

ENGAGING SMEs IN DIGITAL APPRENTICESHIPS



Good practice guide #2 for training providers
Part of the Mayor's Digital Talent Programme

About digital apprenticeship good practice guides

The Tech Partnership is delighted to be working with the Greater London Authority (GLA) to support the Mayor's Digital Talent Programme, which aims to increase the number of women and young people from Black Asian Minority Ethnic (BAME) and disadvantaged backgrounds in jobs that require digital skills, to better prepare young Londoners for digitally-skilled occupations, and to improve the pool of talent available to employers.

This is one of a suite of three guides commissioned from the Tech Partnership by the GLA to provide training providers with good practice guidance in relation to digital apprenticeships:

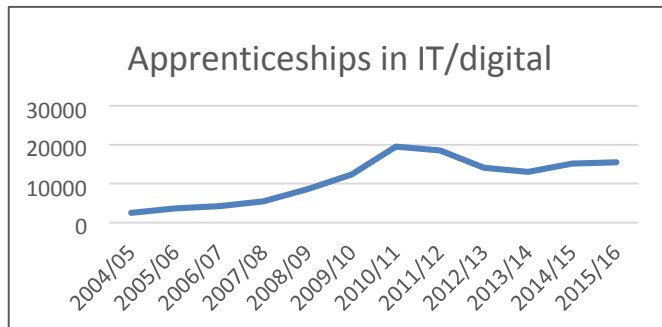
- 1. Introductory guide to the new digital apprenticeship standards**
- 2. Guide to engaging SMEs in digital apprenticeships**
- 3. Guide to attracting under-represented groups to digital apprenticeships**

The guides include both generic best practice and best practice specific to digital pathways. They draw on published research, case studies and employer feedback. Links are provided for further reading. Most of the evidence relates to digital apprenticeships, but the good practice points are equally relevant to short digital courses at level 3 or above.

Why digital apprenticeships benefit SMEs

SMEs are a key driving force behind the economy and account for much of the projected high levels of growth in digital occupations.

It is therefore imperative that SMEs in Greater London can access the digital skills and talent they need to sustain and grow their businesses.



The use of apprenticeships is relatively new for digital roles: historically many employers have recruited graduates or skilled and experienced staff. The table shows a big increase in the take up of digital apprenticeships, which are now a major strand of recruitment for businesses, particularly those in the tech sector.

While the increased take up of digital apprenticeships has slowed over the last few years, forecasts have now highlighted that there will be a further rise with the introduction of the new apprenticeship standards which have been designed specifically to meet the sector's needs.



To view the number of all apprenticeship starts, achievements, and participation, visit:
<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

Digital and IT apprenticeships are among the most successful in terms of completions, with 77% of all digital and IT apprentices passing their apprenticeship compared to the national average of 69%. This contrasts with apprenticeships in some other sectors, such as retail and sales/telesales where these figures are as low as 63% and 54%.





To see the current achievement rates on all apprenticeships, visit:

<https://www.gov.uk/government/statistical-data-sets/sfa-national-achievement-ratestables-2014-to-2015>

Engaging SMEs in digital apprenticeships

There are significant opportunities to engage many more SMEs in digital apprenticeships – but there are still some misperceptions and myths that need to be overcome.

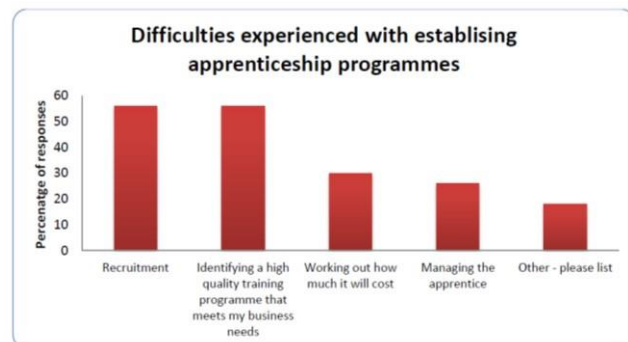
The most common objections of SMEs to apprenticeships in general are that they are **high risk** to the employer in terms of responsibility, **overly bureaucratic**, come with **hidden costs**, and will bring a **lot of hassle** to a small organisation.

Many SMEs feel there is a lot of noise around apprenticeships but report a **lack of awareness** of what is available to them. There is an element of **confusion** about apprenticeships and how best they can engage with an apprenticeships programme. The lack of clarity can make it unclear for SMEs as to how to proceed, which leads to many of them not engaging at all. SMEs report that they find the online information on apprenticeships complex and confusing.

