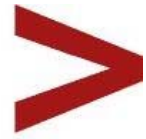




EUROPEAN UNION
European Social Fund



Learning+Skills Council

THE ARG PROJECT
ACTION RESEARCH FOR GROWTH
Objective 3 North Yorkshire

RESEARCH REPORT

Prepared for:

Learning & Skills Council North Yorkshire

Prepared by:

The MRS Consultancy Ltd

February 2004



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1. APPRECIATIONS AND ACKNOWLEDGEMENTS

- All the businesses that gave their time and effort to take part in the research exercise.
- Those businesses that tried to lend support until “life got in the way” and they were obliged not to pursue the project.
- Our very varied range of training providers.
- The team at Business Solutions Bedale (BSB), especially John Moore, who with unflagging enthusiasm and commitment, helped the MRS team to encourage the businesses to participate in the project, and to take up and pursue the training.
- All those in LSC North Yorkshire, Hambleton District Council, Richmondshire District Council, BSB, North Yorkshire County Council, Chambers of Commerce and private sector business advisers who lent support and advice.
- Contributors to the debate from Universities, Colleges and researchers, who are trying to help SMEs develop their business and individual skills.
- Software developers MyKnowledgeMap Ltd, based in York, who remained cool, calm and collected as events and experience amended the brief and more project development had to take place.
- Our mentoring partner Keystrokes who demonstrated patience not only as they tried to contact the learners but also with the slow start up of the training programme.
- The MRS Consultancy staff and associates, primarily Alan Young supported by Karen Vernon and Maureen Rainbow, who were endlessly patient, persistent and professional as we “tweaked” the project, and in helped businesses to avail themselves of the training opportunities.

2. 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.
- The Business Adviser is a significant factor for the successful SGA process. Mediation with the client so that realistic solutions are provided for the client’s training, and also encourage the client to continually review and refer back to the business needs as the SGA progresses
- 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

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**SUMMARY OF KEY ISSUES
AND CONCLUSIONS**

3. SUMMARY OF KEY ISSUES AND CONCLUSIONS

Aims

- The aim of the SGA phase 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 aim of the training phase of the ARG project was to source and provide training solutions for the needs of the SMEs established through the Skills Gap Analysis (SGAs) part of the programme.
- The research was also charged with assessing the acceptability of the training to SMEs and the market ready provision of courses by training deliverers.
- The project was also required to ascertain the impact of one-to-one mentoring for those SMEs participating in training.

Facts and Figures

- A total of 152 Skills Gap Analyses (SGAs) was undertaken by 7 Business Advisers with 120 small and medium enterprises.
- Of the total of 120 companies recruited, 66 were businesses located in Richmondshire, and 54 were businesses located in Hambleton.
- From the 158 SGAs conducted 156 Training Action Plans (TAPs) were written and 139 of those approved by the beneficiaries. Only 93 of the 139 approved plans were taken up as training courses.
- 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.
- 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.

The Positives

- The customers and learners who were encouraged by the project and the Training Needs Analysis (TNA) 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 TNA, or because of 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.
- The 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 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 Challenges

- 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 specific targeting of Hambleton in an attempt to address and repair the anticipated disparity between the two neighbouring areas in terms of business support funding.
- 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.
- 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.
- 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 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.
- 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 (BSB). 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 provide a platform to develop longer-term relationships with customers.
- 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 Training Needs 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 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.
- The TNA 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”
- It has proved difficult to obtain up-to-date information from both colleges and private providers.
- Particular difficulties arose from 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.
- 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 than 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.
- 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 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.
- 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 lose interest, despite their initial enthusiasm.

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RECOMMENDATIONS

4. RECOMMENDATIONS

- The process of conducting TNAs and SGAs needs to be business driven. The results show that businesses are focused on their business needs and that whilst ICT may become more important it is an enabling device.
- The role of the business support agencies – both public and private is key to credibility and recruitment. They are seen to have business needs as their aim not training.
- The Business Adviser is a significant factor for the successful SGA process. Mediation with the client so that realistic solutions are provided for the client's training, and also encourage the client to continually review and refer back to the business needs as the SGA progresses.
- Champions in the business support agencies play a vital role not only in promoting the project but also in encouraging and mentoring their colleagues. 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.
- All the advisers on the project felt that the ARG research should not be a solus exercise. The businesses need to be re-visited with the SGA – not only those who undertook training but also those who did not. One adviser argued, "It would be interesting...to see which ones were still in business and how they were doing". The ideal follow up would use the same SGA mapping the movement in skills and knowledge backed by a business review to demonstrate the business benefits.
- A flexible approach needs to be adopted. The SMEs vary considerably in size, experience, sector and business sophistication. The approach to recruitment and marketing needs to reflect the varied and intensive niche activities of the business communities. The conventional marketing wisdom of mailings, events and PR did not readily produce results. The activities played a part but it was the grounded knowledge and experience of organisations such as BSB, and the hands on approach of Advisers such as John Moore, that elicited the best results. The use of these types of organisations, both public and private sector seems to hit the mark.
- The approach to conducting SGAs needs to be flexible. Not all, especially smaller businesses, can take a "wider business perspective". As one adviser observed, "The SGA Tool...gave a useful framework for discussion about the businesses' activities. The prompts provided structured categories gave shape to discussions with clients"
- It is a key conclusion for both the SGA process and the Training process that the effort and costs involved in recruitment AND the sustaining of interest and commitment to the training process, was significantly more than anticipated.
- The project set itself targets for the number of SMEs, beneficiaries, BSGAs and ISGAs, ICT levels skills etc. ARG has been a research exercise that demonstrates that the working hypotheses need to be constantly reviewed and revised.
- The project experienced poorer than anticipated take-up of the training. Follow up mailings, emails and telephone calls impressed up on customers the value of the project and the timescales. More emphasis needs to be placed on the opportunity at the time of the SGA visit and in the follow up correspondence for the TAPs and training options.
- The pc/laptop approach allows the customer and adviser to work together on the consultation and process so that the SGA and TAP do not come as a surprise.

- The electronic format for the SGA enabled the advisers to produce the TAPs more quickly than paper based methods and even those experienced with the LSC York & North Yorkshire Objective 2 Pilot Project.
- Short intensive business courses lasting a day or certainly less than a week preferred by ARG clients
- The ICT courses provided by public provision need to be specifically tailored to business, and particularly businesses located in a rural area.
- The working hypothesis of the ARG project was that the districts had a shortage of higher-level ICT skills. The research shows that there the requirements are more complex and tied into the overall mix of business skills. This may involve lower level ICT skills but certainly requires that they need to relate to the requirements of running a business as well as job specific training.
- The driver for business is business. The approach to developing ICT skills in future projects is not to highlight them as discrete entities but to place them as part and parcel of business life – **a basic skill for business life.**
- There is a reluctance to participate in “classroom” training, particularly when it extends over a long period. Providers need to explore other methods of delivery, but with the client in mind not the technology.
- To increase take of the training and minimise management time and costs future projects need to firm up on the training dates and commitment at the earliest stage i.e. with the Training Action Plan and the Training Options.
- Our Research Report on ARG recommends that a similar exercise be conducted with the same sample. It is also true for the training element to measure changes in performance, attitudes and take-up by customers and providers.

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PROJECT BACKGROUND

5. PROJECT BACKGROUND

5.1 Summary of Brief

Aims of the project

- 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.

Objectives of the project

1. To research into the real skills gaps experienced by at least 120 SMEs in the Richmondshire and Hambleton Districts of North Yorkshire that affect the business development and the relatively poor survival rates in the two areas.
2. To produce action plans for at least 100 SMEs with prioritised actions based on the first objective.
3. To action the second objective with the sourcing and provision of hybrid/blended solutions – and to conduct research into their acceptability to SMEs, and into the delivery/ implementation mechanisms that enable employers to identify the benefits of workforce development.
4. To ascertain the impact of one-to-one mentoring for those SMEs participating in training.

This report focuses on the training process of the Project. A previous report was concerned with a review and analysis of the Skills Gap Analysis process.

5.2 Background

Richmondshire and Hambleton districts

The Districts of Richmondshire and Hambleton were selected, as representative of rural areas that experience difficulties in finding and accessing training locally that is of an excellent standard as well as convenient to particular business circumstances.

