

'Investing in Innovation for Climate Resilience' (IICR) 2013-16

'Building Resilient Business Through Technology' - Workforce Training Highlights

Innovation in Skills Development in SMEs

Innovation in workforce training provides new ways of talent development for small and medium-sized enterprises. While SMEs are crucial for economic development, employment and job creation they face continuing barriers to developing human capital. Training & skills development is significantly lower in SMEs than in large enterprises - with SMEs involved in up to 50% less training than larger firms. The pool of SME workers requiring further education and training in technology is significant. However, SMEs often find difficult to support formal learning activities due to their small size.

The [Virtual Technology Showcase \(VTS\)](#) training platform is a response to the fast growing need on leveraging technology training and skills development in SMEs providing FREE training for employees of small to large size enterprises across industries and regions.

Benefits:

- FREE access to web-based training 24/7.
- Training is focused on developing technology skills.
- Acquired skills can lead to savings in energy and resources, and better competitiveness.
- Training will lead to new markets, variety of new employment opportunities and economic growth.

Factors driving SMEs training activities:

- Market competitiveness.
- Employability.
- Robust firms with local jobs and new business opportunities.

Market forces dominate current and future take-up of opportunities for workforce skills development

- Firms and employees seek ways of learning to acquire new knowledge and skills they need, particularly for innovation and entrepreneurial processes.
- Companies report need for technology training and skills development activities.
- The technology skills development is vital especially for both low skilled and highly skilled employees.
- Growth potential SMEs focus on skills of business planning, management and technical skills.
- Market forces are the main drivers for skills development in firms, which will result from in-house demands arising from product development or production needs, as the result of financial adjustments, or from participation in external private sector activities with clients and suppliers.

Skills development is a resource intensive activity for SMEs

Skill development is a resource intensive activity, attention must be paid to demonstrating the benefits of technology for firms participating in training activities - in other words, the returns on their training and skills development investments must be sufficient to offset the costs. Investments in training activities are finite and should focus on areas where the return on investment is highest.

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Specific areas of VTS training include:

- Co-ordinating training across local, regional, national, and international level in order to avoid confusion experienced by SMEs in identifying their training needs and assessing the best options for their business.
- Including evidence gathered from training evaluations and/or pilot studies of the benefits of training activities, as part of advice and activities provided to SMEs.
- Encourage investments in technology to the business receiving training.
- Advisory services.

Market Forces

In-house and external market forces are the main drivers for firms' training activities within their supply-chain or industry. Where public policy has an objective of requiring an action from SMEs, firms are likely to act - to make decisions about skills development and training activities within their firms.

Focus on Technology, Business Innovation, and Entrepreneurial skills

The specific needs of skill development vary across local areas and regions, and are strongly influenced by industrial concentrations and existing skill levels. The local context is important when it comes to collaboration between skills development activities in firms and training organizations.

There are some fundamental skills related to Eco Innovation and Commerce - technology and entrepreneurship, which should become foundation skills sets for all firms. Local customization should be encouraged to meet specific local needs.

Specific training include:

- Technology enhancing skills is a focus.
- Developing local skills ecosystems - partnerships between technology companies (training providers), local authorities, industry representations, and trade organizations and make training fit-for-purpose in local communities.

A Community of Practice

The need for regional customization should be supported by a common platform of knowledge of how SMEs use training to develop skills within their workforces and what works, does not work and is best practice activity across different regions. Understanding both variation and best practice is an important task for VTS, as it will allow VTS to select a mix of training programs to encourage skills development in their particular circumstances and understand why specific training may encourage skills development in SMEs.

The establishment of a community of practice of regional technology skills and growth for knowledge sharing between organizations and regions will allow for the transmission and interpretation of best practice.

[Virtual Technology Showcase \(VTS\)](#)