



# Demand-led e-learning and the use of ICT for small businesses – Yorkshire and the Humber Region Executive Summary

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e-learn2work is part of a community programme called Equal – a European Social Fund initiative which tests and promotes new means of combating all forms of discrimination and inequality in the labour market. The GB Equal Support Unit is managed by ECOTEC.

## **1. Overview**

### **1.1 Overall aim**

The overall aim of the project was:

*'...to enable small and micro firms (including social enterprises) to be more competitive and employees of SMFs<sup>1</sup> to improve their employment potential by identifying ways to improve the use of ICT to deliver learning to SMFs. The project places particular emphasis on identifying ways to support disadvantaged SMFs, sectors and employees.'*

The e-learn2work partnership<sup>2</sup> project is an action research project funded by the European Union through the European Social Fund Equal Programme administered by ECOTEC on behalf of the Department of Work and Pensions.

It focuses on small and micro firms (SMFs) in Yorkshire and the Humber Region, and includes social enterprises. The project has a trans-national dimension through which information and experience has been exchanged and empirical research compared between the UK and its EU partners who have addressed similar issues.

This study has focused initially on the demand side and the internal dynamics of learning in the context of general business behaviour and the barriers to learning, and, more specifically, e-learning. Small business owner/managers have a complex network of relationships, both internal and external to the firm, through which learning can take place. Managing these relationships is therefore crucial. Only if this is better understood will there be a clear indication as to whether or not e-learning is a valid training and development medium for small and micro firms. Additionally, the importance of trainer networks is accepted, incorporating both FE/HE and the private sector.

The project has placed a particular emphasis on identifying ways to support disadvantaged SMFs and their employees. Many of the businesses were disadvantaged from a variety of perspectives including their size; lack of purchasing power for specific training; rurality (locality and seasonality); low ICT skills; low skills or qualifications in the workforce; and a wide range of equality and diversity issues.

The action research method adopted within this project has been one of exploring, on an impartial basis, the potential of a demand-side approach. As a result insights have been gained into the SMF culture, which have indicated ways in which the supply side,

<sup>1</sup> Small and Micro Firms

<sup>2</sup> For a list of partners see inside back cover

including professional and sector organisations, could refine their approaches so as to meet SMF needs.

Resistance to formal learning has long been recognized, with lack of interest, lack of time and/or age offered as typical explanations. Yet informal and non-formal ‘on the job’ learning appears to occur continuously in most organisations. The e-learn2work project sets out to better understand this culture.

## 1.2 Objectives

The key objective of the project was to work continuously with SMFs and develop ICT and e-learning solutions with them to meet their Business Critical Needs (BCNs):

*‘...to have SMF owner/managers and their employees embracing business critical learning more effectively in order to improve their workplace performance and subsequently identify the developing role of e-learning in their organisation.’*

This breaks down into 6 sub-objectives, to:

- Gain a clearer understanding of how businesses acquire new skills in the context of their productivity and business critical needs
- Explore e-learning as an aid to profitability and sustainability
- Understand how employees’ individual needs can be met and how they currently acquire new skills
- Find out what kind of e-learning material might interest businesses
- Use this information to develop cost effective and suitable e-learning packages that will help small businesses improve their profitability and survival
- Make recommendations to policy makers and practitioners on how e-learning could accelerate workforce development within small and micro-firms and their supply chains.

For the purposes of this project, e-learning has been defined as a:

*‘term covering a wide set of applications and processes, such as web-based learning, computer-based learning, virtual classrooms, and digital collaboration. It includes the delivery of content via the internet, intranet/extranet (LAN/WAN), audio and videotape, satellite broadcast, interactive TV, CD-ROM, and more. Learning facilitated and supported through the use of information and communications technology.’ (JISC definition)*

### **1.3 Policy background**

A very limited amount of literature concerning e-learning in SMEs<sup>3</sup> has been identified. This dearth of information was also noted by the authors of the European Commission report, 'e-learning in Continuing Vocational Training, particularly in the workplace' ('e-learning in SMEs')<sup>4</sup>. That report cites difficulties in identifying policy and business proposals for e-learning in SMEs and affirms that little is known regarding the realities of e-learning for, and in, SMEs. The writers also make it clear that their difficulties in accessing information are symptomatic of the difficulties that are usually encountered by the SMEs themselves.

There is concern that in EU policies with respect to training, e-learning only receives limited attention. This is true even in the 'Lisbon Strategy' (2005)<sup>5</sup> which is seen as a high level driver of development in education and training systems in the EU.