The two areas are roughly comparable in with Richmondshire slightly higher in land area with 131,867 and together they encompass a total geographic area of 262,984 hectares. The two Districts stretch from Muker in Swaledale in the north-west of Richmondshire towards Great Ayton, located in the foothills of the Cleveland Hills, in the north-east of Hambleton, and down to Shipton on the outskirts of York, in the south of Hambleton. There are no cities, and the only significant towns in both areas are Richmond, Bedale, Northallerton and Thirsk whose populations reflect the rural nature of the county of North Yorkshire, and of these two Districts in particular - and the military encampment of Catterick Garrison.

The nearest local colleges are in Middlesbrough, Darlington, Stockton, Harrogate and York. These are easily accessible if access governed by primary road routes or east-coast mainland tracks. Accessibility restricted in the remote areas of North Yorkshire, many of the remotest being situated in Richmondshire, which includes much of the Yorkshire Dales National Park including Wensleydale and Swaledale.

For more detailed and comprehensive background please refer to:

- Appendix 1 – Business Expectations in Hambleton and Richmondshire
- Appendix 2 – York and North Yorkshire Employers Survey 2001
 - Hambleton
 - Richmondshire

- Appendix 3 – Key Statistics in North Yorkshire, Hambleton and Richmondshire.

The ARG sample - matching the business sectors

As reported in the ARG SGA Research Report the project tried to match the profile of businesses in the districts as far as the exercise would allow.

Business sector data Richmondshire & Hambleton (Annual Business Inquiry, 2001)

Sector	H & R %	ARG %
Wholesale/retail trade; repair, etc	23.5	27.0
Real estate, renting, business activities	18.3	12.0
Other community, social and personal service	11.6	46.0
Hotels and restaurants	11.2	1.1
Construction	10.2	0
Manufacturing	7.1	1.1
Transport, storage and communication	5.7	2.0
Health and social work	4.4	1.1
Education	2.6	5.3
Public administration; defence; social security	1.9	0
Financial intermediation	1.5	4.2
Agriculture, hunting and forestry	1.1	0
Mining and quarrying	0.2	0
Electricity, gas and water supply	0.1	0

The difficulties in securing a match were:

1. ***In the split between districts*** – The ARG SGA Research Report (February 2004 – The MRS Consultancy) shows the actual research split.

Activity	Hambleton	Richmondshire	Total
SGAs conducted with SMEs	54	66	120
SGAs conducted	73	85	158
TAPs written	73	83	156
TAPs signed	67	72	139

The more or less equal split of businesses between the two districts is misleading. The project had to work hard with special emphasis on Hambleton to have an equitable representation.

2. ***In the take up of the project by different groups*** - The SGA Research Report notes, “The biggest variation was in community, social and personal service. The key factor in this sector was the high weighting of consultants – over three quarters of the learners. The drive of this sector to improve their skills is necessary to their business success. 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 “Skillsline” (see below section 8) where with a smaller sample the representation of these sectors was higher. 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.”

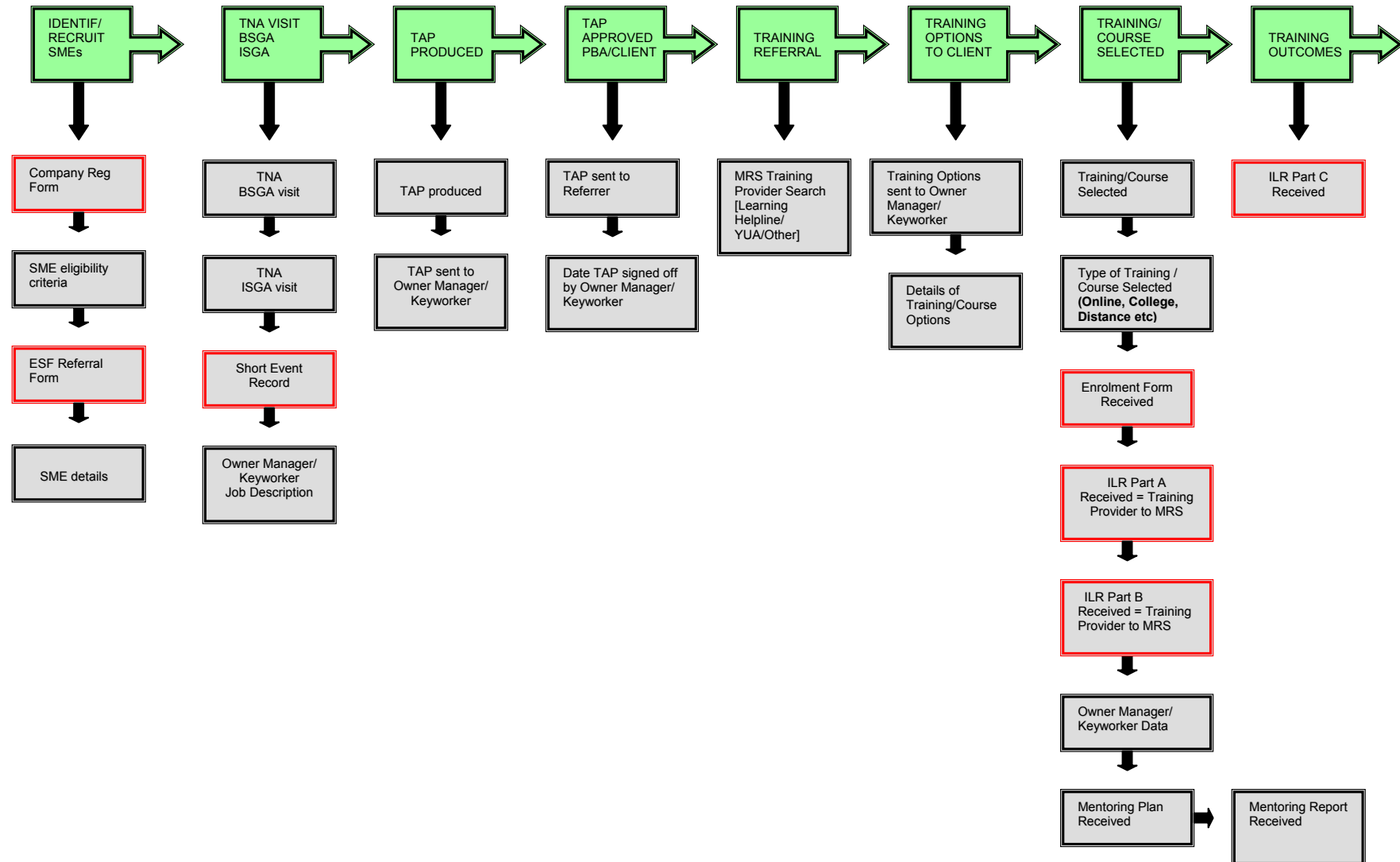
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METHODOLOGY

6. METHODOLOGY

The full extent of the ARG project can be seen from the Workflow diagram below. It comprised of two parts the SGA process and Training Provision.

6.1 THE PROCESS OF THE SGA AND THE TAP



6.2 THE SGA PROCESS

The Skills Gap Analysis (or Training Needs Analysis) conducted with Senior Managers or Key Workers within each business, used traditional diagnostic dialogue but the central feature of these Skills Gap Analyses (SGAs) was the use of a software tool. The SGA tool was specifically designed for use with SMEs, and created a framework of address in which both higher business skills and higher Information and Communication Technology skills were able to be identified, and then prioritised always with reference to the development and training needs of the business.

The completed SGA, including sections for both the Business (Business Skills Gap Analysis) and the Individual (Individual Skills Gap Analysis) was sent with a Training Action Plan (TAP) to each customer. The TAP had to be signed and returned to the Project Manager who then sourced the training.

