the government should **endorse the APS’s petition to become a chartered professional body** for the sales industry.

Raising the national priority of B2B sales

The government has indicated through its Plan for Jobs, its Skills for Jobs white paper and its Lifetime Skills Guarantee, that it wishes to bear down on unemployment. It intends to upskill or retrain low-skilled workers who have lost their jobs; and its priority is apparently to encourage more people into the construction, caring and IT sectors. The Education and Skills Funding Agency (ESFA) has designated these areas of study eligible for free funding under the new Lifetime Skills Guarantee. However other areas, including sales and management, are excluded from the Guarantee – so workers who lack an A Level or equivalent and want to gain a Level 3 qualification in B2B sales will have to pay for it themselves.



There are nowhere near enough salespeople coming forward to fill all the roles that are required. Despite digital technology and automation, we are not filling that pipeline. This needs to be resolved as a matter of urgency.

Inquiry witness Dr Tony Douglas, programme director, Consalia

Yet sales skills are in strong demand. Throughout the pandemic, B2B employers have continued to advertise for professional B2B salespeople, and indeed the intensity of the advertising actually increased, with job ads reappearing five times on average compared to four times the previous year. It makes sense to encourage some of the young people who have recently lost low-skilled, insecure jobs in customer-facing roles to retrain in B2B selling. As a career, B2B selling would allow them to acquire technical and interpersonal skills that are readily transferable; it is skilled work that is well rewarded; and the skills they acquire will remain in demand because they cannot be performed by AI. There are gains for the economy and the taxpayer, as success in selling leads directly to increasing turnover and rising prosperity, higher employment levels and fewer people needing state income support.

This report recommends that the government should make B2B selling one of the priorities of its skills campaign. It should widen the list of eligible subjects to **include B2B sales and management in the Lifetime Skills Guarantee**. It should include B2B selling in its **media campaigns to promote skills uptake**: a social media campaign talking about the business benefits of skilled, professional selling would help generate interest in upskilling and retraining in sales.



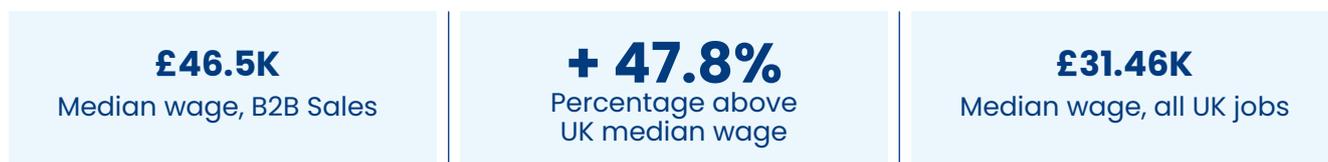
Sales can be a really good transition for people working in hospitality or customer service.

Inquiry witness Julie Kapsalis, chair, Coast to Capital LEP

We recommend that the government should **invite representatives of the sales industry to participate in relevant advisory groups or panels** at departments including the Cabinet Office, BEIS, DfE, MHCLG, Defra, DfIT and HM Treasury, to ensure that the views of the sales sector are heard by policymakers. And it should **collect separate statistics on B2B selling** to help guide policy.

Selling more effectively will have positive knock-on effects across the economy. Training more able salespeople ensures that whenever a sector of the UK economy makes an R&D breakthrough, this is translated into revenues and a higher UK tax take – something which has not always happened in the past.

Chart 7: Median wages of B2B Sales roles



Source: Statista / Emsi Data 2020.1

Recruiting more B2B salespeople

The Kickstart programme, traineeships and above all the two, nationally-accredited, higher and degree-level apprenticeship courses in B2B sales, with their track record of raising performance and productivity, are excellent ways to recruit and train young people for the B2B sales profession. Witnesses agreed that the best entry point was through work-based training.



The Kickstart programme will take 16 to 24-year-olds who have got the talent but would never get on to a degree course. You will have diamonds there. You can put your diamonds through apprenticeships, and develop them as professional salespeople.