In the same year the UK Government produced a report entitled 'Harnessing Technology'<sup>6</sup>, DfES, 2005. The priorities identified in this document are to improve everyone's access to online information, transactions and advice; provide online personalised support to learners; and to accelerate the development of the next generation of e-learning resources. The expectation that new e-learning partnerships will give employees, including those in SMFs, easy access to online learning where and when they need it, is explicit.

There then followed in December 2006 the Leitch Review, 'Prosperity for All in the Global Economy – World Class Skills'<sup>7</sup>. This report provided ample evidence of the need to raise skill levels to improve business performance and argues that radical change is both essential and urgent.

### **1.4 The project**

The project was undertaken in two phases: interviews phase and a champions phase. These are discussed in the the following sections.

<sup>3</sup> Small and Medium Enterprises (European definition)

<sup>4</sup> e-learning in Continuing Vocational Training, particularly at the workplace, with emphasis on Small and Medium Enterprises, European Commission, March 2005

<sup>5</sup> [www.europa.eu/scadplus/glossary](http://www.europa.eu/scadplus/glossary)

<sup>6</sup> Harnessing Technology: Transforming learning and Children's Services, DfES, 2005

<sup>7</sup> Prosperity for All in the Global Economy – World Class Skills, DfES, December, 2006

## 2. Overview of Phase 1

The first stage of the research involved 426 interviews with SMF owner/managers and over 700 of their employees. The research focused on the following sectors: Food and associated supply chains, Textiles, Sport and Leisure, Manufacturing, and Social Enterprise. An 'Other' category was used as a Comparator group. An Interview Schedule was developed to explore a number of areas, including training behaviours, skill development, attitudes towards ICT, and critical business needs. Full details of the findings are available at [www.elearn2work.net](http://www.elearn2work.net)

### 2.1 Context

The general business environment of the SMFs provided important insights, including that:

- Over three-quarters did not have a budget for training
- Three-quarters of the companies recognised a need to gain new skills to enable them to remain competitive. They did not appear to link skill gaps to their business needs
- The skills and training required were linked to compliance and legislation
- Managers, and the majority of employees, felt there were opportunities to undertake learning during worktime. However, before investing in training, key considerations were felt to be costs, time, benefit to the enterprise and the relevance of the course
- All of the SMFs had a computer, yet only half of employees had access to the internet
- Computers were often used for basic tasks such as word-processing (71%), and email (70%). Other areas such as stock control (30%) and payroll (31%) were also recognised as important.

### 2.2 Skills, formal and informal learning

Half of all employees said that they had undertaken some external training in the previous year, which included a mix of formal and informal learning, though two-thirds of employees felt that they would benefit from more training. Much of the training needed by owner/managers was either technical, product-oriented or an apprenticeship (including general IT training). 20% of the training required was classified as 'general management' (e.g. health & safety, accountancy, marketing, negotiation skills). There were very specific needs, such as taxation, food hygiene, stock management and human resource issues.

This initial phase examined informal learning methods and the research results indicated that learning was from informal sources, such as more experienced colleagues, work shadowing or internet searches (Figure 1).

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**Figure 1: Methods of gaining new skills**



Base: 426 businesses

Less than half of all employees thought that a formal qualification was important to the company, and it was deemed even less important by owner/managers. Methods of recognition were also found to be informal (such as verbal acknowledgement), although promotion opportunities and increased pay were also identified.

Whilst some SMFs indicated that computers were the easiest way to find information about skills development, less than half of the businesses used this method. Of owner/managers who had completed an online course, only 20% found them to be useful and easy to use, and 29% had experienced technical problems. Common forms of support they received included support from a tutor via face-to-face meetings, telephone and email, and the use of a technical helpline.

## 3. Overview of Phase 2 (Champions' Phase)

The second phase of the research set out to support 100 SMFs in their skills development. These SMFs were primarily recruited during the first stage. A 'service model' was often used. This involved conducting business needs analyses with associated learning indicators for the businesses and individuals, the sourcing and development of a range of solutions and/or products, and the provision of technical support.

### 3.1 Profile of the SMFs

Of the champions nearly a third had less than 5 employees and a quarter had 5-10. Where interventions took place, a third of completers were from the social enterprise sector of the champions.

*These facts are important when interpreting the results*

### 3.2 The needs of the business

Throughout the project the SMFs were empowered to identify and prioritise their needs in their own 'business language'. Few of these needs were identical (Table 1). Whilst some do not appear to directly relate to ICT/e-learning, they were nonetheless underpinned by very specific learning and delivery outcomes, e.g. completing an Excel course or learning how to update documents on the company website.