6.3 TRAINING PROVISION

Sourcing the training options

The process of sourcing the training options had two sets of clients:

- clients/project beneficiaries
- training providers

The initial process of sourcing training options identified on the Training Action Plan involved:

- The North Yorkshire TAP both directly, by post and via their website:
Direct contact and postage involved drawing up a list of the identified training options in a list and either delivering this to the TAP office by hand or posting it. This was discarded in favour of the website and other sources after the volume of options became too many, and the delay in delivering the information became weeks rather than days.
- Searching the internet using search engine for locally-based solutions:
Used particularly when job-specific skills required, and locally based training difficult to source or unavailable.
- Searching websites of universities and colleges:
Often difficult to find business courses, (particularly short courses lasting under a week) – difficult to find information
- Searching the internet using a search engine, and then websites of local training providers identified:
Websites proved a good source of training options unless (as often true) it had not been updated, and so the information provided did not relate either to current provision or future provision
- Searching through hard copies of prospectuses from local universities, colleges and training providers
- Searching for options identified by clients themselves
- Using client-sourced specific information as gateway to other kinds of training, and other training organisations who provide it

The client approach

The process followed the following procedures:

- Impartiality maintained by offering three different training options for the client to select one. Because of the difficulty in sourcing particular job-specific skills training, these three options sometimes decreased to less, but sometimes increased to more to offer a broader spectrum of training if such training identified by the TNA and described in the TAP.
- A Training Options Form sent by post to each client with details of each training option - [*Name of training course, Training provider, Duration of training, Location, Method of delivery, Total training costs, Costs provided by the ARG Project, Start Date, End Date*] - and an accompanying letter explaining if these options were satisfactory/relevant to client's business, then one option must be selected and the form signed and dated. The letter also informed the client that if the options presented were unsatisfactory/irrelevant to client's business, to contact the project (by phone, fax, email or post) and discuss the situation, or the difficulties involved in sourcing, since other options could be sourced, or some or all criteria (such as location etc) identified in the TAP could be modified by the client.
- A form to confirm that client actually engaged in training sent to client with details of training course, needing to be signed, dated and returned.
- Two evaluation forms for the TNA and Training sent with accompanying letter, to provide customer feedback on the TNA process and on their experience of training

Training provider

For the training provider the ARG project adopted the following procedure:

- Visits to training providers to make them aware of project, see what courses and facilities they offer etc.
- A Training Costs letter sent to the training provider giving contact details of the client, the details of the course that client wished to participate in, and amount of funding for the course provided by project. Also, information about method of payment for fees, letter asking project to be invoiced for the amount inserted into form.
- Often needed Training Costs follow-up since no acknowledgement of receipt of client information

Training option selection

- The training options form created from the identified skills gaps, was sent with a covering letter to each participating beneficiary.
- Each participant considered the options, and then selected by a tick which option they wished to pursue.
- If all the training options were considered inappropriate, or inconvenient, or if the SGA process has engendered further thought that conflicted with the training identified, then each beneficiary was encouraged to contact the project to communicate these concerns, so that more appropriate and convenient, or even different, training options could be searched for and presented to the participant for further selection.
- If information was available for particular options, then, where appropriate, that information was included with the training options, so that each participant could understand what was required of them in terms of equipment, time, and in travel and participation.

- Upon receipt of a signed training selection, the project would contact the training provider to secure the training, and explain what funding the project would contribute to the participant's total training costs.

6.4 MENTORING OVERVIEW

As part of the training provision, support for each participant's training provision in the form of one-to-one mentoring was available as part of the process of the project. A template was designed as a map of planned mentoring activity offering four different options for:

Mentoring Plan

	Type of Learning	Month Before Learning Commences	Week Before Learning Commences	First Month of Learning	After First Month (where applicable)	Post - Learning
Option A	Short Event (1/2 days)	no action	Contact learner to check they have all the details of the course and are OK to attend.	no action	not applicable	Contact learner to check that the learning event was successful and that learning objectives were met. Next Step??
Option B	Medium Term Event (3 days - 1 mth)	no action	as above	Contact learner after first day to check how the event is going. For courses of more than 1 week repeat this contact each week or as required.	not applicable	as above
Option C	Extended Programme more than 1 month	Contact learner to check they have all the details of the programme and are OK to attend.	as above (if required)	as above	Contact the learner on a monthly basis throughout the learning programme.	as above
Option D	CBT Learning Option	no action	Contact learner to check they have received everything they require regarding their learning. Arrange date/time of next call.	Contact learner as arranged and at agreed milestones.	as above	as above

Mentoring plans were created to suit each individual's needs and circumstances. Reports of mentoring contact were created and updated as each contact was established, actions, comments, and contact mode noted and recorded for each client. Information concerning the learner and the training course recorded on the Contact Report was as follows:

- Name of learner

- Location/Organisation
- Telephone
- Email
- Learning Type
- Learning provider
- Description of Learning Objectives
- Course Title
- Length of learning
- Start Date
- Planned End Date

Information concerning the actual contact with the learner was provided for:

- Date of contact
- Type of contact
- Learning stage
- Contact notes
- Action Required/Taken

Recording the flow and content of information like this, created a comprehensive file of contact with the learner, and a detailed profile of how the learner's experience of the learning was progressing. Keystrokes have mentored all the learners on behalf of the project, and their reports, whilst providing contact information, also highlighted any problems (e.g. with training providers, levels of courses, funding, travel etc) that the Project Manager might resolve.

There has been the following percentage of completers from each type of learning:

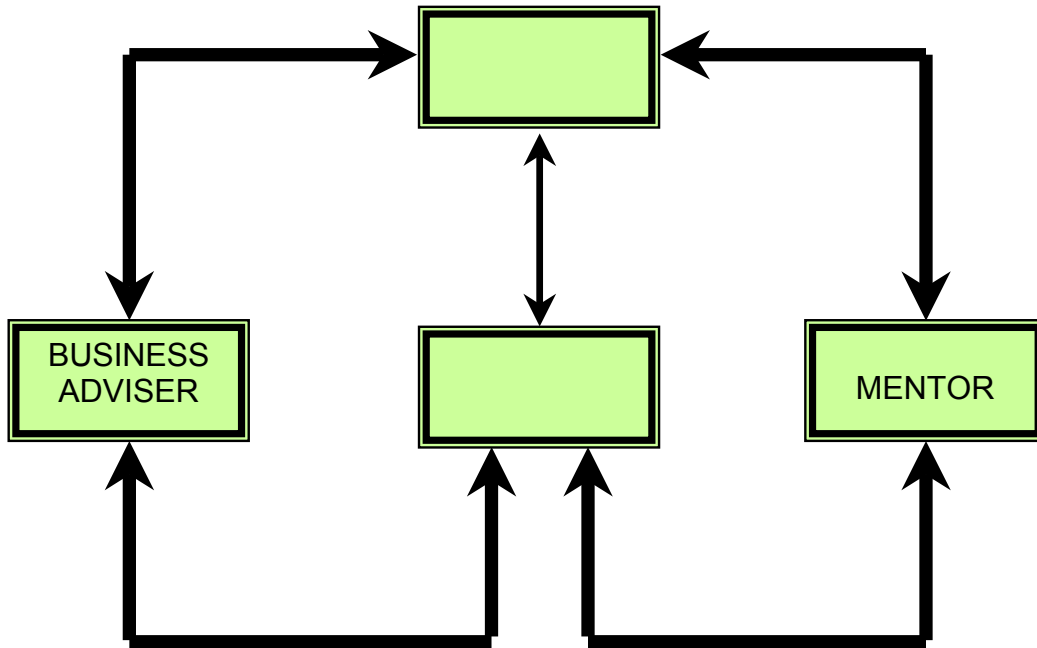
Option A	67%
Option B	16%
Option C	All learners ongoing*
Option D	17%

*excludes ongoing.

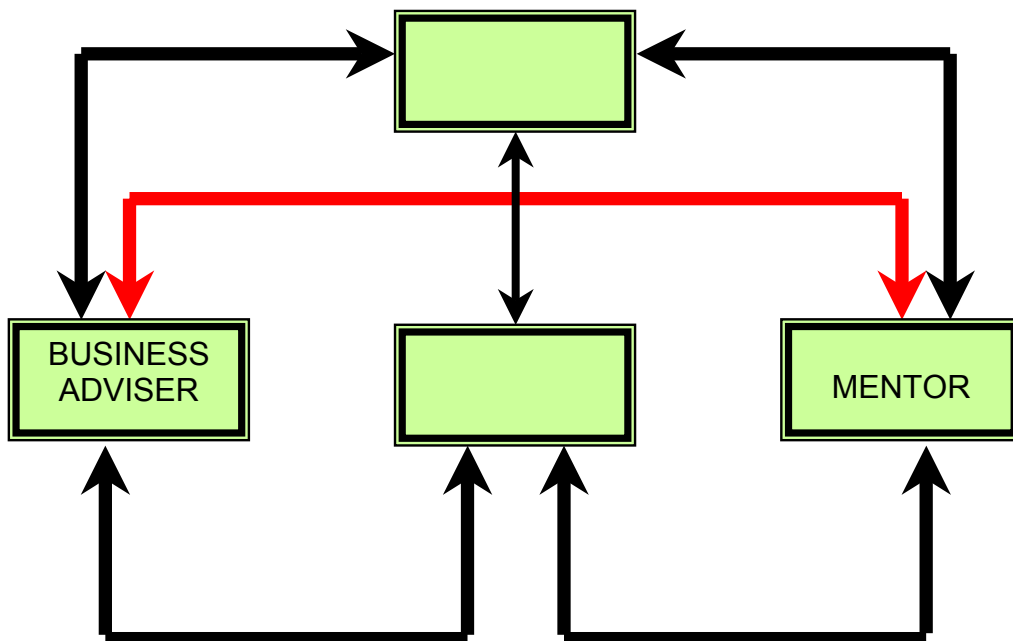
How these processes, plans and procedures worked in practice is now discussed in the next section.