Inquiry witness Alison Edgar MBE, The Entrepreneur's Godmother

The government should ask **advisers at the JobCentre network to explain the benefits of training in B2B sales**, and to feature training opportunities. Schools and university careers advisers should also be given information to enable them to explain to students the benefits of a career in B2B selling.

For SMEs who are able to take on a sales apprentice or to engage with sales training, the influx of ideas and skills could be the positive influence a company needs to rework their business model and reach new buyers.

● Courses and qualifications in B2B sales

To help recruitment take off, **more courses and qualifications should be devised to increase the number of work-based pathways into the profession**. Training standards in B2B selling need to be drawn up for Kickstart and traineeships; this could perhaps be done by employers using a version of the apprenticeship trailblazer process, supported by the APS. It is important for the courses to be nationally accredited with agreed content, to provide consistency and high quality and to reassure SMEs of the value the trainee is getting. The Department for Education should oversee efforts to produce these courses. The course content should be consistent with and lead naturally towards the two flagship apprenticeships in B2B sales that already exist.



These young, ambitious, energetic, passionate apprentices were just infectious. The whole salesforce suddenly took a step forward in its belief sets.

Inquiry witness Mike Gibson, former sales director of Royal Mail

Nationally-accredited B2B sales training has huge value. Higher and degree-level apprenticeships in B2B selling have been strikingly effective in raising skills and productivity across the sales team. Within months of Royal Mail recruiting apprentices on the Level 6 training course that leads to a BSc (Hons) in B2B Sales, it emerged that the apprentices had outsold their experienced colleagues in the Royal Mail sales team, despite spending one day a week out of the office studying. At CCS Media, an IT services company which recruits several cohorts of 18-24-year-olds each year via the Level 4 sales executive apprenticeship, the apprentices have driven an improvement in several key business metrics, including a 16% increase in average order value.

The presence of apprentices in a company have had other spin-off benefits. At both Royal Mail and CCS Media the apprentices spurred the existing sales team to raise their performance, and set an example that has encouraged them to improve their own skills set. Fearing that they were missing out, a number of experienced sellers asked to become apprentices themselves. Sales leaders have been challenged to improve their own skills, in order to manage B2B sales apprentices whose knowledge was starting to outstrip theirs.



There's going to be a situation developing quite soon where sales forces in some organisations are actually more competent than the sales leadership.

Barry Hilton, UK managing director of sales training provider Mercuri International, on the impact of sales apprentices

Work on B2B sales apprenticeship standards at Level 2 and Level 3, which would be ideal for delivery at FE colleges, is still in the planning stage. We hope they are completed swiftly, to add to the chain of courses and qualifications that will act as a pathway to encourage more people into the profession.

The government should promote the uptake of B2B sales qualifications, starting with salespeople employed by central and local government e.g. in the NHS internal market. A starting point is to **set a target for the 7,500 salespeople in the public sector to pass the APS's professional registration test**, a sales ethics exam. Government procurement departments should **set a deadline for all organisations tendering to supply goods and services to the public sector, to gain the APS quality mark of "Investors In Sales"** by putting their salespeople through this ethics exam.

Upskilling the existing B2B sales workforce

What is the best way to help SMEs to upskill their existing sales teams? There is no single answer to that question, as SMEs are so diverse in size and needs. Action needs to take place on several fronts to tackle all the issues that contribute to the shortage of B2B sales skills at SMEs.

1. Teaching B2B sales

The inquiry heard that there is a shortage of FE teachers with technical skills and recent experience in B2B sales. SMEs often enquire about sales courses at Growth Hubs, which struggle to find sales speakers with current sales experience at a high level: and these shortages inhibit Growth Hubs and FE colleges from offering high quality sales courses. Without more widely available teaching, it is hard to reverse the situation where professional B2B sales skills are hoarded in large companies, and not enough trickles down to SMEs.



It's important to find a way of bridging the gap between large corporates and SMEs, so that those who are experienced can spend more time educating those that are joining our wonderful profession.