**Table 1: Self-identified ‘needs’ of Champion SMFs**

Development of e-skills/IT skills	Sustainability/Business Development
Website Development	Resource Management
Literacy and Numeracy	Funding
Legislation	Staff Training
Compliance	Quality Assurance
Marketing	Customer Care
Stock Control	Competition
Provision of ICE Tool	Introduction to Virtual Learning Environment
Logistics	Training Management System
Environment Issues	e-learning
Recruitment and Induction	HACCP
Sales Growth	

### **3.3 Engagement methods**

#### **Differing approaches and solutions**

Successful engagement with SMFs required the identification of specific solutions to their needs, the need to show demonstrable progress and, wherever possible, quick wins. Over time, by a process of evolution, the project developed a service model for SMF support through the offering of advice, the development of informal learning methods, and provision of innovative methods and products to SMFs.

A key to this was the use of a blended learning approach – a combination of face-to-face and online learning. Products used were either off-the-shelf, adapted from off-the-shelf, or bespoke solutions specifically developed for a particular business. The level of support required was heavily influenced by their level of ICT expertise and tailored to meet their needs. Examples of this service model are shown in Figure 2.

*The project had to offer a ‘service’ to the SMFs and not just learning.*

*Tackling basic ICT skills often preceded more detailed delivery and support.*

### e-learn2work Service Approach

- Basic skills testing and learning
- Training needs analysis
- In-depth, often face-to-face support, particularly during the planning stages
- e-learning, whether using off-the-shelf products or new/enhanced 'products'/solutions
- e-mentoring
- Flexible support mechanisms, e.g. conducting visits on a Sunday evening, one champion utilising the company's helpline
- More ICT specific solutions, e.g. tailored estimating tools, bespoke accounting systems
- Using the internet, VLEs, CD-ROM and iPods
- Work-based support (the reduction of travel time being a key benefit)
- Technical support, resolving IT problems

All of the above supported the flexible learning conducted in various locations. One learner was seen using a laptop in a changing room, another using an iPod whilst out of the office, another used an MP3 player as a method of recall for key ICT instruction. This resulted in a variety of solutions and interventions (Table 2).

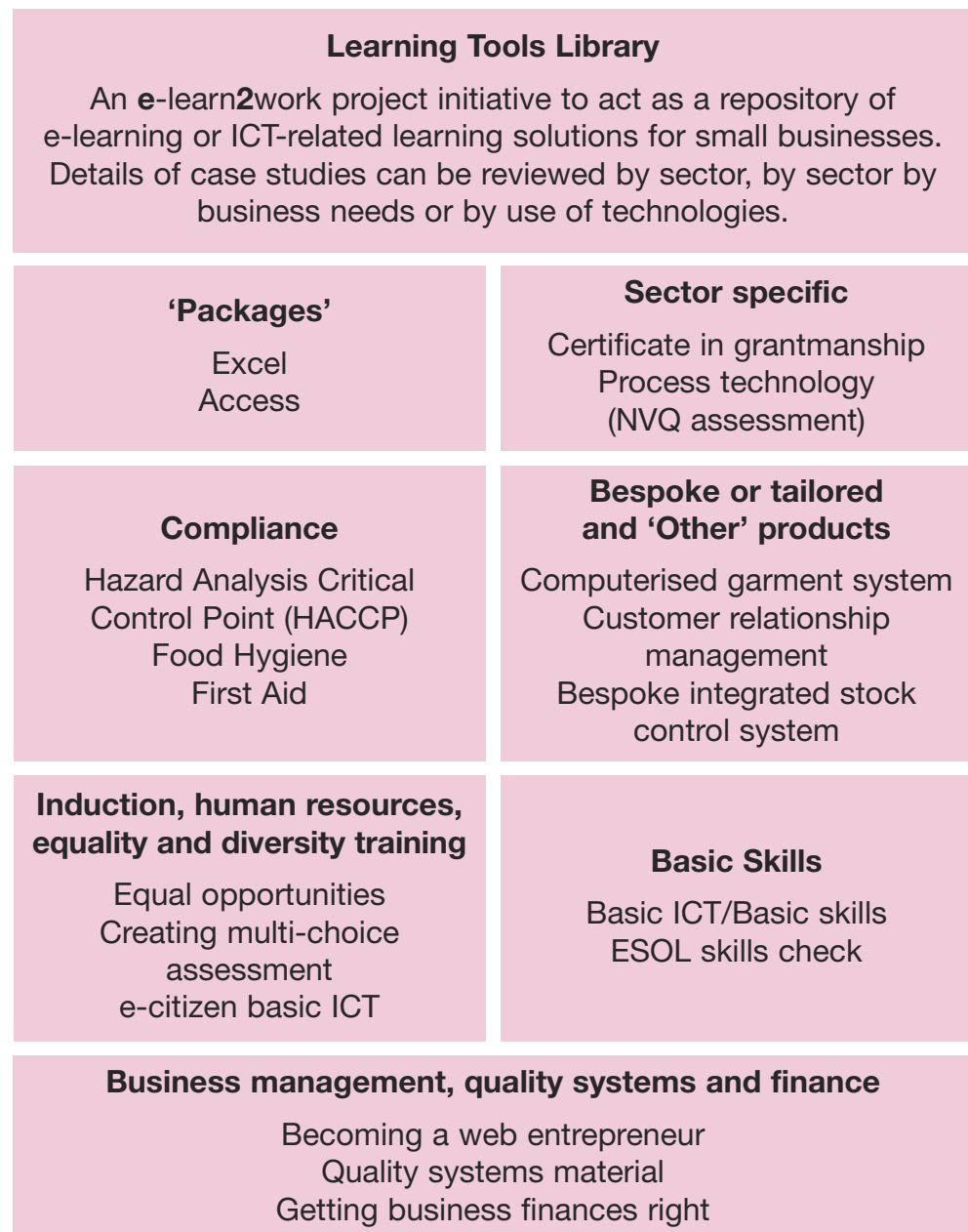
**Table 2: Different kinds of solutions for SMFs**