6.5 ARG MENTORING PROFILES

PLAN A – ACTUAL



PLAN B – PROSPECTIVE



- PLAN A maps the lines of contact and information exchange established during the project between the different agents of the project and the client. The project manager's role as contact was subdued as far as possible, since priority was given to the client relationships with both the business adviser and with the mentor (both fundamentally important to successful participation in the project).
- The kind of information exchanged, both solicited and unsolicited, is summarised below:
 - Client
 - information requested from project team: adviser, project manager/training broker, and mentor
 - information to give to the project team: adviser, project manager/training broker, and mentor
 - training sourced by the client
 - response to telephone calls and emails from project team
 - Business Adviser
 - client problems in relation to the training
 - personal circumstances
 - lack of contact with the training provider
 - no information about the course
 - no information about the location
 - confusion about who is paying for the training
 - difficulties involving the return of signed and dated documents
 - Mentor
 - difficulties of contacting the client, both by phone-call and email message
 - contact details incorrect
 - technical difficulties with training, in CBT courses, with the CD-ROM not being accessible etc
 - personal circumstances, such as child-care difficulties
 - work-related changes such as change of job-role
 - illness
 - problems of sustaining the training
 - lack of motivation
 - no information from training provider
- PLAN B offers a revised model for mentoring derived from the experience of the mentoring process in the ARG Project. The fundamental difference between Plan A and Plan B are as follows:
 - The Business Adviser and the Mentor exchange information directly, without the Training Broker acting as an intermediary, and without the intervention of the Training Broker
 - The two-way exchange of information between Training Broker and Business Adviser and between the Training Broker and the Mentor continues
 - The contact and information flow allows more flexibility between all three agents in the project
- The revised model improves communication between the Business Adviser and the Mentor since queries and problems can be discussed directly, without the Broker acting as an intermediary. But this different arrangement of contacts allows the Training Broker to still receive necessary information about clients from both sources, so that Business Adviser, Training Broker and Mentor are all working more integrally on behalf of the client during the lifetime of the project.

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SKILLS GAP ANALYSIS

7. SKILLS GAP ANALYSIS - FINDINGS

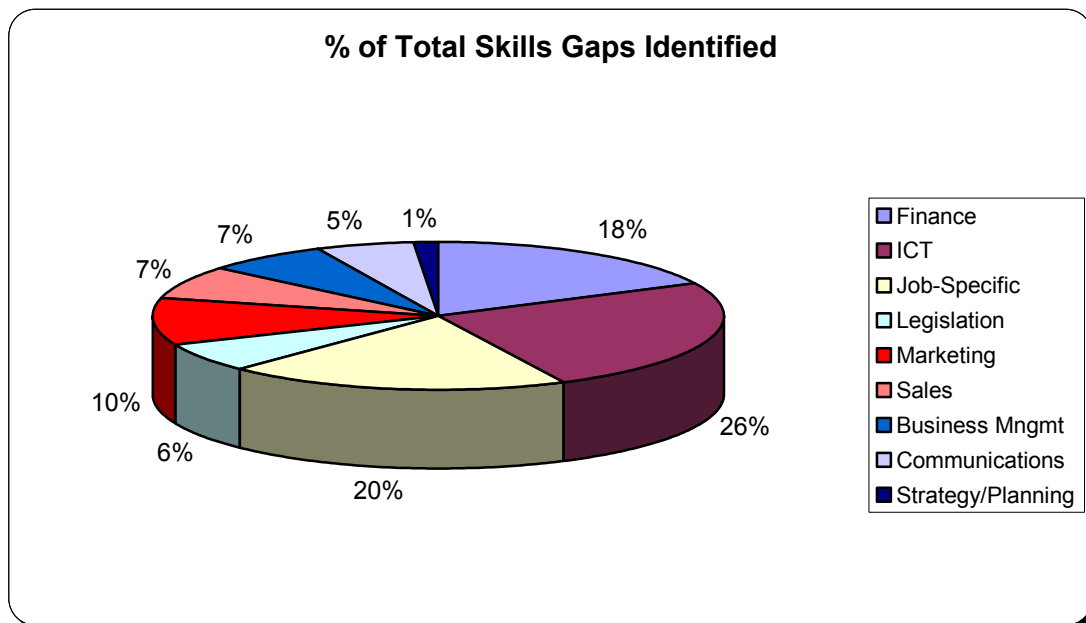
Overview

Activity	Hambleton	Richmondshire	Total	Target	% achievement
SGAs conducted with SMEs	54	66	120	120	100
SGAs conducted	75	77	152	100	152
TAPs written	73	83	156	120	130
TAPs signed	67	72	139	120	115.8

The more or less equal split of businesses between the two districts is misleading. The project had to work hard with special emphasis on Hambleton to have an equable representation.

Analysis of Skills Gaps Identified

In summary the leading skills gaps were identified in the following categories:



In more detail by function - A full report can be found in Appendix 7.

SKILLS GAPS Categories	
Finance	
Book-keeping	
Business Finance	
Electronic accounting	
Electronic filing of tax, VAT	
Finance for non-finance managers	
Gap analysis	
Sage Accounting	% ALL
Sage Payroll	18.11

ICT	
Adobe Photoshop	
Adobe Premiere	
Apple MAC + applications on MAC	
ASP website programming	
CAD for kitchen and bathrooms	
Electronic prescribing	
Graphics design/manipulation	
IBT 3	
ICT basic skills	
Internet skills	
Macromedia Director	
Macromedia Dreamweaver	
MS Access	
MS Excel	
MS PowerPoint	
MS Project	
MS Word	
Network/ICT Management	
Oracle Database	
QuarkXPress	% ALL
Website Design/Management	26.01
Job-Specific	
Abrasive wheels (Stihl etc) certificate	
Acrylic nail extensions	
Advanced chiropody	
Airbrush tanning techniques	
Archery leader's certificate	
Balloon sculpture	
Electricity course/Elec installation	
Bricklaying	
British Canoe Union Level 2	
Chain saw licence	
Chocolate/Sugarcraft skills	
CITB digger licence	
Confined space working	
Construction Skills Certification Scheme	
Dog grooming	
Electroforming techniques	
Excavator ticket	
First aid	
Flag laying/ paving to high standard	
Floristry National Certificate Year 2	
Fork lift truck licence	
Handheld spray licence	
HGV licence >7.5 tonnes	
Knapsack spray certificate	
Low Cost Drafting skills	
Non-ferrous foundry/welding	
NVQ D32/3/4 training skills	
OFTEC Certificate (CORGI eqv of oil)	
Pattern cutting for accessories	
Physical performance/circus skills	
Plumbing NVQ Level 2	

Printer ink/catridge filling technology	
Private utilities and Street Works ticket	
PSV Licence	
Saddle fitting	
Sailing trainer skills	
Specialist engine tuning	
Stock control using PC	
Theatrical make-up skills	% ALL
Training Needs Analysis	19.75
Legislation	
Company/Business legislation	
Employment legislation	
Environmental law	
Food safety & hygiene law	% ALL
Intellectual Property/Copyright law	6.25
Marketing	
E-marketing	% ALL
Marketing skills	9.69
Sales	
E-selling	
Negotiation skills	
Psychology of selling	% ALL
Sales skills	6.70
Business Mngmt	
Change management	
Facilitation skills	
Management techniques (General)	
Office Administration skills (General)	
People/Team Management skills	
Project Management	%ALL
Time management	6.91
Communications	
Interviewing skills	
Meetings Skills	
Moderation skills (Advanced)	
Motivation skills	
PR skills	
Presentation skills	
Public speaking skills	% ALL
Staff counselling	5.26
Strategy/Planning	% ALL
Business planning	1.32

% of Total Skills Gaps Identified	
Finance	18.11
ICT	26.01
Job-Specific	19.75
Legislation	6.25
Marketing	9.69
Sales	6.70

Business Mngmt	6.91
Communications	5.26
Strategy/Planning	1.32

The predominating skills gaps identified in the project were in the category of ICT. In the report entitled “The Value of ICT for SMEs in the UK: A Critical Literature Review” created for the Small Business Service, the survey of those small businesses in Richmondshire which had undertaken a TNA, the main priorities identified were:

SKILLS GAP CATEGORY	%
ICT	41%
Customer Service Skills	36%
Health & Safety	32%
Personal Skills	27%
Business & Management Skills	17%

These priorities identified for Richmondshire correlate with the findings for both areas in the ARG Project. However, the SBS report for Hambleton finds that the skills gaps priorities for this area differ from those for Richmondshire. For Hambleton, the main priorities identified personal skills and business and management skills, indicating that ICT was not as high a priority as it was for small businesses in Richmondshire.

