

Building your business's skills and capabilities

dti

The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.

This booklet gives examples of where many employers have found that they lack the necessary skills to meet the changing demands of their customers. It includes case studies on how they have filled their skill gaps and improved their business performance by developing and making better use of the skills of their people.

Who this brochure is for: any business which wants to learn more about improving their business performance by investing in skills and learning.

What it covers: how to get the support and guidance you need once you've identified those areas.

Achieving best practice in your business is a key theme within DTI's approach to business support solutions, providing ideas and insights into how you can improve performance across your business. By showing what works in other businesses, we can help you see what can help you, and then support you in implementation. This brochure focuses on these solutions.

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INTRODUCTION

Most businesses are facing intense pressure from competitors both in the UK and overseas. To succeed in this environment, more businesses are bringing higher value added products and services to market. This helps them to capture significant market share, or move into niche markets and differentiate themselves from their competitors.

It means increasing both the speed and capability of innovation.

To do this, leaders, management and workforces need to have skills that match or exceed these market pressures.

These skills will enable businesses to implement new technologies, raise productivity, innovate new products and services and make significant improvements to the bottom line.

In partnership with other government departments, the DTI will ensure that firms wanting to rise to these challenges by improving their skills and training are given the right support to do so. A new programme called *Achieving best practice in your business* has been designed to promote proven techniques that have benefited businesses of all sizes and markets.

This booklet explains the most common areas where businesses lack skills, and uses recent case studies of the benefits of up-skilling to demonstrate the power of this approach.

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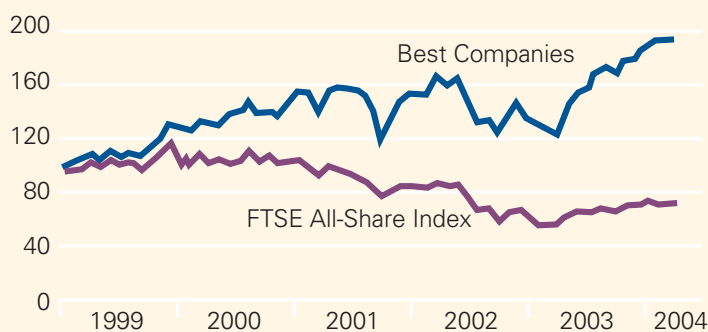
THE IMPACT OF SKILLS

The best businesses are passionate about developing their staff and unlocking their potential. Some reported that as much as 10% of employees' time was spent on improving skills and others described it as the 'the epicentre of empowerment' and 'a competitive weapon.'

The businesses that put most emphasis on training and development are also the most rigorous about it. Best practice is to make sure that development is properly targeted – that it has a defined set of objectives, it is measurable and that it is put in the context of improving the service that customers receive.

The businesses also reported that the best results emerge when employees understand the value that training can have for them professionally. This doesn't mean, however, that training is only about formal training courses. The best organisations find a balance of formal and on-the-job training is essential to raise skill levels.

The 2004 Sunday Times 100 Best Companies to Work For list is based on research on what 58,000 employees think about their employers, management, job satisfaction, and their development opportunities. The graph below shows the sustained benefits, indicated by the share performance, from achieving high levels of staff motivation.



Source: Frank Russell

Identifying the skills needs in your business

All companies are in a state of dynamic change. Businesses need certain skills to compete successfully in today's markets and certain skills to produce products and services for future markets.

Assessing these skills is a fundamental part of business planning which is followed by a strategic approach to the training and development needs of everyone in the organisation.

This section looks at the areas where businesses say extra skills or additional training have made a significant difference to their performance. Although the case studies chosen don't cover every example, they do illustrate the approaches that businesses have taken and the benefits they have realised.



1 Skills shortages in existing staff

Skills shortages within the workforce can exist at any level: from basic skills of numeracy or literacy, through to more technical skills. Such shortages can appear across a variety of regions and sectors, and in all sizes of business. Identifying the nature of a shortage is often the most important step in addressing it.

2 Skills shortages in new recruits

Businesses need to be very clear about the skills sets required in the jobs they advertise and stress those that will serve the business best for the present and near future. Some skills required will be quite basic and others will be of a more specialised nature. Very often, such skills sets may be in short supply for the nature of your business and a decision has to be made as to the best way of addressing such a shortage.

For example, solutions may involve:

- developing people from within the organisation
- working with a local university to engage a specialist on a part funded basis
- creating an apprenticeship scheme within the company.

3 Management and leadership skills

The skills needed by leaders and their management are changing.

The old 'command and control' style is giving way to a style that sees leaders and their managers mentor and coach employees. This frees them up to concentrate on setting objectives and devising competitive strategies. By giving their staff the tools and training to be effective, and giving them freedom to act within a framework, the organisation's efficiency and productivity can only increase.

