

BREAKING THE FIREWALL

The Three Realities
of SME Engagement

An insight report for organisations seeking to
engage SMEs in technical education and skills.

May 2026



GATSBY

About us

Gatsby Education's mission is to champion and support the delivery of a world-class education and skills system – one that drives opportunity, boosts productivity, and supports a stronger, future-facing economy. We work in partnership with government, education providers, employers, and others, to support and deliver innovative projects, build lasting collaborations, and shape national education and skills policy. Our focus is on long-term, systemic change – ensuring impact that endures well beyond our direct involvement.

Commissioned by Gatsby, this research was undertaken by independent consultants Ben Caspersz and Lucy Proudfoot.

Unlocking the SME opportunity

Improving access to high-quality technical education is increasingly recognised as a vital part of closing skills gaps and solving the UK's productivity puzzle. Yet what is less well understood is how to engage and empower one of the most important, and often most elusive, parts of that puzzle: small businesses.

Small and medium-sized enterprises (SMEs) make up 99% of UK employers and play a crucial role in developing skills across the economy. Yet SME participation in the skills agenda remains one of the biggest challenges for anyone working in this policy area. Helping to strengthen the relationship between technical education and employers, particularly smaller businesses, is a central part of Gatsby Education's mission.

This research aims to shed light on that challenge. It takes a different approach to how this issue is typically explored, which tends to focus on barriers, gaps and reasons for non-engagement. Instead, it applies a Positive Deviance methodology: the idea that within every community there are exceptional outliers whose behaviours and strategies enable them to solve problems more effectively than their peers, despite having access to the same resources. Instead of asking "why don't SMEs engage?", we identified businesses already engaging with exceptional success – our Bright Spots – and asked a different question: "how are you making this work?".

This report is for those working to engage SMEs in technical education and skills. We do not present the findings as definitive solutions or a prescriptive playbook. Instead, it aims to provide ideas and examples, with a set of recommendations that can be explored, adapted and built on. Not everyone will adopt everything. But if it sparks even a few new ways of engaging SMEs, it will have served its purpose.

Gatsby works with organisations and individuals across the country who share a common goal: strengthening technical skills across the workforce and ensuring employers are at the heart of the system. We hope this report is useful to this wide range of partners – from national and local government and industry bodies to regional and sector organisations with SME members, as well as local providers like schools and colleges.

This research began with the creation of a large database of SMEs, from which we identified examples of exceptional engagement. From this, our researchers conducted in-depth interviews with leaders of 13 Bright Spot companies from across England. The process of identifying and selecting these companies was a story in itself – which you can read more about below. From the outset, we were clear that this project was not about simply celebrating successful businesses, but about analysing their experiences to uncover actionable, transferable insights to help those working to engage SMEs more effectively. We supported this with quantitative research to test our recommendations.

SMALL-BUSINESS LEADERS, SOMEWHAT UNIQUELY, SURROUND THEMSELVES WITH A FIREWALL – A PROTECTIVE BARRIER THAT MAKES THEM FIENDISHLY DIFFICULT TO REACH

Across these conversations, one insight emerged particularly strongly. Small-business leaders, somewhat uniquely, surround themselves with a firewall – a protective barrier that makes them fiendishly difficult to reach, but which enables them to focus on their priorities: delivering for customers, managing cash flow and keeping their businesses afloat day-to-day. Our research uncovered specific moments when that firewall temporarily lowers and leaders become more open to thinking about skills. We call these moments of opportunity and identify five of them in the report. Targeting SMEs at these moments may offer a more effective way to engage them.

Above all, we hope this research proves useful and inspires new ways of engaging SMEs in technical education and skills.

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SUMMARY

For people working in technical education and skills, getting small businesses to engage isn't easy. There's a natural tendency to see small businesses as problems to be fixed or gaps to be filled: why don't they engage?

This research tried to flip the question. By focusing on positive deviance – the Bright Spot companies that are successfully engaging with technical education despite systemic barriers – we instead asked: why DO they engage?

We started by creating a large database of SMEs who appeared to be achieving exceptional success with technical education and skills from across the UK. We received valuable input from a wide range of professionals in different industries and business organisations. We went through a process of outreach, evaluation and narrowing down until eventually we undertook in-depth interviews with leaders of 13 'Bright Spot' small businesses.