Moreover, much of the language, including the rules and regulations, used in the apprenticeship system is not business-friendly and contains too much **jargon**.

Most SMEs are highly charged and fast moving entities. Another challenge for many SMEs is concern about **managing the apprentice** and what will be required to supervise and mentor a young person and that they will be unable to ‘teach on the job’ as resources are tied up in the day to day running of the business. SMEs report a lack of awareness of the **practicalities of what it means** to take on an apprentice.

SMEs are often concerned about the **timescales** both in terms of the time needed to recruit an apprentice and the time it will take before the apprentice is **productive** in the workplace. In many cases they are looking for people that can ‘hit the ground running’ and who can fit into established working patterns.



Those employers who decide to set up an apprenticeship programme can then experience difficulties in getting started – particularly in terms of **how to find the right candidates** or to how to **source high quality training**. The difficulties experienced when establishing apprenticeship programmes are shown in a recent study, above.

A particular concern among SMEs in relation to digital apprenticeships is related to **security**, as many digital roles require access to networks, systems, user profiles and/or sensitive data. Many SMEs have concerns about giving this access to inexperienced and ‘unskilled’ workers.



The NFER/STEMNET report explores the engagement of STEM SMEs with education, and many of the messages are equally relevant to training:

<https://www.nfer.ac.uk/publications/SMES01>



Ten good practice tips for engaging SMEs in digital apprenticeships

In light of the issues outlined, we have identified ten good practice areas for engaging SMEs to recruit digital apprenticeships. This good practice is drawn from a variety of sources, many of which are referenced in the text, as well as feedback direct from employers.

1. Engage effectively with SME

- Engage in SME networks – whether formal networks, such as sectoral, local, professional or trade organisations, or more informal groupings. This could include your local Chamber of Commerce, the Federation of Small Businesses, Tech UK, Tech City, Tech London Advocates, Digital Health London or London Creative and Digital Fusion. Working in partnership and spreading messages through such multiplier routes to markets builds momentum, and SMEs hear the messages through trusted sources.
- Use SME role models, case studies and ambassadors.
- Attend events that attract SMEs.
- Focus on your niche areas so that you can target the right SMEs with the right messages.
- Develop case studies, testimonials, anecdotes and references for SMEs based on your work with other SMEs, to make it easy for new SME customers to relate to the offer.
- Offer SME forums or networks to share learning and best practice.



There are more useful tips in Ofsted's report on engaging small and medium sized enterprises in work experience and apprenticeships in London:

<https://www.gov.uk/government/publications/engaging-small-and-medium-enterprises-in-apprenticeships>

The CIPD apprenticeship guide for employers also has useful ideas:

www.cipd.co.uk/publicpolicy/policy-reports/apprenticeships-work.aspx

2. Illustrate the benefits of apprenticeships

- Develop powerful messages about the benefits of apprenticeships.
- Make the business case for apprenticeships: The Get In Go Far website reports that nearly every employer that takes on an apprentice (96%) reports benefits to their business, 89% of employers saying they make their business more productive.
- Apprenticeships bring opportunity to attract new talent, offer progression and develop a motivated, skilled and qualified workforce. They can help lower recruitment costs - 75% of apprentice employers have found this to be so, and 80% say apprenticeships will play a bigger part in their future recruitment plans. Increased employee satisfaction and engagement results from hiring apprentices, with 88% of employers believing they help create a more motivated and loyal workforce. SMEs who use digital apprenticeships report higher levels of productivity from their apprentices compared to their graduate recruits, as well as high levels of retention and loyalty among ex-apprentices.



- Make SMEs aware of the significant growth of digital apprenticeships over recent years, and the range and types of employers, large and small, tech and non-tech, who are now using digital apprenticeships as a key strand of their skills strategy.
- Illustrate the benefits of taking on a younger person through an apprenticeship by demonstrating the skills, enthusiasm and contributions that an apprentice can bring. Use your apprentices as case studies and ambassadors to demonstrate their skills and motivations to other SMEs.
- Use examples of how other, similar, SMEs have used apprenticeships - positive reports of their impact can be powerful in illustrating the value of apprenticeships.



The Get in Go Far website has useful information for employers:

<https://www.getingofar.gov.uk/employers>

The CIPD Guide for Employers also illustrates the benefits to employers:

<https://www.cipd.co.uk/knowledge/fundamentals/people/routes-work/apprenticeshipsguide>

3. Understand what employers value in their training provider

Employers who use digital apprenticeships report that the key things they look for in a good training provider are:

- Relevant and excellent track record of delivery – a provider who can illustrate previous customers and successes with similar businesses gives them confidence to buy.
- Relevant technical and sectoral credibility – employers expect providers to have solid, up-to-date technical understanding relevant to the roles for which they are recruiting.
- Focus on the employer’s requirements – they respond more positively to providers who actively understand their needs rather than trying to sell them an off the shelf package.
- Providing regular progress reviews and a central point for communication – employers want to maximise the progress of their apprentices and access to support if issues arise.
- Opportunities to celebrate success – employers also value opportunities to reward and recognise achievements, for the apprentice and for the business.
- Focus on continuous improvement.