Inquiry witness Ben Gaston, sales director, Toshiba Tec UK

To increase the number of sales teachers we recommend that the government should **encourage larger businesses to donate some of the time of their sales enablers to deliver B2B sales courses at FE Colleges and talks at Growth Hubs**, aimed at SME salespeople and sales managers, under what could be described as **“Teach Sales to Help Out”**. The **content for courses should be agreed nationally** to ensure consistency and professional standards.

Students would benefit from the skills and knowledge of corporate trainers. But the donor companies would also gain from developing a closer connection with small businesses in the community, and having the chance to spot future sales talent.

This APPG recommends that **Local Skills Improvement Plan pilot areas should treat B2B sales as a priority skill**. The government should consider how best to **train B2B sellers to specialise in selling new breakthroughs in STEM technology**, with a course which could be delivered at new employer-led Institutes of Technology. This would help the UK reap the benefits of its scientific expertise.

2. Mentoring SMEs in B2B sales

Successful programmes aimed at helping growth-minded SMEs to scale, like the Goldman Sachs 10K Small Businesses programme, work on a mentoring basis. The APPG heard that mentoring could have just as much impact – arguably, more – when applied to under-achieving SMEs as to high-potential SMEs.



We're missing an enormous middle sector of businesses, that with the right support around leadership and management, and support around sales, will actually be the businesses that will be creating jobs and supporting recovery for the future.”

Inquiry witness Julie Kapsalis, chair, Coast to Capital LEP

Toshiba Tec UK is one of several large companies to have proactively developed a partnership programme, to share its professional sales skills and experience with its SME resellers. There are benefits on both sides, because by helping SME partners to sell in a way that is more professional and more aligned with the standards of the mentor company, both large and small companies will see turnover increase and profits rise.

We recommend that, with the help of Be The Business, the government **promotes the spread of partnership programmes as a low cost and mutually beneficial solution for boosting sales expertise at SMEs**; as it can have a positive impact on productivity, turnover and profitability, and hence help the UK economy to grow.

Case study: Toshiba Tec

A major technology company which offers coaching and mentoring to help SMEs that sell its products to gain professional sales skills and earn the confidence of large clients.

Toshiba Tec has launched a “key partner programme”, where the company advises and mentors some of the 130 SME resellers around the UK who sell its products, ranging from a two-person start-up in Leeds to established SMEs with a turnover of millions of pounds.

Learning professional sales practices helps SMEs make the transition to working efficiently with and winning the confidence of bigger clients. “If they’re bidding for a major piece of work, and they’ve got limited bid experience, for example, we would give them access to our bid team who would help, guide and coach them through responding to a tender, which they might never have done before,” said Ben Gaston, sales director at Toshiba Tec. One of Toshiba’s resellers won its first tender as a result of this mentoring.

Many entrepreneurs have never trained as salespeople and have no formal selling skills to pass on to a trainee salesperson who joins their business, so Toshiba Tec (which has achieved an Investor in Sales award for its commitment to ethical selling) offers coaching and training.

As Covid-19 restrictions are lifted, Toshiba plans to run regular workshops with key salespeople and sales leaders from different organisations to help them develop their skills.

Toshiba measures the success of the programme in the revenue that comes through those partners, and the better working relationships it creates.

In the technology industry, there is a lot of “unchallenged sales thinking, and race to the bottom pricing strategies”, says Mr Gaston. “We are worth much more to them if we can help them grow their businesses in a sustainable fashion, than we are by giving them a discount. We’re adding much greater value overall.”

Mr Gaston believes that if other large companies adopt a similar strategy, SMEs will thrive.

3. Helping more SMEs to take on B2B sales apprentices

Successful programmes aimed at helping growth-minded SMEs to scale, like the Goldman Sachs 10K Small Businesses programme, work on a mentoring basis. The APPG heard that mentoring could have just as much impact – arguably, more – when applied to under-achieving SMEs as to high-potential SMEs.



We know that apprenticeships work. 90% of people who do an apprenticeship end up in further training or employment, which is fantastic.”

