



Learning+Skills Council

THE ARG PROJECT  
ACTION RESEARCH FOR GROWTH  
Objective 3 North Yorkshire

**EXECUTIVE SUMMARY**

*Prepared for:*

Learning & Skills Council North Yorkshire

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## EXECUTIVE SUMMARY

### □ PROJECT AIMS

- The first aim of the project was to conduct research to establish the skills gaps which exist in SMEs in the Richmondshire and Hambleton Districts of North Yorkshire, and indicate possible solutions, with a focus on higher level business and ICT skills.
- The second aim of the project was to source and provide free or heavily-subsidised training solutions for the needs of the SMEs established through the Skills Gap Analysis (SGAs) part of the programme – and then to assess the acceptability of the training to SMEs and the market-ready provision of courses by training deliverers.
- The third aim of the project was to provide training support for those clients who progressed into training, in the form of one-to-one mentoring, and to assess the effectiveness of this approach to business support.

### □ POSITIVE OUTCOMES

- The customers and learners who were encouraged by the project and the Skills Gap Analysis (SGA) process to source own training options. One tacit aim of the project has been to put training/learning on the agenda of SMEs. Training should not be support driven but business driven.
- After initial agreement to a Training Option Plan or to the Training Options, some customers wished to discuss different options and to modify or even fundamentally change their plans. Reasons varied from a change of focus on business needs via the SGA, or because of a change in job role.
- Discussion with customer by phone, email, letter often entailed the creation of a succession of Training Options Forms – offering different solutions to the client's own perceived business/ICT skills needs. The relationship developed more along the lines of a business base and not simply that of training provider.
- Project enabled clients to develop business into new areas. A function of the strategic approach to the Business Skills Gap Analysis (BSGA) has been to fundamentally examine the business. This in turn has generated new perspectives and approaches.
- A surprise has been the popularity of computer-based training – especially through a CD-Rom. It offers flexibility, since it is a resource that is available whenever and wherever: key benefits to the Richmondshire and Hambleton districts with their challenges of rural distance. A potential negative is maybe through the motivational challenge to learners. E-learning demands focus and motivation and courses may not be sustained if encouragement is not available. The role of mentors is crucial to success.
- The working assumption for ARG was that it would be a linear process progressing from the Skills Gap Analysis through the Training Action Plan and Training Options to training. The actual process, for a significant number of clients, was cyclical particularly with the definition and implementation of the training. The project team were obliged to review and revise the training programmes in light of changing needs and timescales.

## □ CHALLENGES

- It has proved difficult to obtain up-to-date information from both colleges and private providers.
- Particular difficulties arose in collecting the information from providers during early summer months when details of new prospectuses had not finalised and so were not available online or in hard-copy until much later.
- A common cause of frustration was that prospectuses, hard copy or online, were not always an accurate record of what courses were on offer. Often courses were in state of flux and remained so for weeks and it was difficult to book ahead. The end result was that the business and the learner lost interest, despite their initial enthusiasm.
- With some job-specific skills (e.g. balloon sculpture, clowning) it has been difficult not to say impossible to source training locally. It should be said, however, that if the business sees the training as a priority to its well-being then distance proves to be less of a problem.
- There is a significant proportion of Universities and colleges who are not providing business courses which are tailored to the timeframes and circumstances of businesses. The popularity of short and often intense courses demonstrate the market requirements.
- ICT courses at colleges are often not short courses but extend for one day a week for 26 weeks. The courses are usually held at night on their premises. Businesses are not inclined to long-term commitments but want shorter intensive courses – a few days, not many weeks. They are not prepared to be away from the business for so long, particularly, smaller and start-up businesses with few employees. Even those with longer term perspectives still need someone to "do the doing of the doing".
- Some private training providers have proved to be inflexible in time and location. The customer base for ARG is over the large rural districts of Richmondshire and Hambleton.
- Transport is difficult in rural areas isolating many learners from the main sources of public training provision. Car ownership cannot be assumed, particularly for the smallest businesses.
- The project experienced sustained difficulties with businesses seemingly reluctant to take up training by selecting and returning forms. The Project Manager and his team had to repeatedly contact the customers to encourage take-up of training.
- There was a lack of acknowledgement from training providers after the despatch of training costs information. Cost letters were created so that there was concrete evidence of contact/booking of the course selected by a customer with a specified training provider. The project had several instances when bookings had to be followed up since the learner was not booked on the course.
- A number of training courses, by both public and private providers, were cancelled so that different solutions had to be discussed and sourced. The de-motivation and time required to re-book affected both the customer and the Project Manager.
- The project identified strategy and planning as the least represented skill among the skills gaps identified by the Skills Gap Analyses. Business support agencies confirm the significance and importance of strategic thinking to business development. This research suggests that the profile of strategy and planning needs to be raised with small businesses, so that its importance to their business, is communicated and understood.