4. Understand the customer’s needs

- Take time to understand the SME business and their skills needs, and then communicate the benefits and features of the apprenticeship in relation to these.
- Find out as much as you can about the role the apprentice will do, about the technology they will be using and about the scope of their responsibilities.
- Within the digital sector, many businesses use different language and job titles to describe similar roles, so make sure you really understand the role that the SME needs the apprentice to do before identifying the most appropriate course or standard.



- Many SMEs require flexible, multi-skilled employees who can be productive as early as possible, and can jump in to help on projects, contracts and services when needed. In many cases, this involves customer facing activities and project management activities. Find out what the key productivity requirements are, as well as how else the apprentice might be expected to contribute to the business. You can then structure these requirements into the apprenticeship programme so that the apprentice is productive quickly and can add value to the business from an early stage.
- Many SMEs also put a high priority on 'fit' in the organisation and on values – find out about the SME's values and their formal and informal working practices.
- Illustrate how the apprenticeship will be built around their business needs and how it will deliver the skills and the approach that will deliver business benefits.
- Focus on diagnosing the customer needs and developing a solution that meets these needs, rather than explaining all the wiring!

5. Invest in your credibility and access to knowledgeable people

SMEs are highly knowledgeable about their field of work. Employers have been critical of some providers who do not understand the technical nature of the roles needed in their business or who put apprentices on the wrong course as they have not understood the business's digital skills requirements.

You need to have staff not only with a good business understanding but also with up to date, relevant technical expertise and a sound understanding of digital business, digital systems and technologies, so they can speak to decision makers in their own language and can understand the implications for the apprenticeship programme.



Non-tech SMEs depend on their provider to understand their digital business needs, train their apprentices with the technical skills to meet these, and help them understand 'what good looks like' in terms of full competence. Tech SMEs will have a sound understanding of the competences they need and will expect a training provider to share this understanding.

These up-to-date skills can be expensive and difficult to find. So in addition to investing in your staff to ensure that they have up to date knowledge of the industry, you may want to find other ways of accessing this expertise, such as:

- Bringing in people with the level of digital expertise to be credible to employers – whether as sub-contractors, consultants or secondees from other companies.
- Using part-time staff who are also working in the industry.
- Building in 'back into industry' experiences, whether secondments, placements, work shadowing or visits, to help keep staff up to date.
- Bringing in employers to support your staff development whether by providing mentors, master-classes, speakers, teach the teacher programmes or expert witnesses. Use employers to work with your staff in developing new curricula, new projects or new



learning materials. Asking employers to set and judge projects is not only great exposure for apprentices but also provides staff with an up-to-date perspective of what employers need and expect.

- Collaborating with other providers to help you access the range of specialist expertise.
- Maximising the experiences of your existing apprentices and previous apprentices to help keep your staff up-to-date with changes in business practise and technology.
- Making use of the variety of employer-designed resources that are available online – these can not only be used to support your apprentices' training but can also help to keep staff up-to-date.

Many SMEs will be looking for vendor or professional qualifications, and you need to identify how you can offer these qualifications alongside your core programme – either directly or by collaborating with other providers.

6. Add breadth and depth to your programme

Employers report that they value breadth in their apprenticeship programmes, so you may want to consider ensuring that your training helps apprentices to:

- Understand not just the skills and technologies required for their role, but also develop an understanding of the digital landscape and how businesses use tech – showing the interconnectivity between roles.
- Understand the sector that they are working in.
- Understand and can apply secure working practices.
- Develop the business awareness, project management and interpersonal skills that SMEs require - as well as the technical skills.
- Develop working approaches that are agile, flexible, creative so that they can respond effectively to change.



Consider too how you will demonstrate that you can help apprentices progress to higher level skills, as most employers report that they need apprentices to progress to levels 4, 5 or 6.

7. Build flexibility and relevance in to your programme design and delivery

- Ensure your programme focuses on the most needed digital skills in your local area.
- Offer a level of customisation to your programme. While SMEs will only be offering small numbers of apprenticeships and therefore bespoke packages are not cost effective, having the ability to add in elements or deliver the programme in flexible ways can help to customise your programme to deliver what the SME really needs. This can also be achieved by developing cohorts of SMEs with similar needs.
- Use a project based approach, whereby apprentices develop and deliver competencies that are directly relevant to their work. Using the technology and languages that they use in the workplace can help the apprentice to become productive more quickly.