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer, Jan 2021

One place where mentors could make a huge impact is to support SMEs to take on a B2B sales apprentice. Apprentice salespeople have already increased deal sizes and revenues at larger employers. In February 2021, Amazon UK became the latest large corporate to advertise that it was recruiting for the B2B sales degree apprenticeship. However, few SMEs have taken the plunge of hiring a B2B sales apprentice.

Support is particularly important because Covid-19 has hurt the revenues of many businesses, and this has in turn impacted on apprenticeships, with new starts in March to July 2020 down 46% on the previous year, and many apprentices furloughed or laid off. As the first B2B sales apprenticeships only started in 2018 it is too early to compare 2020 new starts with previous years. Some sales apprentices reported interruptions to their training: being furloughed, having to work full-time to cover for colleagues who were furloughed, and having to move into other roles that were not directly sales-related. This is a poor outcome for the apprentices, and reflects a lack of resilience and flexibility in work-based training, which the DfE could examine. The government should **extend the £2,000 retention bonus for sales apprentices beyond 31 March 2021** to try to deter further attrition.



My current sales training is being delivered virtually online with a cohort of another 13 people. The experience is very interactive and although I have only just started, I feel like the course will be invaluable to my career in sales.

Inquiry witness Georgia Cooke, Level 4 sales executive apprentice

Many fears stop SME owners taking on an apprentice: the perceived cost, the lack of time or skills to manage a trainee, and the business impact of time apprentices spend studying. For apprenticeships to be truly interesting to SME owners, the government should pledge to **pay the first six months of an apprentice’s wages**, until they can contribute to the business. The DfE should **review the excessive bureaucracy required of SMEs** to apply for apprenticeship funding (a 47-page form, in one case). It should **increase support and advice to SME owners managing apprentices**, e.g. via peer networks at Growth Hubs.

Raising the training allowance for the Level 4 sales executive apprenticeship from its current low level of £6,000 for an 18-month course would persuade more training providers that it was economic to run B2B Sales apprenticeships at SMEs, making it easier for businesses to find a training provider.

Improving B2B sales management at SMEs

To benefit the UK economy, it is not just the professional sales skills at SMEs that need upgrading, it is the sales management skills too.



UK businesses underperform on the adoption of effective management and leadership styles relative to top performing countries.

From Ostrich to Magpie, CBI, 2017

Spurred on by the pandemic, at least eight cohorts of SME owners have already passed through BEIS's new Small Business Leadership Programme (SBLP) to learn about management practices and technology. The SBLP course is however light on sales content – the word is not directly mentioned in the course material – and this is a missed opportunity. The government should **expand the Small Business Leadership Programme and incorporate more on sales and sales management** when it is next reviewed. Like courses in **B2B sales skills, B2B sales management courses should be available under the Lifetime Skills Guarantee**.

Some SME owners are too busy to attend a course at a fixed time, and need bite-sized content to browse. The government should ensure online short courses for SME owners focused on common problems in sales management (e.g. hiring a salesperson) are available in its Skills Toolkit; and ensure small businesses have access to live sales webinars via Growth Hubs, and more **opportunities to network with their peers** and discuss B2B selling.

The main conduits for business advice are Growth Hubs, LEPs and Chambers of Commerce. However, fewer than 10% of SMEs access them; and the SME owners who do, tend to be those who are already open to ideas. So how to reach the hard-to-reach?

Most SME owners turn to their accountants and banks for advice, or to fellow business-owners. The government should use these channels for **an information campaign for hard-to-reach SMEs** to upgrade sales skills and technology, as a way to make their business more resilient and profitable, and in good shape to be handed on to the next generation.

The pandemic has provided an opportunity to persuade even the hardest-to-reach SMEs to engage. SME owners are in contact with HMRC for support payments, and in the current climate are likely to be more open to potential sources of advice. The government should consider leveraging the money it pays in business support grants, by **making future financial help conditional on progress towards targets** on sales skills, productivity and carbon emissions.

The lesson of Covid-19 has been that the marketplace has fundamentally changed. SMEs can no longer go back to the "old normal"; they must adopt new technologies and keep pace with skills required in order to continue to service their customers quickly and with agility. Those who adapt quickest will be best placed to grow.

