Digital Skills Council
Mobilising Apprenticeships

May 2023

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Executive summary

Apprenticeships could be the answer to addressing the SME digital skills for both new employees and upskilling existing staff, with the latter presenting the greater opportunity. However their uptake is limited by a deep seated cultural perception as a second class citizen to higher education - a view shared by learners and SMEs alike. This is opposed to comparator nations (eg: Germany) where they are considered a primary route to building skills.

In addition there are specific challenges for SMEs; 1) services that currently exist aren't understood, and 2) broad, national interventions don't resonate. While there are also challenges attracting learners (supply side) to apprenticeships, focusing on SMEs (demand side) will pay bigger dividends.

The existing apprenticeship landscape is broad, with myriad examples of deep insight, good practice and effective outcomes. However it is fragmented and these good elements are not effectively shared or scaled.

This proposal recommends bringing together and amplifying key elements that work well, and are achievable within current policy. It is designed around the following three areas, each consisting of multiple interventions:

1. Amplify and scaling out the 'partner' model that has proven successful in many enterprise organisations.
2. Taking a local approach by organising apprenticeships programmes around sectors and regions (e.g: Manufacturing in the North West) and applying it nationally.
3. Finally, establish centralised support to provide information, guidance and marketing/communications that is tailored to SMEs, underpinned by consolidated data and reporting.

The conclusion outlines a set of next steps which are intended to be are immediately actionable by the DiSC.

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Recommended actions for the DiSC

The following actions are intended that they can be started immediately by the DiSC. They require collaboration between industry and government to being a pilot programme in order to begin testing and learning.

1 Plan and funding

Identify a local region and sector, and set pilot KPIs

Establish where existing initiatives can be leveraged

Determine suitable industry/government funding route and create business case.

2 Central team

Establish a central, independent team working for the DISC to act as the focal point to drive and coordinate actions with local hosts and SMEs

3 Define partner model

Identify the best partner models in play across the UK and engage these leading organisations to create how-to and best practice guides

4 Run local pilot programme

Initiate a new partner model programme of 1-2 host organisations each with 5 local, same-sector SMEs

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Mobilising Digital Apprenticeships in UK SMEs

This report was commissioned to advise the Digital Skills Council (DiSC) on opportunities for it to increase uptake of digital apprenticeships in the SME (private, small business) sector. It provides a set of recommendations and next steps that are intended to be immediately actionable by the DiSC.

The research explored barriers to small businesses offering and maintaining digital apprenticeship programmes, challenges for individuals in starting them and initiatives and interventions being delivered by governments and industry in the UK and internationally.

It was conducted between March and May 2023, and included 27 primary expert interviews, a literature review of 32 reports and case studies, and a series of co-creation workshops with participants from across government, industry and the education sector.

1. Amplify enterprise partner model

Central to this proposal is adoption of the successful partner-network approach used by some enterprise-level organisations (e.g. Cisco, Deloitte, Microsoft).

In this, large businesses, trade bodies or training providers act as 'hosts' who partner with SMEs to run apprenticeships programmes, providing them with their expertise and economies of scale. This includes setup and running a digital apprenticeships programme, access to HR and Learning and Development, selection of training type and level, tools needed to deliver the training and manage the apprentice journey, onboarding, training and offboarding.

This approach reduces many of the barriers faced by SMEs. For hosts operating within the same sector it provides a number of benefits; quality and consistency in their supply chain, ability to over-recruit and then flex the destination of their intake, offer of value-add/good will to their network building social capital with partners, improve their own economies of scale by attracting larger cohorts, and enjoying kudos around the positive power of digital apprenticeships across industry.

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Locally aligned SMEs, hosts and training providers

The next core tenet of this proposal is to tailor apprenticeship programmes to local and sector needs. Working together at a local level, SMEs, hosts and training providers assess future skills needs and tailor the apprenticeship standard.

Training providers maintain their pivotal role in the market, primarily as the intermediary between talent (i.e. the candidate supply market) and SMEs (the demand supply market) to match recruitment needs with talent availability. Different providers will bring varying scope and quality of wrap-around service and possibly sectoral focus. The expectation is that training providers will work closely with hosts to balance the exact distribution of activities.
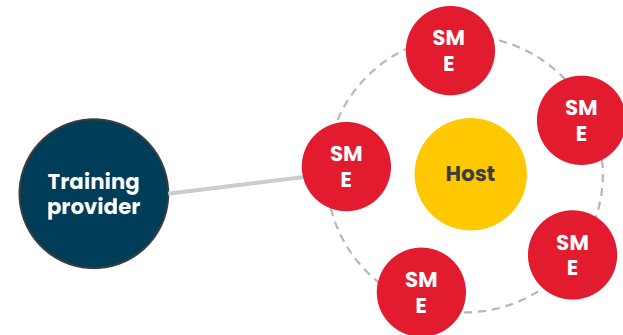
2. Local approach, national scale

Taking a local approach helps overcome deeply seated cultural misconceptions of digital apprenticeships by evidencing relatable and tangible success stories through word or mouth and targeted communications. Through the voices of people and organisations that are relatable and contactable creating a virtuous cycle.

It is also a practical model to scaling in a manageable way and draws on existing local, or sectoral bonds and relationships.