- Offer flexibility by providing an apprenticeship journey that fits with the business needs – taking in to account working patterns and peak periods. Where things have to have fixed dates, communicate these well in advance, and stick to them, so that the SME can plan around them.
- Continuously review your programmes to ensure they are still relevant and keeping pace with changing local skills needs, eg the most in-demand coding languages.

8. Give high priority to your SME communications

SMEs who have successfully engaged in digital apprenticeships say that effective communication was key to their engagement. They report that the following helped in their initial decision to take an apprentice, to work with that provider as well as helping their ongoing engagement with apprenticeship programmes.

- *Honest timescales:* Many SMEs are looking to recruit to address immediate skills needs. Be realistic about the time it takes to recruit – from initial advertisement to having someone in post. Explain the steps you will take for them to ensure that you will get them the best candidates for a successful recruiting decision. By setting out, for example, the number of potential apprentices you have or the steps you will take to attract applicants, helps the employer understand what the lead time will be.
- *Responsive points of contact:* SMEs need to build trust with their training provider. Having a single, or main, point of contact for them for the full process is a great way to engage and retain business. This also helps to ensure that you build a real understanding of their business and their needs, as well as providing ‘the personal touch’ and helping to build a close relationship. It provides them with someone in your business who they know will deal with their issues quickly. This single point of contact needs to be able to understand their business, understand the different potential training solutions, and be able to illustrate how these can benefit the business – as well as being able to walk the SME through the processes confidently and in an informed manner. All of this helps the SMEs to make clearer decisions.
- *Responsiveness to employer needs* is paramount. SMEs often work on short timescales and long and irregular hours. Many report frustrations that training providers are not responsive enough to changes, queries and requests. Having a responsive single point of contact can help to eliminate some of these challenges.
- *Language:* Make sure that all of your communications use the language of your customer, not the language of the apprenticeship sector.
- *Progress reporting:* Once you have understood the role and productivity requirements of the SME, you can then report on the progress of the apprentice in these key areas, so that both you and the employer can see what progress is being made and where extra support may be required to get the apprentice operating to the required standard as quickly as possible. SMEs report that they want a clear view of their apprentice’s progress and want to be involved in decision making along the way. Offering regular progress reviews enables the SME to have greater involvement in the process and enables them to maximise the use of new skills in the business.



9. Support recruitment

Supporting an SME with the recruitment process helps you build a stronger relationship with your customer – and helps ensure that the SME has the best fit of apprentice to maximise the chances of retention and successful completion. You can support them through this process by:

- *Understanding their requirements.* Once you have made an assessment of the SMEs needs, values, working practices and environment – as well as the actual role - you can write a tailored job description and person specification which helps to ensure the right shortlist is put forward. It also helps you give realistic expectations to potential recruits.
- *Being creative in assessing applicants.* SMEs can be put off by the time taken to sift and interview potential candidates, particularly when many young people may not have formal experience to differentiate themselves from other applicants. Many SMEs want to find apprentices with a real passion for digital and who are motivated to learn new skills. This can be difficult to ascertain from qualifications, a CV or traditional application form, so develop more appropriate ways of assessing the applicants' interests, nascent tech talent, strengths, aptitudes, personalities and behavioural traits that fit with the business requirements (see section 5 on strengths based assessment in the guide to engaging with under-represented groups).
- *Using different ways for SMEs to review applicants,* whether through 'speed networking' or 'Dragons Den' style events. Such events also help the apprentice understand the employer to see if it is the best fit for them and their future goals.

10. Address employability and entrepreneurial skills

SMEs need employees who can operate effectively and appropriately in the workplace and for apprentices with little or no previous work experience, and this can be a challenge in the early days of the apprenticeship.

Employability skills and expectations about workplace behaviours need to be explicitly addressed in selection and induction to minimise any disruption in the workplace. Employers report that they want to be actively engaged in developing their apprentice's employability skills to ensure they are relevant to their workplace.



You can play a positive role in this: setting and managing standards and expectations with the apprentice, setting up mentor and buddy systems and offering coaching support to the SME in handling any issues quickly and effectively.

Many SMEs are not only looking for rounded employability skills, but also for entrepreneurial skills. Offering specific training and support for apprentices to help them develop their business, employability, communication, interpersonal and entrepreneurial skills can help to accelerate the development of a well-rounded and productive apprentice.