Case study: Little Soap Company

An SME founder has harnessed technology to give resilience, improve B2B selling and even expand revenues in a crisis.

A sudden surge in demand is a risky time for small businesses. Yet Little Soap Company, a Cotswolds SME with a team of 30, which supplies organic, UK-made soaps to supermarket chains and online retailers, weathered the soaring demand for soap and saw turnover rise this year from £1.5 million to £2.7 million. So how did they do it?

Recent tech adoption and adapting management practices have been the key to its success, according to founder Emma Heathcoate-James. Attending the Goldman Sachs 10K Small Businesses programme six years ago convinced her to move 100% to being cloud based – something that worked well with most of the team already working remotely, but a decision that paid off even more when lockdown began, enabling all the office-based staff to pick up their computers and seamlessly start working from home. Video-conferencing has allowed the entire team and its specialist agencies, all based in different parts of the UK, to have more regular meetings. One simple change was creating a whole-team weekly meeting (something only done quarterly before, due to travel and time commitments) and weekly senior management team meetings. This immediately improved efficiency and communication which was needed, especially when panic-buying kicked in and excess stock needed to be manufactured fast during the first lockdown. The whole team is now more aware of the logistical operations and everyone's roles within it. Emma has used this period to cultivate a more cross-functional team covering all areas, especially new product development and creative problem solving. She says home-working has enabled nothing but positives for the team and effective collaboration.

The company's resilience has also been aided by the fact that it avoids long supply chains by manufacturing in Great Britain. As a certified BCorp organisation, its strong ethics and environmental mission means that the vast majority of its products are in bar form, and do not require the plastic bottles and pumps that have been in short supply globally.

For more, listen to the Aston Means Business podcast interview with Emma Heathcoate-James: <https://open.spotify.com/episode/3dEmPyOlOhQnbtVPadTwlk>

In 2017 the CBI urged the government to **set targets for SMEs to adopt five basic business technologies** (website, online retail, CRM, cloud computing and online accounting) that would increase their productivity. Today, many SMEs still have not adopted all five, and risk being left still further behind. The future direction of travel for sales has been clear for a long time: and businesses that are going down the route of strategic selling, with the salesperson as an industry expert and technical consultant, are already making ever increasing use of AI tools to crunch vast quantities of data in real time on sales calls.

The government should consider setting **national targets for SMEs to adopt proven digital technology** and encourage Growth Hubs to run **short courses advising small businesses how to adopt sales technology**. (Further financial incentives to digital adoption are discussed in the next section.)

Incentives and costs

In ordinary times it is up to individual companies to identify and pay for their own training needs. Indeed, much of the cost of upskilling should be carried by the private sector. Witnesses told the inquiry that training that was given away for free was unlikely to be valued. The reason why the taxpayer needs to intervene on behalf of SMEs is because these are manifestly not ordinary times. The pandemic has left most SMEs very low on cash. So some taxpayer investment in helping businesses to improve their selling, increase their revenue and survive the pandemic will produce an extremely good return on investment.

Many of the best interventions the government can make are low cost, involving policy changes, partnerships and campaigns. Inevitably however some money will have to be spent. Sales and management skills training will need to be increased via a range of providers. Financial incentives for SMEs to take on apprentices should be extended beyond 31 March 2021 when they were due to expire, and we recommend that the government should pay the first six months of apprentice wages, until the apprentice is able to be productive.



**Why would people go into a career called sales at the moment?
The sales profession has lost so much talent over many years by not
encouraging the right people, or the best people to go into this profession.**

Inquiry witness Ben Turner, managing director, Itec Learning

Robert Halfon MP, the chair of the Education Select Committee, has called on the government to consider a tax break for skills. This APPG recommends that the Chancellor considers going a step further and announces a **'Go for Skills' programme** – a time-limited tax allowance for skills training and for buying digital technology. Mr Halfon has also called for an extension of the Lifelong Learning Guarantee to cover all retraining needs, and this all-party group agrees that the government should consider how to put this idea into practice.