What it means to the business

If the categories are defined in different business led terms the skill gaps for customers are revealing:

SKILLS GAP	TOTAL
Customer facing	39
Management/compliance	35
Technical/compliance	26
ICT	62
Total	162

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.

The ARG sample – trying to match the business sectors

The ARG project tried to match the sector split of the districts as far as the exercise would allow but inevitably the sample is governed by response that in itself has proven interesting.

The biggest variation was in community, social and personal service. The key factor in this sector was the high weighting of consultants – over three quarters of the learners. The drive of this sector to improve their skills is necessary to their business success.

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 “Skillsline” (see below section 8) where with a smaller sample the representation of these sectors was higher. 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.

**Business sector data Richmondshire & Hambleton
(Annual Business Inquiry, 2001)**

SECTOR	H & R %	ARG %
Wholesale/retail trade; repair, etc	23.5	27.0
Real estate, renting, business activities	18.3	12.0
Other community, social and personal service	11.6	46.0
Hotels and restaurants	11.2	1.1
Construction	10.2	0
Manufacturing	7.1	1.1
Transport, storage and communication	5.7	2.0
Health and social work	4.4	1.1
Education	2.6	5.3
Public administration; defence; social security	1.9	0
Financial intermediation	1.5	4.2
Agriculture, hunting and forestry	1.1	0
Mining and quarrying	0.2	0
Electricity, gas and water supply	0.1	0

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TRAINING

8. TRAINING - FINDINGS

The findings are in two sections. The first provides a critique of the processes drawing on the experiences of the training team including the Project Manager/Training Broker, Training Providers and the Mentoring team. The second section presents the quantitative data gathered in the exercise.

THE PROCESS CRITIQUE

8.1 SOURCING THE TRAINING OPTIONS

Some issues and lessons

The process of sourcing the training options for each client proved difficult since so many different but precise criteria had been presented:

- What? [Training course]
- Who? [Training provider]
- Where? [Location of training – local or non-local, college, training centre, workplace, home etc]
- When? [Date and times]
- How? [Method of training – college classroom, distance learning, computer-based CD-ROM, business training centre, online etc]

The necessity for demonstrable impartiality of the training sourcing meant the customers needed to select options (usually three, but sometimes more) presented to them on a training options form. The comprehensiveness of the criteria framework in which each participant's training options were to be successfully met, meant that the sourcing of training options became a lengthier process than was anticipated at the beginning of the project.

The paucity of specific provision (clowning skills, law costs drafting) or the plethora of local but inconvenient provision (basic ICT, higher ICT skills, financial solutions, both manual and computer-based) created problems and delays in the delivery of the project's training.

8.2 SELECTION OF TRAINING OPTIONS

Some issues and lessons

The training process suffered delays and discontinuities, since it was not a seamless process of translation from identified skills gaps to training courses booked and completed - but rather a process of fragmentation, revision and renewal.

Although a theoretically linear process in which the SGA - Action Plan – Training Options – Training map suggests an unfragmented, and continuous forward momentum, actual practice interrupted the linear application of the project's processes.

For many participants in the project, the structure became a cycle of change.

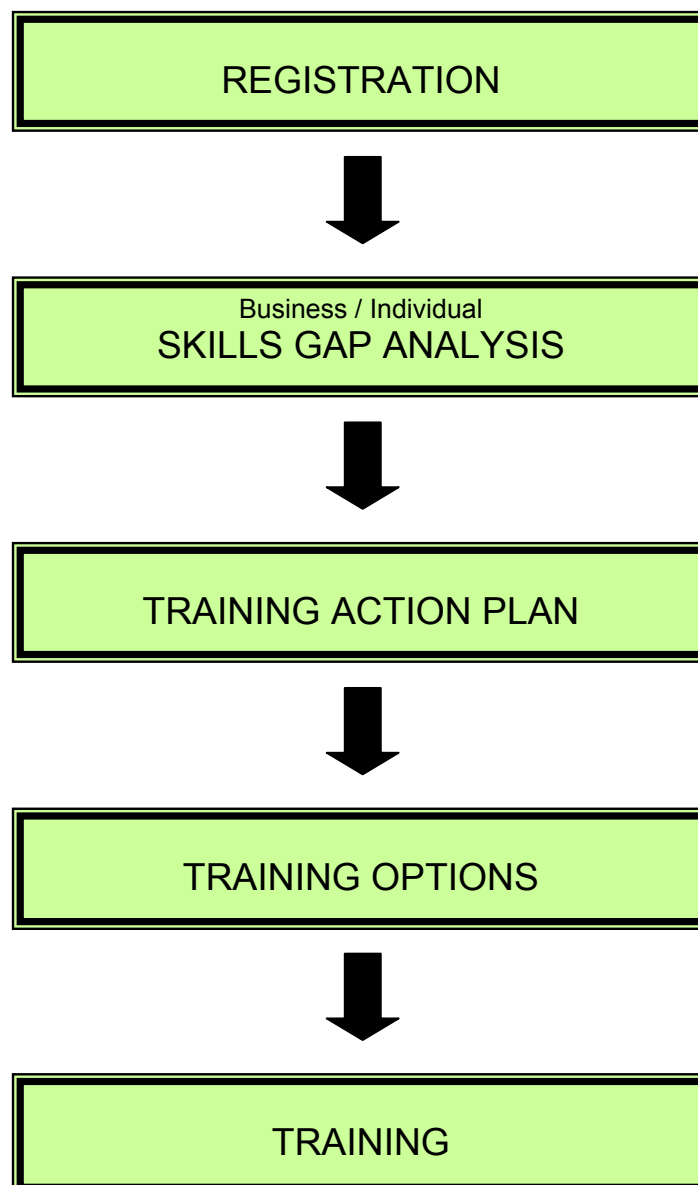
- Many SMEs experienced significant delays in approving and selecting their training.
- Options often became redundant in terms of dates, of training providers, of course modification and cancellation.
- Other revised training options had to be created and re-issued to the participants.

- As well as an individual's training options becoming redundant, individuals themselves continued to modify their circumstances, and hence their training needs reflected at one moment in time became different after a few months:
 - Preference for a different training route than the project
 - Job description modified so changing skills gap needs, or areas of training required
 - Changed jobs entirely
 - Left the local area and moved to different area
- As a result Training Action Plans and/or training options often needed revision or modification according to the individual's intervention

8.3 THE "TRAINING ROUNDABOUT"

8.4 Hypothetical

The process as theory



The project, as developed in its initial stages, was anticipated as a linear process in which each stage would proceed from the first towards the next in rational progression, uninterrupted as each phase of the process was completed and the next phase commenced.

The [plan](#) above maps this hypothetical process. It begins with the registration of SMEs to participate in the project, collecting information about the business and the individuals in it, as well as testing eligibility for the project against the following criteria:

- Business already set-up and trading
- Business employing 250 or less employees, including part-time, seasonal and temporary staff)
- Business located within the Richmondshire or Hambleton Districts of North Yorkshire
- An annual turnover that does not exceed €40 million
- An annual balance sheet not exceeding €27 million
- Not more than 25% of the company owned by one or more companies (apart from certain exceptions)
- Level of State Aid already received by the business in the previous 3 years

The anticipated process would then progress in the following sequence:

- *Skills Gap Analysis*

An SGA is then arranged and undertaken by a trained business adviser at a location and time that is convenient for the client, using a specially-developed SGA tool that not only identifies the skills gap but allows the client to prioritise them to indicate which skills gaps are significant to the business and which are not. Clients can themselves indicate these priorities within the software tool, by moving a sliding scale from 1 to 10 - 1 indicating minimal significance and 10 a skills gap of very high significance to the business. The SGA software tool was developed from the concept of knowledge mapping. And the ARG development of it maps skills against sets of competencies for each different skill, and against different job roles, since the competencies required for a particular skill differs for different job roles.