Type	Examples
Informal	<ul style="list-style-type: none"> <li>• e-mentoring</li> <li>• Informal guidance/support, e.g. recording basic IT skills onto an MP3 player</li> <li>• Sourcing material onto an iPod for use when travelling</li> </ul>
Bespoke systems/ Programmes	<ul style="list-style-type: none"> <li>• Estimating tools</li> <li>• Stock control packages</li> </ul>
Short courses (often 1–2 hour courses or less)	<ul style="list-style-type: none"> <li>• IT skills. Sector specific, e.g. 'what is housing?'</li> </ul>
Longer and often accredited Courses	<ul style="list-style-type: none"> <li>• NVQ assessment accredited Courses</li> <li>• Diversity training &amp; logistics</li> <li>• Refrigeration technology and legislation (20 hours)</li> <li>• Hazard Analysis Critical Control Point (HACCP courses often sector specific)</li> <li>• Various specific packages/IT courses, e.g. spreadsheets, Access, Word (15–30 hours)</li> <li>• Introduction to SAGE (12 week course)</li> <li>• Certificate in Grantmanship (6 week course)</li> </ul>

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A key finding of the project was the extent to which short and modular learning took place, often to meet compliance or legislative needs (fire safety, health and safety, manual handling). The longer courses were often, but not always, sector specific. SMFs identified a lack of knowledge as to where to search for appropriate training and there appeared to be a lack of relevant signposting to what was available. More details and examples of the ‘products or modules’ used are contained in the following diagram.

### 3.4 Products and solutions



*Around eight out of every ten SMFs felt the learning met the company's identified needs.*

*The rating of their skills/ knowledge increased from two to six out of ten.*

To assess the impact to the SMFs a number of qualitative and quantitative research tools and approaches were used; for example, discussion/topic guides, e-perceptions audits to assess self-awareness of ICT, and the Distance Travelled Tool (DTT).

The DTT was designed to empower the SMF, with support from the researcher, to rate their skills levels, prioritise their business critical needs and track progress towards their chosen targets over the life of the project. The results highlight the fact that SMFs did not always meet their learning targets. This could have been due to the ambitiousness of the targets being incompatible with the finite lifespan of the project and the more immediate requirements of the business. The DTT was also used as a measure of empowerment for the SMFs. (See Appendix 3 of the Final Report – disc enclosed).

### Meeting hard skills requirements

Added value (50k) and increased profitability	Enhanced websites	Succession planning
Providing better support for community	Helped win new contract	£ savings for customers
Knowledge of funding and trustee training (level 3)	Time savings and more time for customers	Specific environmental benefit
ICT skills improved by 19%	Increasing accuracy, e.g. estimating costs	Stopped buying in temps and consultants
New products for champions	Promotion and development	Reducing production time on marketing materials
Improved stock control		

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Some quotes from the champions:

*‘The new system based on previous paper-based, therefore easier to learn. The staff were positive as the new software gave a sense of security that firm was doing well and investing in the future. It also made users feel important as they were being empowered and involved in planning and the delivery process and allayed their fears about being able to use ICT.’*

*‘We now have accurate costings and clarity of information having gone from non-use of computers to a computer based system.’*

*‘Saving about 1-2 hours per order by moving to fully integrated automated system.’*

There were also softer benefits, examples of which are outlined below.