4 Business growth

It is the purpose of most businesses to grow, preferably in a planned, structured and profitable way. But just as a lack of finance can restrict investment in equipment or in new products, a lack of skills can hold back opportunities to grow into new markets or expand into existing ones.

Many new product, service and market opportunities in the future will need either new skills or a development of existing skills sets.

Management's role is to assess the needs that these new opportunities require, work out the skills gap and work with employees and sources of training to fill them.

Radisson Edwardian

Set up two years ago with Thames Valley University, a new graduate level qualification in Hospitality Management is proving both successful and popular with employers and employees.

Radisson Edwardian was one of the first big employers to see the benefit of such training to its staff and business, and the flexibility of the training on offer means it sits well with the shift patterns that employees in the industry work around.

Kevin Ennis, People and Performance Director at Radisson, says: “The course has been a hit from day one. It allows our staff to really grasp the theory behind our business. The course encourages employees to go on and push for supervisory or management positions.”

This case study involves Foundation Degrees. Foundation degrees are a vocationally focused qualification, delivered in two years and designed to equip learners with skills and knowledge relevant to their employment. Further contact details for this and other training routes available can be found at the back of this booklet.

McPhillips (Wellington) Ltd

“We find recruiting new staff can be a bit of a struggle,” admits John Butler, Director and Safety Executive at McPhillips, a civil engineering and construction company. “This initiative has been a golden opportunity for us. Apprentices receive a good foundation to start their career and to become a valuable member of the team. We gain qualified employees who not only have the industry skills we need, but who are also used to our way of working.”

Each year McPhillips employ six to eight new staff in this way. They take a 20-week residential sandwich course at the National Construction College Midlands – and when they are not at college, they work alongside McPhillips’ staff to gain valuable site experience.

McPhillips took advantage of the Learning & Skills Council’s Apprenticeships initiative. Your Business Link adviser will talk you through the most appropriate ‘on the job’ training for your business. Contact information on Apprenticeships and other vocational training routes available are at the back of this booklet.

5 Competition

Competition can impact on a business in many ways, such as competitors offering lower prices, better service, or a wider range of products and services. How a business faces up to these challenges will exercise everyone in the company.

Whether the response to competition is, for example, to dramatically increase productivity, improve products and services, or adopt a new business model, these changes will impact directly on the skill sets of the existing workforce. The training and development strategy of the business needs to plan for the new skills required, and the speed at which they need to be acquired.

6 Culture

The culture of any business is unique but will include trust, shared vision and values, honest, effective communication of all news – both good and bad – shared planning, shared effort and shared learning. When the Chief Executive is seen to learn new skills in order that he or she can best steer the business through these competitive times, this sends an important message to everyone in the business. It helps to lift morale, increase commitment, and improve focus on the customer.

7 Multi-skilling

Training up staff so they are competent in a number of activities, rather than only in one area, can raise the productivity of a business – or make life easier in periods of sickness or absence. It can also help to break down departmental barriers and encourage a more flexible approach to problem solving.

Meads Ltd & Nottingham University Business School

When this medium-sized storage and distribution business wanted to increase its business process efficiency, it decided to look to its local business school for assistance. It was helped to find two Associates who, supported by Nottingham University, took on work placements within the business to assess where improvements could be made, and to help implement a plan to put these improvements into action.

The result was maximisation of storage potential, generation of better information, improved decision making and higher service levels. Meads gained £500K over two years, profit increased by 13%, average procurement administration lead times were reduced from 18 to 5 days, and accurate quantity decision-making led to a 30% reduction in outsourced bulk storage.

Meads Ltd took advantage of graduate placement support, offered through DTI's Knowledge Transfer Partnership product. For more information on Knowledge Transfer Partnerships and other training solutions available, contact your local Business Link.



Simon Jersey Ltd

A focus on inspiring people to succeed and promoting change has helped Simon Moyle, President of Simon Jersey Ltd, develop the company that he has built up over the last 30 years. Thanks to his strong vision 'to be the best in the industry', the business has grown from a small shop on the cobbled streets of Accrington, to a specially designed high-tech headquarters for the 300-strong team on the outskirts of the town.

Technical Director Richard Mullen explains how in the past 10 years, sales have quadrupled from £7 to £28 million. The firm is now selling in 120 countries worldwide with over 66,000 customers in the UK. He emphasises that the key to success is hard work and the strong enthusiastic culture that has developed within Simon Jersey.

"Good communication is essential. We ensure everyone is clear on how our business is doing against set objectives. After the directors and managers monthly meetings, information is cascaded throughout the business within a matter of hours. We've also set up a Care Team across the departments and value its suggestions on improvements and efficiencies. A money saving scheme, that asked all employees for an idea, achieved a cost saving of approximately £400,000 and more than paid for a Dale Carnegie leadership training programme. Everyone has the ability to inspire others, but not everyone uses it. Make a difference today."