- *Training Action Plan*

The SGA is then used to create the Training Action Plan which is sent by the business adviser to the client as a summary of the Business Skills Gap Analysis and/or the Individual Skills Gap Analysis, indicating the skills gaps identified, of training indications based on the identified skills gaps, and individual preferences concerned with location, dates, method of training, and timescales. If approval given, then the client dates and signs the TAP and returns it to the business adviser, who then sends it to the Project Manager. Training options that attempt to meet the various criteria indicated by the client in the TAP are then sourced.

- *Training Options*

A form for training options is sent with 3 possible choices of training to the client for selection.

- *Training*

The selected training is booked, and an invoice requested from the training provider so that the project can fund all or part of the client's training costs.

- *Training Completed*

The client completes the training course selected from the options presented to them.

However, the project as actually undertaken and experienced, provided a much more discontinuous process as that anticipated in the hypothetical model above. The following [plan](#) maps the interruptions that made the seamless progression of each phase of the project impossible for a significant number of clients. The business and individual factors that supplied these discontinuities are described in the narrative of this report and summarised within the plan itself. However, more detail is necessary to highlight the difficulties involved by all partners in the project in sustaining the detailed workflow of different stages of the project. The plan draws attention to the following significant interruptions encountered during the project:

- The hypothetical linear model of the processes, as experienced in the course of the project, became cyclical in the experience of many ARG clients
- The anticipated sequence is indicated in the above [plan](#), and is detailed below:

- a Skills Gap Analysis undertaken soon after registration with the visit discussed with the client so that location, date and time were convenient to the client
 - one Training Action Plan which after consideration was then approved, and returned to the Business Adviser who sent it to the Project Manager
 - one training options form with information about three training options which were sourced to meet all the client's criteria as indicated on the Training Action Plan
 - the return of the training options form within two weeks of its receipt, with the client's selection of preferred training
 - confirmation of the client's preferred training course with the training provider, and any information about the course sent to the client at the appropriate time
 - contact details sent to the training provider about the client's participation in the ARG Project, and information about payment of some or all of the client's training costs by the project
 - information sent to the mentors with details of contact and the training course selected by the client, and an appropriate mentoring plan created
 - mentoring support begins before the client starts the training
 - client starts training
 - mentoring support continues with reports regularly sent to the Project Manager
 - client successfully completes training
- The actual sequence is indicated in the [plan](#) below. For many participants, in place of the anticipated activity of each process involving one discussion and one set of documentation in an uninterrupted and uncomplicated series of decisions and events. However, for much of the project, the development of the project demanded because of interventions by the client. The effect was to replace the static, linear model with a cyclical one that could still perform process whilst incorporating the change and flexibility impeding the linear process. Interruptions to the hypothetical model were as follows:
- After registration and a successful Skills Gap Analysis the business decided not to proceed towards training, so no Training Action Plan was created, and no options were presented. One client offering home respite care made alternative arrangements with a local college to fulfil their training needs.
 - After registration, a successful Skills Gap Analysis and the creation of a Training Action Plan, the client decided not to approve the TAP, but wished to continue to participate in the project. So, based on the client's intervention, a second Training Action Plan (and with one particular client, a third) was created for approval.
 - After registration, a successful Skills Gap Analysis and the approval of the Training Action Plan, training options sourced by the training broker, but upon receipt, the client declined to select any of them, because did not feel sufficiently relevant to business, or did not sufficiently meet the client's criteria as set out in the Training Action Plan. So, further training options sourced and a second set of training options sent to the client for approval, selection and signing
 - Other clients required a second set of training options for reasons that included the following:
 - Work changed
 - Illness
 - Seasonality and too involved with business to do training
 - Delay in returning options so that dates and times associated with options became obsolete, and required either revision of dates and times, or revision of options
 - Job role changed and consequently, skills needs different or altered
 - Child care arrangements
 - Forgot about selection of options

8.6 MENTORING

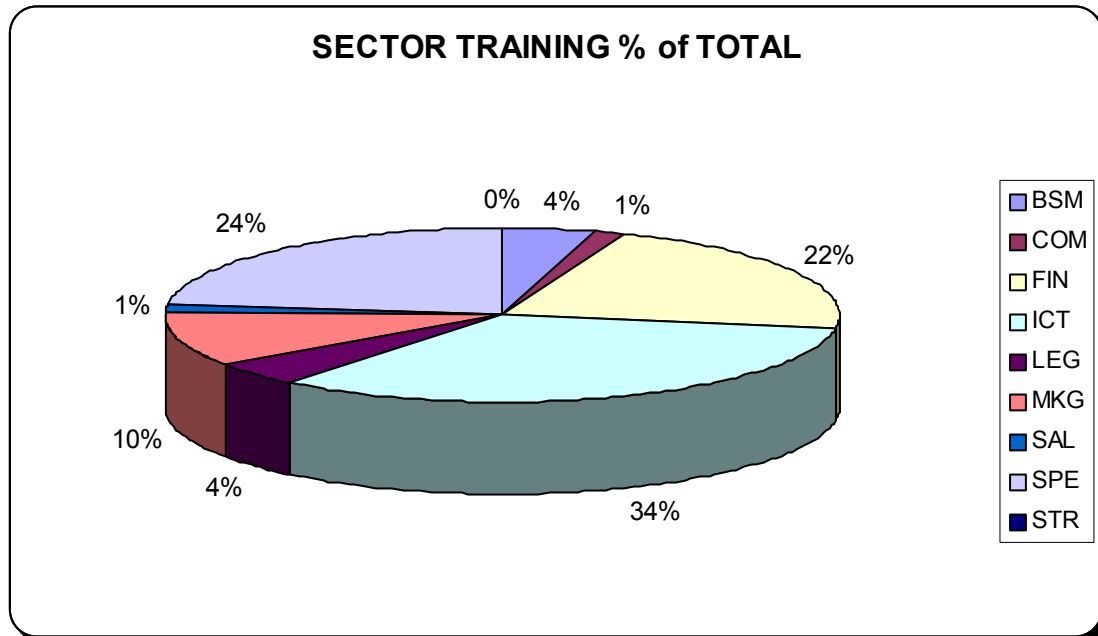
Lessons learned

- The general feedback has been good particularly for the short courses. Everyone has found them useful and enjoyed them. However, one-day courses, obviously only able to capture the briefest glimpse of the experience of an individual's learning
- The people using CD based learning materials are finding it difficult to fit the learning in around their day to day lives. One or two people have been motivated enough to make good use of the courses and have completed them and found them useful.
- There have been one or two problems with learners going on the wrong courses. One learner found her course too difficult and had to give up the learning – this was a computer based Book Keeping course.
- From a mentoring point of view the main problem has been managing to contact the learners. Many of the learners are sole traders and are therefore working during the day and difficult to contact. For a future programme it would be worth having some of the mentoring time in the evening to catch these learners at home.
- There were one or two problems with receiving learning details after the learner had completed the course. Whenever this happened we still managed to contact the learner and get feedback on the success of the learning

9. THE QUANTITATIVE VIEW

9.1 Training uptake by sector

ICT was the most popular single sector but given the nature of the project that is not unsurprising. The importance to the businesses of more conventional business training demonstrates, perhaps, the importance of training developed as a business benefit.



[Chart 1 – Training by Business Sector % of the Total Training]

BSM	Business Management
COM	Communications
FIN	Finance
ICT	Information & Communications Technology
LEG	Legislation
MKG	Marketing
SAL	Sales
SPE	Job-specific
STR	Strategy/Planning

Although ICT revealed as the most popular sector in the project, two other sectors had significant presence in the percentages of total training involved. So that ICT, Job-specific and Finance sectors must be considered the three most significant in the project. In the attached report for the Small Business Service (September 2002) the authors identify ICT skills as the main priority for Richmondshire businesses that had undertaken a Training Needs Analysis. For Hambleton, the findings were different, in that ICT was not identified as a significant priority for small businesses. The project had difficulty in recruiting within the Hambleton District, and given the heterogeneous nature of small businesses, there can be no direct correlation made between this difficulty and a lack of ICT priorities. However, the high-level ICT skills element in the ARG Project may have contributed towards the lack of commitment, despite repeated and specific marketing of the project in Hambleton.