## □ **REGISTRATION / RECRUITMENT**

- Of the total of 120 companies recruited, 66 were businesses located in Richmondshire District, and 54 were businesses located in Hambleton District, both in the County of North Yorkshire.
- Needs a mix of recruitment approaches including conventional mediums such as mailings and events but with an emphasis on word-of-mouth, emailing and telephone follow-ups.
- During the recruitment process, a disparity of interest was noted between the two target districts. Small and medium businesses within the Hambleton district were significantly more reluctant to participate in the project than businesses in Richmondshire – despite the specific targeting of Hambleton in an attempt to address the anticipated disparity between the two neighbouring areas in terms of business support funding. However, the ensuing final totals were not as distinct as anticipated in the early months of the project.
- It proved difficult to match the sample against the sector split of businesses in the two districts. The biggest variation was in community, social and personal service. The key factor in this sector was the high weighting of consultants. State-of-the-art skills are a pre-requisite for their business.
- Recruitment difficulties were worst in traditional sectors such as manufacturing, construction and, for these districts, hotel and restaurants. This was in contrast to an earlier pilot project where sectors had more representation. The difference may have been the emphasis by ARG on higher level ICT skills rather than other “individual” skills such as rules and regulations, managing change, lower level ICT skills and soft management.

## □ **SMES - RICHMONDSHIRE & HAMBLETON**

- The research undertaken by the ARG initiative seems to support the view taken by research conducted for the Small Business Service that argues that the SME sector is diverse and that often the assumption is that “ICT must be a “good thing” for SMEs”. The ARG research shows that SMEs’ needs are business driven and that their consumption of ICT is driven by those imperatives and not just by the conventional wisdom that ICT is valuable per se.

## □ **BUSINESS ADVISERS**

- The approach to this type of work should be through trusted and experienced business advisers. Optimal performance can be achieved if within the team there is a “champion”.
- The project had a champion with John Moore of Business Solutions Bedale (BS-B). He developed an excellent working relationship with the Project Manager Alan Young who was also the training broker. John and Alan were in daily contact ironing out problems and resolving queries. Future projects should endeavour to identify and support champions but this may not always be the case. If a champion cannot be found then a more formalised system such as a help/support line may be required.
- Training of the advisers in how to use the electronic SGA tool is necessary. The actual operation is simple enough but it is essential for them to understand the thinking behind the process, the knowledge map methodology and the structure and content of the statements and questions. The training session undertaken with BSB and the other consultants was particularly useful in

positioning the SGA in their portfolio of business support tools. All were then able to see how it could help to provide a platform to develop longer-term relationships with customers.

#### □ **SUSTAINING PARTICIPATION**

- The level of encouragement/chasing of customers during every stage of the ARG process was underestimated. Even the SGA element, to which no cost was attached, demanded a constant round of encouragement, flexible diaries and patience. The costs of this protracted “hands on” management need to be reviewed – this is dealt with more thoroughly in the Training Research Report.
- With the ARG Project, the skill and experience of the business adviser and their relationship with the client was a significant factor in establishing a continuity of contact, but also in sustaining clients’ involvement with the project throughout the lifetime of the project.
- The documentation required for administrative purposes, whether internal or external, needs to be simplified if possible. A possible reason for the delays in return of documents from ARG clients may be associated with the amount of paperwork involved. However, the struggle to achieve minimal documentation may prove difficult to reconcile with the requirements of ESF.

#### □ **SKILLS GAP ANALYSIS**

- The electronic tool was easy for both advisers and customers to use:
- As one adviser remarked, “The ease with which you can tailor the SGA meant that it was always better than a paper-based system would have been”.
- The print-out of a scored Skills Gap Analysis with comments, gives the customer reference to the process and provides the adviser with all the information for a Training Action Plan.
- The database behind the SGA enables instant and thorough analysis for all interested parties.
- The electronic SGA is also a “natural” demonstration of how ICT provides a business tool and benefit. It is an example of ICT actually being a “good thing” for the business process.
- The SGA process should be flexible in delivery and tailored to meet the demanding variations and intensity of the businesses. An adviser has written, “The SGA Tool...gave a useful framework for discussion about the businesses’ activities. The prompts provided structured categories gave shape to discussions with clients”
- A total of 158 Skills Gap Analyses (SGAs) was undertaken by 7 Business Advisers with 120 small and medium enterprises.
- A total of 156 Training Action Plans were written, of which 139 were approved by clients.
- Just over 38% of the skills gaps were related to ICT including Sage, web design as well as Word, Access and Excel. Almost 62% related to business skills either customer facing such as sales and marketing or specific skills for the business and management ranging from technical skills to legislative and finance.
- Given the emphasis in the research on higher-level ICT skills only 38% of the skills gaps were in this area. SMEs from whatever sector and size are driven by the business not simply the desire to acquire ICT skills.

## □ TRAINING

- 34% of courses were in ICT and therefore 66% were in other business skills of which 22% were in finance and 24% in job specific
- Most training (60%) was delivered on a course with another 29% in house
- 80% of courses were designated to be at the mutual convenience of customer and provider – only 14% were marked “as soon as possible”
- 63% of courses were one day or less
- The beneficiaries generally began with high levels of qualifications. Over 39% had Level 5, over 15 % Level 4 and just under 36% had Level 3
- Of those undertaking training with ARG 74% took Level 3 and 26% Level 4 and above.
- Of all ARG beneficiaries, 79.6% were the recipients of one-to-one mentoring support