In future, all government funding for SMEs should be leveraged to achieve **smart goals**. Individual smart goal targets could include making loans and grants conditional on an SME cutting its carbon emissions, adopting technology and increasing B2B sales skills. The biggest costs will be for retraining people who have lost their jobs – but these were costs that would have to be borne by the taxpayer anyway. The CBI warned in October that new technologies meant five million people in the UK would need to retrain by 2030 – the pandemic has just shortened the timescale. This APPG argues that the government's list of priorities should be extended to training expert, high quality sellers who can help the country to make money. Within a decade the cost will have been paid back several times over by economic growth, in addition to the savings on work-based benefits. And with a skilled workforce, UK firms will be able to compete successfully overseas.

Conclusion

As the government's priorities shift away from job retention and towards retraining people for the skilled jobs of the future, B2B sales must be one of the UK's top priorities.

Many positive benefits will flow to the UK if we can ensure SMEs adopt digital sales technology and sellers gain professional skills:

- UK's capability to trade nationally and internationally is strengthened
- Resilience of UK economy to external shocks and technological change is increased
- Tax revenues are boosted as SMEs grow their profits
- Productivity improves as SMEs adopt technologies/skills
- Upskilled workers increase their earnings and make progress in their careers
- Unemployed people gain secure, skilled jobs
- Cost of work-related benefits falls
- UK brands gain respect, because of the skill of British salespeople
- The UK's image abroad is boosted

The pandemic has presented us with an opportunity to look afresh at seemingly intractable economic problems. Much of the cost of upskilling can be borne by employers, but government action is essential to initiate change by signaling the importance of selling skills.

With political will and a comparatively small investment, the UK can emerge from the pandemic-induced recession more digitally and commercially adept, with a more skilled workforce, making the UK better equipped for the business challenges of the future and for doing business with the wider world as an independent trading nation.



Our brilliant SMEs are the backbone of our economy, creating jobs and generating prosperity – so it's vital they can access the tools they need to succeed.

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

Recommendations in full

In this section we set out the specific actions the APPG believes the government should take in order to achieve our three key recommendations.

1. Recognise the importance to the economy of B2B selling

The government should recognise the importance of B2B selling by SMEs as a core function of the UK economy, which requires complex skills that are in short supply. It should promote wider awareness of the value of B2B selling to a wide range of audiences.

Specific actions to take:

- 1.1** Endorse the Association of Professional Sales's petition to become a chartered body for sales in due course
- 1.2** Direct the ONS to collect separate regional and national statistics on B2B activities in the economy, to help guide policy
- 1.3** Let's Get Selling': Co-sponsor with the APS a national awareness campaign about the need for businesses to become more expert at selling, targeting a wide range of audiences, including 'hard-to-reach' SMEs via their financial advisers. Run a social media campaign using influencers and especially female role models to highlight the advantages of a careers in B2B sales
- 1.4** Include B2B sales in the government's TV and other media campaigns to promote work skills training
- 1.5** Invite representatives of the B2B sales industry to participate in relevant advisory groups or panels of DfE, BEIS, MHCLG, DIT, Defra, HM Treasury and the Cabinet Office
- 1.6** Update and expand information on B2B selling and sales careers on www.gov.uk
- 1.7** Lead by example, by setting a target for the 7,500 salespeople working in the public sector to pass the professional registration exam in B2B sales
- 1.8** Require all companies tendering for government contracts to work towards the status of Investors In Sales

2. Encourage more entrants into the B2B sales profession at SMEs

The government should increase the numbers of people entering the B2B sales profession in SMEs through work-based training, to alleviate the acute skills shortage and the number of hard to fill roles in B2B sales which have both been worsened by the pandemic.