By working in this way the DiSC is placed to support knitting together local success region-by-region and sector-by-sector in a mindful way. The learnings are transferred, cross-pollinated and refined over time. The option exists for ambassadors and champions to move around the wider network and act as catalysts. This avoids top down influence by instead, meeting people where they are at - embracing different ways of doing things - and offering support and acceleration. The roll-up becomes outcome-led and enables a profile of SME digital skills gained through apprenticeships to be understood over time.

Digital apprenticeships within industry sub-sectors

Manufacturing

Fintech

Plumbing

Retail

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3. Central support to enable & tailor

Centralised SME support hub

Establishing a central hub of content tailored to the needs of SMEs is essential for comprehension and utilisation of information, guidance and marketing. SMEs report that content and guidance is disjointed. Creating sector specific case studies, success stories and how-to guides will aid SME buy-in to the value of both digital and apprenticeships.

It's critical that these are co-created with SMEs to ensure they resonate and address the challenges faced by SMEs

Localised advertising campaigns

To maximise their impact advertising and communication campaigns by Government and industry should be targeted at regional and sector level (e.g.: Manufacturing in the North West) and leverage case studies and success stories from previous successful partner programmes.

Centralised performance data and reporting

Bringing together the extensive data that already exists across government departments and other organisations to a central hub and augmenting with additional insights will enable data led decision making to assess the impact of changes and inform future initiatives

Currently, data is is disjointed across the service providers SMEs engage with around digital skills and apprenticeships. While larger organisations may record and track some of their own data, SMEs typically do not. The DiSC is well placed to champion the provision of the right data to support SMEs activities, and support providers in making service improvements on behalf of SMEs

Central support

The DiSC or a similar body is required to orchestrate these initiatives; recruiting pioneer host organisations and SMEs, collecting and analysing performance insights that support adjustment of the model, publishing 'How to' guides and managing a central repository of resources to be used by early adopters of the model.

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Existing interventions

The partner network proposal can work in tandem with the existing local growth partnerships (e.g. Local Skills Improvement Plans and Local Digital Skills Partnerships) which may be an appropriate vehicle for some regions and sectors. The proposal does not seek to compete with these, and should build on them wherever possible.

Likewise, learnings from the Governments Brokerage trial should be factored into pilot proposals and draw on any lessons learned. Novel elements in this DiSC proposal include the use of user-centred design to ensure products and services specifically meet the needs of SMEs. And a scale model that seeks to standardise objectives and results, but remain flexible to how the network works at the local level, drawing on current successful initiatives and making those available to other regions & sectors for inspiration through consolidating a best practice playbook.

While this proposal has focused primarily on research across England, early conversations in Scotland e.g. Skills Development Scotland and one local trade intermediary suggest similar arrangements are worth investigating with devolved authorities.

Local digital skills partnerships

Currently in eight regions. Help increase digital skills capabilities across the country and coordinate local skills activity, including digital apprenticeships.

SME Brokerage Pathfinder

Which sets out to help addressing issues with lack of awareness amongst SMEs, challenging with the administrative and mentoring burden some smaller business owners face.

Employer advice & partnership management

The brokering work of DWP operational staff including employer advisers and partnership managers in supporting SMEs in providing and recruiting for apprenticeships.

Backlog of interventions

This backlog of intervention ideas was distilled from 122 ideas generated by the expert community who contributed to the sprint.

Ecosystem / Network

New/existing partner networks including use of large orgs, trade bodies and new entities

Best practices for hosts and SMEs

Communities of interest

Products & Services

How-to and case study resources tailored to support SMEs through user-centred design

Innovation radar to support needs of SMEs in standards setting

Digital apprenticeship marketpace to promote and drive demand

Market making

Targeted communications to address SME awareness, adoption and retention

Performance measurements

Define and publish targets

Conduct sector and location benchmarking

Collate data centrally

Data-led initiatives

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Phased roll-out approach

Pilot
6-12mths

Test partner model

Create repeatable blueprints & case studies

1-2 hosts with 5 SMES each in a single region

Scale-up
12-24 mths

Validate self-service tools

Assess efficacy of targeted marketing campaigns

Multiple regions

Self service MVP

Targeted campaigns

Consolidated data platform

Scale-out
2 years +

National-level initiatives adapted to regional and sector needs

Data-informed approach in selection of future initiatives

National roll-out

Self service networks

Tailored curriculum

National campaigns

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Addressing learners

This proposal focuses primarily on addressing the SME demand-side of the digital apprenticeships equation as it offers the opportunity for the most significant impact.

To date, there has been significant focus on learners to promote apprenticeships and careers in digital.

This is continuing through the current DiSC-DSIT commissioned project being delivered by the Behavioural Insights Team (BIT) related to boosting uptake of digital training and careers.

No shortage of people who might want to do an apprenticeship.

The following recommendations from the BiT research project should either be leveraged in campaigns that specifically promote apprenticeships, or include apprenticeship messaging within broader digital skills campaigns

- Consider focusing online communications campaigns/messaging on experienced professionals;

- Do more to make working in digital not feel like 'starting over';

- Focus on messages that tackle the primary negative perceptions of digital careers;

- Consider greater use of messengers / buddying interventions for experienced professionals.

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