### Soft skills benefits

Use and knowledge of e-learning and innovative technology	Change management	Better team working
Fun due to interactive nature	Higher learning/ progression	Better Management Information – paper to IT based
Increased confidence (e.g. for winning contracts, applying for jobs)	Empowered – now doing more staff training	Improvements would not have happened without the project
Encouraged delegation and increased responsibility	Converts to e-learning and fears overcome	Natural networks and SMF helping SMF
Informal business referrals (SMF to SMF)	Improved quality and standards	Knowledge transfer

Some quotes from the champions:

*'Better informed workforce – ICT style of learning very popular. Boosted staff morale.'*

*'Nice, pleasurable and informative experience.'*

*'Improved communication.'*

*'Improved customer satisfaction through increased efficiency (stock control systems).'*

The following two case studies highlight some of the benefits.

For **Case Study A** the provision of up-to-date training has been a key factor in the company obtaining a contract with a national PLC who required proof that the company were providing such training for its employees.

The project team felt that was clearly a fantastic result for the company and a clear indication that training must be a serious consideration in business planning. The employees now have a greater understanding of the technologies involved with their products and relevant legislation, and as a by-product feel more confident when dealing with customers.

*Example of empowerment*

**Case Study B** – fire risk assessment is a legal requirement and, given the lack of resources, the development of this package addressed a key business need.

The fire risk e-learning was an offline resource. The completed fire risk documentation has now been made available to inspectors when visiting the site, and has proved a valuable asset.

All employees also undertook online learning through a VLE and passed the food hygiene online assessment. The learning has had a valuable impact on a remote site where catering is to be provided.

Increased ICT skills have also empowered the company to deal electronically with their brochure design, saving on design and travel costs and reducing the production time from 3–4 months to one week.

*Example of empowerment and innovation*

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*Employees' perceptions of their ICT skills improved by 19%.*

*The e-learning score (scale from 0–6) moved from the pre-stage of 1.1 to the post-stage of 2.2 (+100%). Other measures with the greatest percentage improvement included web design, e-assessment, e-tutoring and e-authoring. All of these started from a 'low base'.*

A key objective of the project was to improve the employee's employability and ICT skills. Using a six point scale, the employees involved rated themselves on 27 measures at the beginning stage and at the end of the project. The results showed that many of the employees had a relatively low level of 'basic ICT skills', but these improved over the life of the project.

Overall, SMFs stated that the project was value for money and awarded a satisfaction rating of 7 out of 10.

### **3.5 Equality and diversity, empowerment and innovation**

To support the project the partnership ensured that key systems were in place for equality and diversity (E&D), e.g. recruitment processes, training days for field researchers, and complaints procedures.

A key aim when working with the SMFs was to raise awareness of any E&D issues generally, and specifically any pertaining to the business. This meant using a range of techniques, including a paper-based and online E&D assessment, a 'step by step' guide to E&D CD-ROM (from South Yorkshire Open Forum), and an E&D North Yorkshire Toolkit. These tools were supported by discussions to address any immediate issues, some of which were subsequently transferred to a business critical need.

The majority of responses identified that the champions realised that there would be a need for them to update their knowledge with regard to the legislative requirements of E&D. The following statements were derived from the online diversity audit analysis:

'There is little understanding of the difference between equal opportunities and diversity.'

'Few businesses saw the importance of embedding diversity within their business culture. Only half the businesses had a workforce that was representative of their local community. The majority of owner/managers saw their role as a manager as being important in supporting staff if faced with accusations of discrimination.'

The case study below is an example of equality and diversity, empowerment and innovation in action.

**Case Study C** is a registered charity in Sheffield providing education and training programmes to adults. The charity also owns a garden centre, workshop, craft area and café.



A review identified the need for an induction programme for employees and also for a training needs analysis. The main problem was accessibility to education and training for all staff.

### **Solutions and Benefits**

A VLE was provided to give increased accessibility to information concerning legislation and equality and diversity issues and information on training needs. The company benefited greatly having been empowered to:

- Develop new material and policies for equality and diversity
- Develop new training materials
- Improve knowledge of e-learning and adopt a way forward for producing their own learning materials which were accessible to all staff
- Promote the company internationally and nationally.