Simon Jersey is an award-winning host of the DTI's company visit programme, which enables businesses to learn from other selected businesses in their region who are seen as exemplars of Best Practice. Graham Eley, managing director of Mettler Toledo, summed up the benefits of such visits: "Sharing best practice is an excellent source for business improvement. The Simon Jersey visit confirmed my belief that mobilising our employees is key to achieving outstanding business performance."

8 Investors in People accreditation

What people can do, and are motivated to do, should match what an organisation needs them to do. Investors in People (IiP) is a very useful business tool and the national standard which recognises businesses that train people to achieve business goals. By setting objectives and developing people to meet them, businesses can improve their overall performance.





Toughglass Ltd

Toughglass had been operating very profitably but the company knew it had to diversify and keep up-to-date with changes in management practices and technology to remain competitive. The implementation of a company-wide training and development plan enabled the business to successfully 'up-skill' both its workforce and its management, and produce an improved product that met changing market demands.

The training and development programmes covered e-commerce, IT training, and glass manufacture. The technical training and management development resulted in NVQs for staff. This delivered a significant benefit to the business, as it contributed to Toughglass winning European contracts worth over £2million. On top of that, almost 90 per cent of employees indicated that the training they had received helped them do their job better and increased motivation.

Marian McParland, Personnel Manager at Toughglass Ltd said: "We knew that to be able to compete, we had to do it at a European level. The training programme needed to provide our employees with the necessary skills and confidence to facilitate this."

Toughglass used a variety of routes to construct their successful training programme. This led to it winning a National Training Award in 2001. For more information on the National Training Awards, and a wide selection of other case studies, visit www.nationaltrainingawards.com



Further help and advice

Achieving best practice in your business is a key theme within DTI's approach to business support solutions, providing ideas and insights into how you can improve performance across your business. By showing what works in other businesses, we can help you see what can help you, and then support you in implementation.

ACHIEVING BEST PRACTICE IN YOUR BUSINESS

To access free information and publications on best practice:

- visit our website at www.dti.gov.uk/bestpractice
- call the DTI Publications Orderline on 0870 150 2500 or visit www.dti.gov.uk/publications

SUPPORT TO IMPLEMENT BEST BUSINESS PRACTICE

To get help bringing best practice to your business, contact Business Link – the national business advice service. Backed by the DTI, Business Link is an easy-to-use business support and information service, which can put you in touch with one of its network of experienced business advisers.

- Visit the Business Link website at www.businesslink.gov.uk
- Call Business Link on 0845 600 9 006

The case studies in this booklet refer to the successful use of skills within the workforce, but cover a wide range of possible solutions and involve a wide range of financial support packages. Your Business Link adviser or equivalent in Scotland, Wales and Northern Ireland is best placed to advise you on the most appropriate package of measures to support your business, but the links below can provide additional information.

USEFUL WEB LINKS

www.lsc.gov.uk

The Learning and Skills Council (LSC) is responsible for funding and planning education and training for over 16-year-olds in England.

www.dfes.gov.uk/skillsforemployers

The Department for Education and Skills (DfES) is the Government Department responsible for overall skills and training.

www.ssda.org.uk

The Sector Skills Development Agency (SSD) has been established to underpin the Sector Skills Council (SSC) network and promote effective working between sectors. The SSC has been charged to lead the skills and productivity drive in industry or business sectors recognised by employers. Find out more about the SSCs at the SSDA or the DfES sites.

www.qca.org.uk

The Qualifications Curriculum Authority leads developments in curriculum, assessments, examinations and qualifications.

www.iipuk.co.uk

Since 1991 tens of thousands of UK employers, employing millions of people, have become involved with the Investors in People Standard and recognised its benefits.

www.nationaltrainingawards.com

The National Training Awards are the UK's number one accolade for businesses, organisations and individuals who have achieved lasting excellence and success through training and learning.

www.newdeal.gov.uk

New Deal gives people the opportunity to develop the skills and experience that employers want so they can find lasting, worthwhile jobs.

GENERAL BUSINESS ADVICE

You can also get a range of general business advice from the following organisations:

England

- Call Business Link on 0845 600 9 006
- Visit the website at www.businesslink.gov.uk

Scotland

- Call Business Gateway on 0845 609 6611
- Visit the website at www.bgateway.com

Wales

- Call Business Eye/Llygad Busnes on 08457 96 97 98
- Visit the website at www.busesseye.org.uk

Northern Ireland

- Call Invest Northern Ireland on 028 9023 9090
- Visit the website at www.investni.com

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