Specific goals should include:

Making school leavers, parents and teachers more aware of careers in B2B sales

2.1 Fast-tracking the creation of a T Level in commercial skills

2.2 Introducing sales into the curriculum at primary and secondary schools, via practical class activities; e.g. a stall at the summer fair, Young Enterprise, 'The Tenner Challenge', sales competitions

2.3 Instructing careers advisory services in schools, colleges and universities to offer information on B2B selling as a career, and as a source of work experience

Creating pathways into the profession

2.4 Overseeing and helping to develop a pathway of nationally-recognised course standards and qualifications in B2B sales, from the Kickstart programme to a Masters degree; with all course content aligned with the flagship Level 4 and Level 6 apprenticeships in B2B sales

2.5 Making B2B sales courses available under the Lifetime Skills Guarantee

2.6 Instructing JobCentres to offer information on retraining in B2B sales

2.7 Developing ways to train B2B sellers to specialise in selling breakthroughs in STEM technology, with a course which could be delivered at employer-led Institutes of Technology.

Promoting the uptake of sales apprenticeships by SMEs

2.8 Reducing bureaucracy for SMEs applying to take on a B2B sales apprentice

2.9 Increasing the training allowance for a Level 4 sales executive apprenticeship from its current level of £6,000, so more training providers will offer courses to SMEs

2.10 Extending the £2,000 retention bonus for sales apprentices beyond 31 March 2021

2.11 Paying the first six months' wages costs for B2B sales apprentices

2.12 Supporting SME owners to manage sales apprentices, e.g. with mentoring from larger companies, peer networking via Growth Hubs, or with help from training providers

3. Promote higher sales skills and uptake of digital sales technology

The government should support SMEs to increase their skills in B2B selling, in B2B sales management and in the use of new and emerging digital technologies for B2B selling.

Specific goals should include:

Promoting more advanced B2B sales skills

- 3.1** Making improving B2B sales skills a national priority in Local Skills Improvement Plan trial areas, with a view to rolling out nationwide
- 3.2** Encouraging Growth Hubs to offer short courses on B2B sales skills, aimed at salespeople, and short courses in sales management for SME owners, eg via live webinar
- 3.3** Encouraging large employers to share their sales enablement expertise to teach B2B sales at FE colleges and Growth Hubs, and to talk in schools: “Teach Sales to Help Out”
- 3.4** ‘Smart goals’: making financial support to businesses conditional on measurable progress towards key targets: e.g. achieving Investor in Sales, where 50% of salespeople have passed the B2B sales professional registration exam
- 3.5** ‘Go For Skills’: offering tax relief for businesses against the cost of skills training – and acquiring new digital technology from an approved list [see also 3.13 below]

Promoting more advanced management skills at SMEs

- 3.6** Making B2B sales management courses available under the Lifetime Skills Guarantee
- 3.7** Expanding BEIS’s Small Business Leadership Programme to reach more SME owners, and increase the course content on B2B sales and sales management
- 3.8** Encouraging large corporates to offer partnership programmes to boost sales expertise at their SME resellers
- 3.9** Providing opportunities for SMEs to network with their peers and discuss B2B selling
- 3.10** Providing free, bite-size, online courses in sales management via the DfE’s Skills Toolkit, focusing on common problems

Promoting the uptake of digital technology

- 3.11** ‘Go for Skills’: offering tax relief for businesses against the cost of acquiring new digital technology from an approved list, and skills training [see also 3.5 above].
- 3.12** Setting national targets for SMEs to adopt basic proven technologies essential for B2B sales; eg Customer Relationship Management software, cloud computing, eCommerce
- 3.13** Encouraging Growth Hubs to run courses advising SMEs on how to adopt basic digital sales technology, and to discuss what works via peer networks

