

Breaking the Firewall Insight Report: SME Engagement Recommendations

Research into small businesses and skills training usually focuses on the barriers, asking why SMEs fail to engage. This project took the opposite approach.

Using a 'Positive Deviance' methodology, we studied 'Bright Spot' SMEs: businesses that successfully invest in technical education despite facing the same daily pressures as their peers. Through in-depth interviews and a survey of 100 business leaders, we looked at how and why they make training work in practice.

Our research found that SME engagement is driven by specific commercial moments, human motivations and practical needs. These 15 recommendations outline how technical education and skills organisations can use these insights to better connect and partner with small businesses.

Reality A: The Firewall

There are particular moments of opportunity for engaging SMEs:

- 01 New leadership enters the fray:** Monitor business transfer data and target new MDs in their first 6 months.
- 02 The leader goes back to school:** Partner with leadership programmes or consider creating your own to engage CEOs when they're uniquely receptive.
- 03 Leaders hit their 'frustration' moment:** Frame technical education as the solution.
- 04 Leaders realise they are isolated:** Don't approach SMEs as isolated units. Invite them to solve problems alongside their peers and engage in clusters.
- 05 Clients contracts demand specific skills:** Show SMEs how a high-quality training programme can be the differentiator that wins them the next tender.

Reality B: The Human Reality Tapping into behavioural science:

- 06 Love of the trade:** Frame skills training as stewardship. Appeal to the business owner's desire to protect their trade and 'do their bit' for the UK's technical capability.
- 07 Survival instinct:** When speaking to leaders of businesses in niche trades, focus on continuity rather than growth. Frame technical education as insurance against the loss of specialist knowledge.
- 08 Lifelong learning:** Appeal to the leader's self-image as a lifelong learner by positioning technical education as an intellectual challenge.
- 09 Desire to give back:** Acknowledge and validate the SME business leader's role as a mentor and community pillar.
- 10 Accessible hierarchy:** When engaging SMEs, emphasise their unique culture, in particular their ability to offer accessible leadership.

Reality C: The Structural Reality Knowing what to build:

- 11 Meticulous planners:** Give SMEs practical tools and template resources to clearly articulate the systems and processes for technical skills to thrive.
- 12 Measures for de-risking recruitment:** Support SMEs with simple, low-cost behavioural interview frameworks to help them confidently recruit.
- 13 A team-wide training mandate:** Advise SME leaders to budget for teaching, helping calculate a realistic reduction in output, ensuring that training is a worthwhile investment.
- 14 Flexible training partners:** Providers' communications should show how they work in partnership with SMEs, for example through Industry Placement Coordinators, and can flex their delivery model (e.g. block release vs. day release).
- 15 An apprenticeship on-ramp:** Providers can facilitate soft meetings (coffee, site tours) to bridge the social gap between a nervous apprentice and a busy workshop.