The support of the project gave them the confidence to 'move on' with e-learning. In the future they intend to set-up an ICT suite within their business.

*Example of empowerment and innovation, equality and diversity*

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**Case Study D** is a Bradford-based organisation which provides a welfare rights/legal advice service to local residents. It also provides training to both volunteers and employed trainees. Many of their trustees were lacking in IT and other pertinent skills.

Two members of staff completed a Level 3 grants training course for community leaders, volunteers and charity fund raisers, provided by Fund Raising Skills Ltd. This was a 6 week accredited online course, offering e-based guidance on Governance, and was sourced from the online hub 'Learning to Drive' ([www.fundingskills.co.uk](http://www.fundingskills.co.uk)). This is a multi-layered and interactive online learning resource for trustees, advisors and those working with boards to acquire, develop and implement governance best practice.

The business has now established a fundraising group, created a funding strategy and incorporated fundraising templates from the learning into their current roles. One employee won promotion as a direct result of the training in funding plans provided by the course. Another employee has begun to produce a fundraising process system for the organisation which provides a procedure to follow when funding bids are successful and funding is received. It allows different funding streams and their specific administrative requirements to be implemented giving greater efficiency and ease of monitoring within the work.

*Example of empowerment, equality and diversity*

Other examples of empowerment:

- SMFs developed and uploaded materials, or developed their own materials to upload
- Some staff engaged so successfully in the learning that they applied for promotion to other jobs, or enrolled in higher education courses
- A learner who had a 'fear' of the classroom felt empowered and became confident to 'learn'.

**Case Study E** is a business run as a small organic food co-operative, based in North Yorkshire.

One employee suffered from dyslexia and memory problems and was challenged in recording written information; he found it supportive when the e-mentors took the time to explain things or suggested practical ways of managing data and recording notes. Drawing diagrams and introducing a colour coded system for notes proved a successful way of helping this employee to illustrate how the planting systems worked at the nursery. Asking a colleague to act as a scribe or using a digital tape recorder to capture his thoughts and actions was user-friendly and appropriate for him, freeing him from the struggle to write everything down for himself.

Their website was the most powerful sales and marketing tool that the business had, and through e-learn2work they have learned how to re-design it. e-mentoring has enabled them to have the skills to maintain, update and promote their website on a regular basis, which was particularly necessary for a business that was extremely seasonal.

*Example of empowerment, equality and diversity*

### 3.6 Met/Unmet needs

During the life of the project, and in addition to their initial business critical needs, most SMFs identified new needs for additional training. Nearly three-quarters said that they or their employees would also build upon the learning provided or developed by the project.

At the project's culmination around three-quarters of SMFs felt that they had no unmet learning needs, business critical needs (BNCs) or wider unmet e-learning opportunities. A few SMFs' BCNs remained unmet due to unforeseen delays such as:

- Development time and activities taking longer than expected
- Changed priorities, e.g. web training considered above other more general training
- Lack of clarity concerning business critical needs (expected website creation and development – not just website training solutions)
- Lack of basic IT skills – increase in skills not achieved
- Lack of IT skills 'diagnosed' late in the project

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- Further training needed (beyond that already identified) to meet the needs of the business
- Lack of access to PCs (temp only willing to learn in work time and others with no knowledge as to how to use CD-ROMs)
- Lack of access to trustees (due to other commitments) and delays at delivery end
- Technical problems with software
- Expectation of blended support (face-to-face support alongside an e-learning solution) which did not happen
- Unrealistic expectations as to what could be achieved in the time available.

*During the second (Champions) phase, of the 100 businesses that initially participated, 20 dropped out and did not continue until the end of the project.*

### **3.7 Non-completion/reasons for interventions being rejected**

Much of the 'drop out' by champions occurred after some engagement or interaction had taken place, for example after having introduced them to an e-learning environment and after having demonstrated a specific package. For others the partnership had to take a decision not to continue with the champion due to a perceived lack of commitment, or it was felt that the needs of the business could not be met within the timescales, particularly where a 'bespoke' solution was required. Drop-out also occurred where there was a significant time delay between the initial engagement and the delivery, or there was a lack of clarity on the aims of the project, or the business ceased trading.