One factor to bear in mind when considering the ARG figures, is that there is a degree of overlapping of categories within each defined sector. So, for example, Microsoft Excel skills are included in the ICT sector, and not included in the Finance sector. The same skills cannot be included in both sectors, since that would skew the data. However, since MS Excel skills are the largest single

element of skills included in the ICT sector, its presence in either the ICT or in the Finance sector is significant. If transferred to the Finance sector that would increase its prominence in the list so that it almost approximated the level of the ICT sector.

The least significant sector, as represented in the findings of the ARG Project, was Strategy/Planning. In itself, this is a significant finding. Commentary about small business development and strategy often concludes by emphasising both the importance of planning within even the smallest business, and that most small businesses lack a necessary recognition of the significance and contribution of strategic thought as a business benefit. It is important that small businesses understand the importance of strategic thinking. Among the various business support agencies, the strategic profile must be raised.

9.2 A summary of the main priorities identified:

- ICT. The sector with the largest overall representation of skills gaps in the project.
 - Microsoft Excel
 - Website Design and Management
 - Graphics Design and Graphics Manipulation
 - Microsoft Access
 - Microsoft Word
 - Microsoft PowerPoint
 - Adobe Photoshop
 - Network and ICT Management

- Job-specific. As might be anticipated, this sector had the largest amount of different skills identified within the context of all of the sectors identified. Among those with the largest representation were the following:
 - Abrasive Wheels [Stihl etc] Certificate
 - Chain Saw Licence
 - CITB [Construction Industry Training Board] Digger Licence
 - First Aid Courses
 - Handheld Spray Licence

- Finance. Sage Accounting was the largest single application-specific skills required by ARG Project beneficiaries. Followed by book-keeping and general business finance. Specialist courses were not the main skills gaps identified in the overall sector. One particular skill identified involved was the electronic filing of tax returns and VAT information. For this specific skill it was difficult to source any satisfactory training options for the client, who selected a course to improve a different skill gap.

9.3 Training options

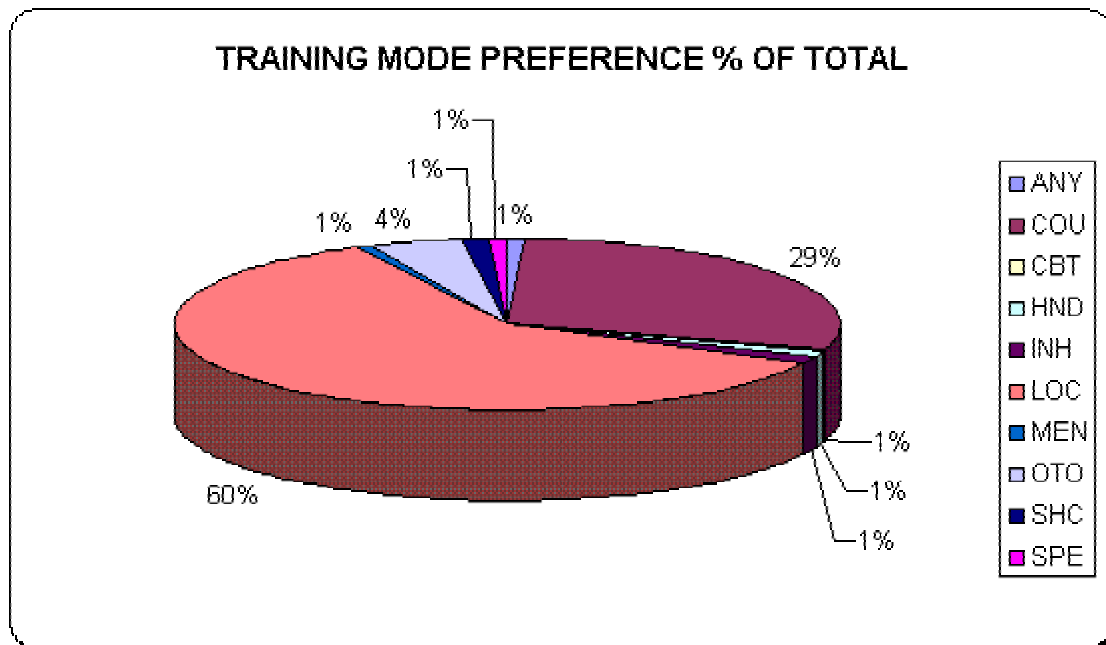
	Number	% Total
Number of clients receiving a training options form	133	
Number of clients returning a training options form	93	69.9
Number of clients receiving 2 or more training option forms		
Returners and Non-Returners	33	24.8
Returners	30	32.2

To select from a set of different options, a training options form was sent to the client with training options based upon the criteria written in the Training Action Plan. The table above compares the return of training option forms. These statistics confirm that discussion about the client's training options and the subsequent revision so that skills gap priorities correspond more exactly with business needs and the client's circumstances, then clients are more likely to return their selected option, and participate in training. Of those who received 2 or more training options, 90.9% returned a

selected option, and nearly a third (32.2%) of the total who returned their forms had 2 or more sets of training options sent to them.

9.4 Training delivery

Many chose conventional courses to follow. The level of short courses chosen make this feasible. A significant minority chose CD-Rom based courses but these were often those with an ICT background and/or function.



ANY	Any
LOC	Local provider or college
SHC	Short course
SPE	Specialist course
INH	In-house or On-site
CBT	Computer-Based Training
HND	Hands on
COU	Course
OTO	One-to-one
MEN	Mentor/Coach

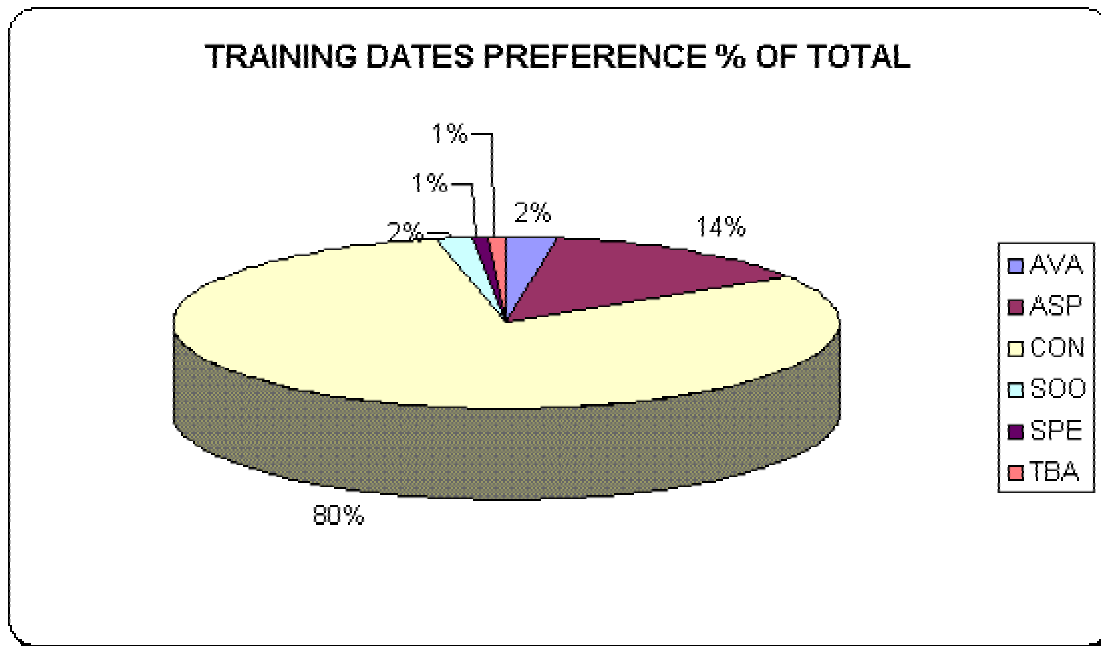
The preference for ARG SMEs was for locally-based courses at a local college or with a local training provider. 60% of those who progressed to training selected this method of delivery. In fact, 89% of the total preferred a course at a college or with a training provider, suggesting the overwhelming preference for conventional modes of training delivery, and an equally overwhelming lack of preference for newer forms of delivery such as those that are computer-based, whether a CD-ROM or training delivered online.