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Appendix

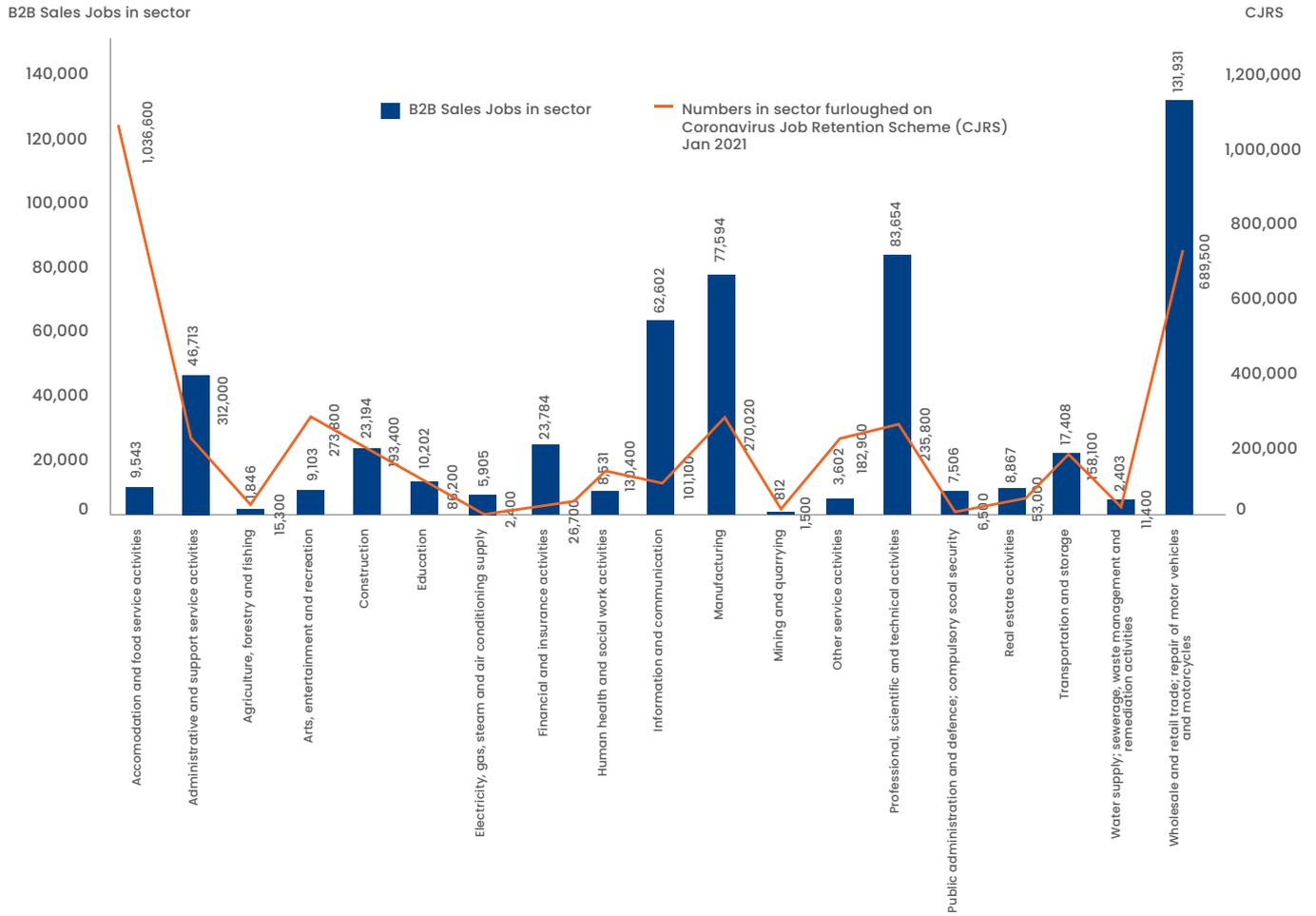
Table 1: Skills shortages in B2B sales (see Chart 4)

Compares demand for skills by B2B employers with supply of skills by potential job candidates

Skill	Frequency in posting	Postings with skill (of 362,049)	Frequency in profiles	Profiles with skill (of 461,690)
Selling techniques	16%	58,870	7%	32,058
CRM	12%	42,039	9%	40,917
KPIs	10%	35,662	3%	12,785
Forecasting	7%	24,883	3%	15,892
Account Management	10%	36,293	23%	106,064
Sales Management	11%	40,178	24%	111,421
Business Development	20%	70,970	26%	121,404

Source: Source: Emsi Data Q1 2021.1

Chart 8: Use of furlough in industries where B2B salespeople work



Source: Source: Emsi Data Q1 2021.1