Some of the reasons for non-completion were:

- Time commitments/pressures/increased business levels.  
For example, one SMF had only a part-time manager in charge of working on the project, which contributed to calls being unanswered and no progress being made
- Lack of IT infrastructure and the unavailability of sector-specific materials meant that this company did not engage
- Delivery coincided with a very busy time and the employee they specifically wanted to do the module only worked 2 days a week
- Funding issues.

## 4. Lessons learned

Over the course of the two phases of the research process, procedures and practices were modified and developed in the light of the action research taking place. The development of best practice was shared across the partnership so that the whole project might benefit from them. These 'lessons learned' from the total research process are summarised below:

- Businesses will only work within their defined timescales and not to any requirements of projects or initiatives
- Providers should take account of issues such as cyclical and seasonal trends in the business
- There must be a clear focus upon defining and addressing the business critical needs of the SMF from the first interaction
- Businesses should be empowered to define their business critical needs. A precise specification is required so the business is clear on what it can expect
- No assumptions should be made about levels of IT literacy and the level of integration of ICT in the business
- It should not be assumed that managers in thriving businesses have all the basic skills required in today's world. Lack of essential ICT skills is an issue about which assumptions are made
- Signposting remains an issue, with public money tending to be focused on traditional resources which have minimal impact on SMFs and thereby increase SMF disadvantage
- In many rural areas there is still the 'old class benefactorial' system in operation, which tends not to devolve responsibilities and empower the workforce
- The management culture within an organisation is a key factor that needs to be diagnosed as soon as possible in any intervention
- The intervention should then be planned to take into account the culture so that individuals can be empowered to take control of their learning
- Due consideration should be given to the nature of the end-users and their requirements. This might include: learning styles reviews, analysis of literacy levels, other accessibility issues and the nature of any disadvantaged groups, in order to maximise their inclusion
- Large developers are not geared up to work with SMFs

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- SMF requirements do not meet the business models of large contracts with providers and e-learning retailers selling finished products
- Developers must work closely with the expert/provider and the SMF. SMFs must feel empowered and longer term relationships must be developed
- Typical ICT skills e-solutions tend to be generic and not focused on the very specific skills required by employees of SMFs
- Resources are available through the internet but these require good search skills to find and/or a very good knowledge of what is required
- Traditional providers were often unable to provide the e-learning at a time and place to suit the SMFs
- Developing solutions for a cluster of SMFs is a more viable solution both financially and in terms of content
- There was a lack of provision on a national basis in fundamental compliance areas important to the business
- The identification of bite-sized e-learning resources can provide access to essential learning that addresses business critical issues
- The level of project-based administration and bureaucracy required of the SMFs was a real issue.

## 5. Conclusions

### 5.1 Context and understanding the SMF

- SMFs do not always understand what their actual needs are, but any solution must address their most critical needs
- Formal training may be considered but is often neither appropriate nor feasible, since much of their learning is informal, e.g. cascaded from colleague to colleague
- Training is only considered if it makes the business more competitive, it does not impair production, or is legally required
- SMFs are very unlikely to have a formal structure or budget for staff training
- There is often limited ICT resource and limited employee access.

### 5.2 Sourcing of provision

- Many SMFs are not aware of, or informed about existing formal provision
- SMFs are not aware of cost-effective e-resources
- Signposting tends to focus on traditional provision
- Large-scale marketing tends not to impact upon SMFs due to inappropriate targeting.

### 5.3 Learning delivery

- Typical ICT skills solutions tend to be generic and not focused on specific skills required by employees within small businesses
- Internet resources require good search engine skills
- Most SMFs are unaware of online training resources and support
- The use of e-mentoring is paramount in the support of learners.

### 5.4 Attitudes and use of ICT, and understanding the SMF

- SMFs/individuals have very different levels of ICT expertise so no assumptions should be made about ICT literacy
- The ICT skills that SMFs do possess are often under-used.

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### **5.5 e-learning**

- SMFs express an enthusiasm for e-learning as a concept
- Business issues, lack of awareness and time pressures often interrupt its practical application.

### **5.6 Approaches and engagement**

- SMFs only work within their own timescales
- SMFs are governed by such drivers as seasonality, which need to be understood (e.g. busy times of the year, end of financial year)
- SMFs want precise interventions that minimise the time that staff engage in learning
- SMFs find it difficult to sustain involvement with projects because of the bureaucratic process, e.g. paperwork involved.

### **5.7 Learning style preferences**

- Diagnostic tools such as learning styles audits can provide useful information to further support SMFs
- A holistic approach is as important as a long-term relationship in reaching an understanding of the management and learning cultures within SMFs
- Learning style preferences may be different depending on the specific context in which learning takes place
- When learning style preferences cited within SMFs are extremely polarised this may provide significant information about issues in the company (e.g. difficulties in learning, communication issues).