Since the use of broadband and computer-based solutions are often discussed as a constructive solution to the rurality issue, it suggests that the promotion of such delivery systems might prove difficult to promote to the rural businesses who are supposed to benefit from it.

Despite a lack of preference for Computer-Based Training shown on the Training Action Plan, a significant minority (12% of the total who progressed to training) actually selected Computer-Based Training from the options presented to them. This training was in the form of a multimedia CD-ROM in which hours of different films explained onscreen how different processes and different tasks are accomplished.

9.5 Training timescales

The high proportion of courses arranged at mutual convenience may be indicative of the unsatisfactory training uptake. Future projects may need to “firm up” the dates and timescales.



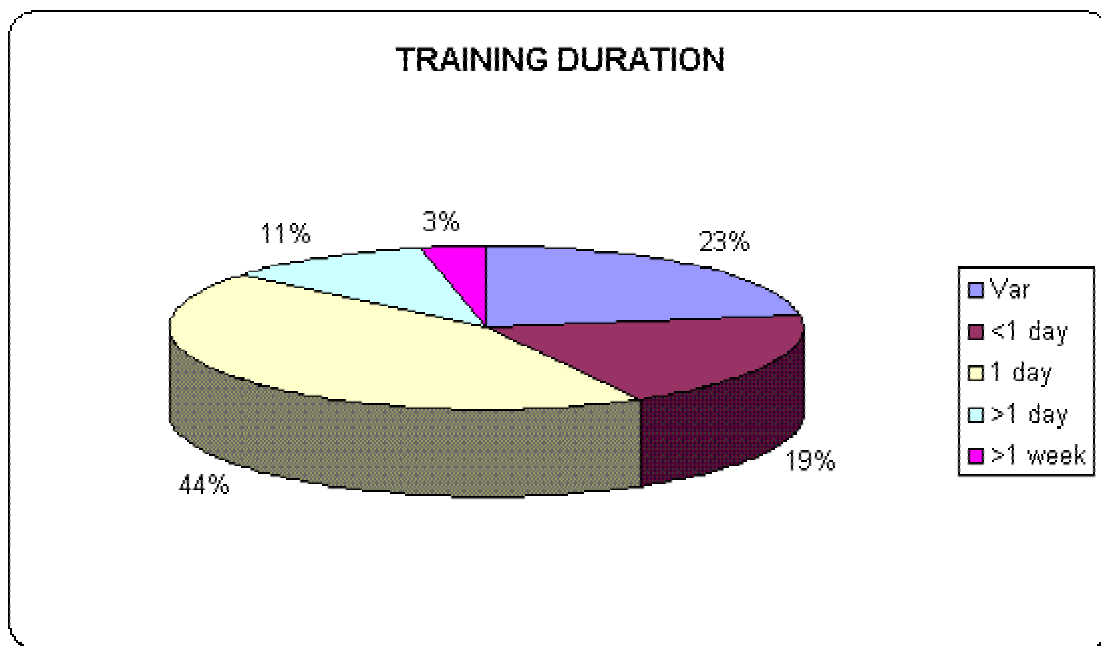
The significance for small businesses of being able to undertake their training at a location, date and time that is suitable for both business circumstances and individual circumstances is starkly emphasised in the ARG Project. 80% of the total preferred a training preference in which their convenience was privileged above any other consideration. This stresses the difficulties that small business encounters in scheduling training within the timescales of the business, particularly in rural areas, in which many businesses are subject to seasonal variation.

14% is a significant minority to prefer training as soon as possible, suggesting:

- a realisation of the significance that training might have for the business
- or businesses who understand their requirements under recent or imminent legislation, and are attempting to address those requirements
- it is understood that the legal imperative must override any other consideration as a business benefit that cannot be delayed.

9.6 Training duration

The popularity of shorter bite sized and intensive courses is self-evident.



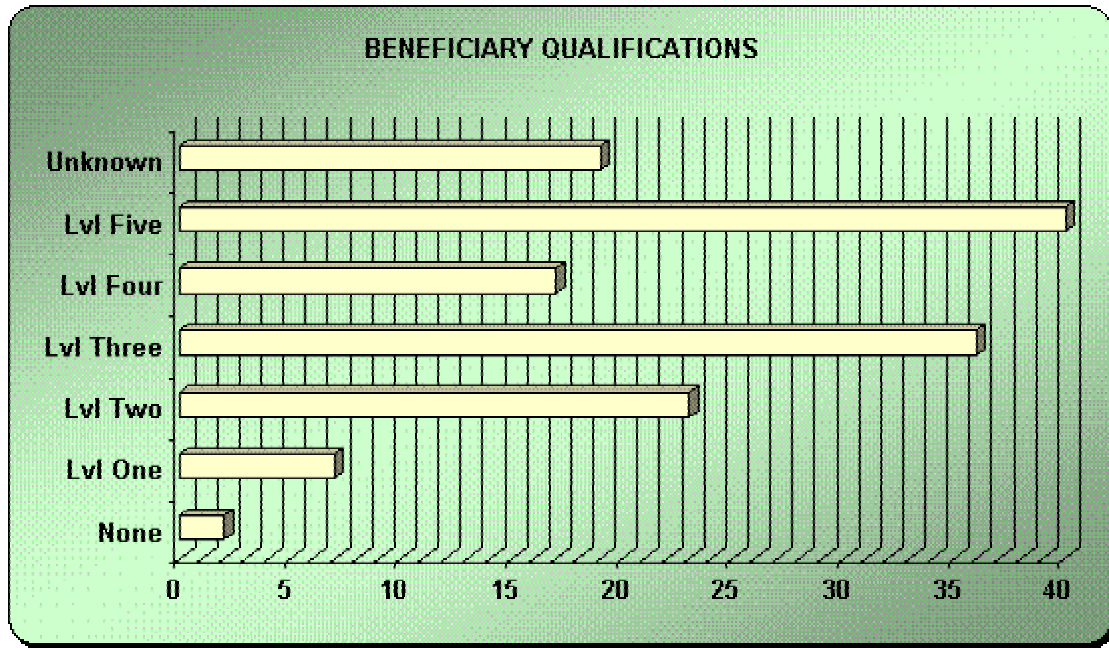
[Chart 4 – Training Duration & of Total]

If the “variable” category is taken out (many of which are beneficiaries who selected the computer-based CD-ROM training), then it becomes an overwhelming 83% of those involved in training, whose course lasted only 1 day or even less.

This dramatically illustrates that the rural learners of ARG selected the shortest and most intensive courses available, in preference to the longer courses that are provided by the local colleges. Although actual training is only one day (or night) a week, such courses still require a substantial commitment from the learner over many weeks. The project research suggests that this is not what rural SMEs either want nor need. The connection between rural SMEs and short training courses is firmly established by the ARG research.

Those engaged in CD-ROM courses perhaps preferred this method over more conventional courses (at colleges, for instance), because of the flexibility the CDs allowed the learner. It is the learners who are in control of their own learning, since it is they themselves who must establish parameters for working with the CDs. The mentors reported that these CBT learners had difficulties in sustaining the process of learning as well as the self-motivation required for successful completion.

9.7 Beneficiary qualifications by %



The levels of qualifications are a reflection, perhaps of the large proportion of consultants/advisers in the sample.

10. REVIEW OF RELEVANT WORK

A key work for the project was the Report for Small Business Service Research Programme "The Value of ICT for SMEs in the UK: A Critical Literature Review" (Dr. Tom Dixon, Bob Thompson and Pat McAllister September 2002). The report is quoted and has been included in our ARG Research Report on Skills Gap Analysis February 2004. A full copy is again included in this report in Appendix 5

The key to their approach with which the ARG project team must agree is that ICT has to be viewed as part of the business and not as a "good thing" in itself. The provision of ICT training needs to be properly grounded in the total business approach. One observation from the report has a particular resonance for Richmondshire and Hambleton.

"...research has often failed to examine the role of size, age, sector experience of ICT and Management support...A case in point is remote SMEs in more marginal parts of the UK: although ecommerce can potentially provide global markets through richness and reach, the companies still require the fundamentals of distribution networks and direct markets to be successful".

Another useful study has been by the UHI Millennium Institute (Greller & MacKay Oct. 2001) into SMEs engaged in ICT in the Highlands and Islands of Scotland. It argues, that even for these ICT literate businesses the absolute requirement of embracing the technology but indicates the problems of remoteness and an integrated business solution. See Appendix 6 for the report.