### **5.8 General approach, experiences and tailored responses**

- SMF response is often 'shuffle change', hesitant and limited
- Medium and larger businesses have the resources, agility and ability to drive a step change
- It is important to create provision using micro-modules, and often a mix of relevant solutions (e.g. filling in tax returns, management of difficult staff, product costing)
- Engagement is sustained by developing a long-term and regular relationship with the SMF
- Providers with business knowledge are critical for engagement with the SMF, creating empathy and a critical understanding to support empowerment

- Different approaches are required to support the SMF's learning e.g. DIY learning, different kinds of blended learning (tutor support, mentoring and e-mentoring, group learning), informal learning
- Different delivery methods are also required (different media used, practical templates and case studies)
- The use of natural networks is a key identifier of potential businesses to work with – small businesses are more likely to work with small businesses because they share a common agenda and empathise with one another.

### **5.9 Flexibility, modular approaches, formal and informal learning, qualifications**

- Many small businesses wanted and experienced a modular approach (e.g. to create a single spreadsheet rather than study Excel as a whole)
- Bite-size micro-modules of learning could contribute (if accepted) towards formally accredited learning recognised by Awarding Bodies
- Different sectors seek very sector-specific solutions (non-Third Sector SMFs wanted basic ICT, e-commerce, e-marketing, financial skills; the Textile sector wanted stock control and more efficient ordering systems; the Food production sector wanted environment courses).

### **5.10 Barriers and e-learning solutions**

- In SMFs the main barrier to addressing the BCNs was lack of time and resource management changes, where illness, absence and other changes in circumstances intervened
- Employees consider they are given a more stimulating learning experience with e-learning than simply sitting in a classroom and reading slide notes
- The impact of ICT can provide a more positive work/life balance for employers and employees of the business
- Any solution contemplated should empower the client group by maximising their participation
- The specific requirements of client groups need to be analysed to ensure that their needs are being met.

## **6. Recommendations**

### **6.1 Developers**

- e-learning materials need to be personalised for different clients
- Future e-learning should consist of nuggets of content to be mixed and matched by clients
- Employees identify a need to create accredited bite-sized packages of e-learning that can be extended into substantial learning programmes, achieved in short bursts
- There is a need to train trainers/developers/mentors/advisors in the needs of SMFs.

### **6.2 SMFs and business organisations**

- There is a need for bite-size, flexible, funding for other than full courses. Although this is being grasped by some organisations there is still seen to be a need for these to be aggregated into a recognised qualification
- SMFs should network or team-up together in order to develop business solutions for themselves
- The Learning Tools Library could be available and used by organisations to develop their own learning
- Learning and Skills Councils should fund and support ‘bite-sized’ chunks of learning
- Qualifications and courses should reflect the needs of SMFs
- Intermediaries, such as accountants and bank managers, should promote the service approach to e-learning
- The priority for training in SMFs is related to the immediate acquisition of work-related skills.

### **6.3 Learning providers**

- As the funding of training is a major issue for SMFs, consideration should be given to funding voucher schemes where the vouchers can be spent on single modules
- A clear progression path is required so that funding can be linked to progress
- The message of the ‘bite-sized’ approach needs to be repeated to funding bodies.

#### **6.4 Policy makers**

- There is a need to recognise the relevance of the language used, for example 'learning' creates a training culture barrier both at the individual and the business level
- Focus should be moved away from the current unit-based approach to a modular style which encompasses generic skills. A 'Pick and Mix' style of e-learning fits this better than traditional learning styles
- It is important to stress the importance of skills provision within clusters to ensure buy-in
- The current system is restricting SMF-desired training
- Targets limit the improvement in skills as courses are funded to meet targets
- Learner Voice is currently mainly populated by the younger generation; there is a need for an Adult Learner Voice, particularly within disadvantaged SMFs.

#### **6.5 Intermediaries (accountants, bank managers)**

- Intermediaries must play a key role in supporting SMFs and ensure supply is driven by the requirement to meet needs.

## **7. Further information**

### **7.1 DVD**

The DVD enclosed with this report includes:

- A Project Overview
- The Final Report
- A Learning Tools Library
- Video case studies from the project
- Event footage.

### **7.2 Project Websites**

<http://www.elearn2work.net/>

<http://www.elearn2work.org>

### **7.3 Other Weblinks**

<http://www.equal-works.com/>

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