They were inspiring. We learned a lot about what's caused them to be so successful. Some factors were down to their exceptionalism, for example they were incredibly driven or remarkably creative. But other factors could be traced back to specific things that had happened, such as sequences of circumstances, or linkages between individuals, which unlocked success. These weren't usually down to chance. Systems had worked well and the company had made the most of it. These success stories are what this research was looking for.

Sadly, we didn't find a 'magic bullet', but we are able to make 15 recommendations, some of which will resonate more with education and skills providers, others will be more for regional or national bodies. To increase our confidence in the recommendations, we also undertook a survey of 100 small-business leaders to test the underlying ideas.

The end result is a set of recommendations that are practical and ready to use, but also, we hope will inspire new ways of thinking about how to engage SMEs in skills and technical education.

A central finding is that small-business leaders generally don't respond to the language of skills policy; rather, they respond to commercial triggers, human connection, and pragmatic support.

To successfully engage with small businesses we must navigate three recurrent realities:

Reality A: The Firewall

Our primary finding is that SME leaders operate in a state of continuous demand, focusing entirely on survival and the urgent priorities of running a small business (of which there are many). To block out distractions, they erect a protective, cognitive "firewall". Our findings show that indiscriminate, generic marketing has a tough time breaking through this barrier.

To get through, we recommend adopting a moments-based targeting approach. Intermediaries must identify and capitalise on specific moments of opportunity when the firewall temporarily drops. We identified five key moments:

- **New leadership:** A change at the helm prompts an audit of workforce models and an openness to change.
- **Leader goes back to school:** When a founder engages in external training they temporarily "look up", shifting their focus from tactical to strategic operations.
- **Frustration moment:** When a business hits a growth ceiling due to severe recruitment challenges.
- **Realisation of isolation:** When a leader recognises the necessity of plugging into a place-based ecosystem or cluster.
- **Client demand:** When procurement requirements demonstrate that training and developing skills win commercial contracts.

Reality B: The Human Reality

Once through the firewall, engagement strategies must move beyond transactions to tap into specific psychological drivers. Business leaders are often motivated by deep emotional motivations.

We identified five:

- pride
- legacy
- identity
- survival instinct
- love of their trade

Acknowledging and validating these human elements would deepen engagement.

Reality C: The Structural Reality

Most SMEs don't lack the desire to train and nurture talent, but to do it requires practical infrastructure. Operationally, they don't always have the scaffolding in place to make skills development viable – for example, internal “playbooks” and codified systems for onboarding. Externally, they may not have access to a local provider who they feel understands them and can be flexible and responsive to their needs. The opportunity for organisations trying to engage small businesses is in being part of the solution: giving business leaders practical tools and resources that help them fill in the gaps and develop their systems.

Finally, in Chapter 3 we give ideas for communicating with SMEs gleaned from our interviews with business leaders. When it comes to messaging, they preferred highly specific, practical “Sat-Nav” instructions over abstract policy details. We also put forward narrative ideas, such as framing technical education as a “boredom buster” to improve retention.

RECOMMENDATIONS AT A GLANCE:

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.

THIS RESEARCH

This research employs a Positive Deviance methodology: first identifying Bright Spots SMEs who are achieving exceptional success with technical education despite facing the same systemic barriers as their peers, then studying these outliers to reveal practical and replicable strategies that could be employed for engagement with SMEs in general.

Our full methodology is in Appendix 2.

Who is this for?

This report aims to engage and inspire skills-related organisations working with or informing SMEs. These include:

1. National organisations (e.g. Department for Education, Confederation of British Industry).
2. Regional and sector-specific organisations, which we sometimes refer to as 'intermediaries' (e.g. Combined Authorities, North East Automotive Alliance).
3. Local providers of technical education and skills services (e.g. schools, colleges, councils, companies that provide training).

This isn't an exact segmentation. We'd like to acknowledge that some organisations overlap the different categorisations.

What is Positive Deviance?

Positive deviance is an asset-based research approach that identifies “positive deviants” – individuals or organisations achieving exceptionally high performance compared to peers, despite facing identical constraints and possessing the same resources. Contrasting with traditional deficit-based problem-solving, positive deviance assumes solutions already reside within a community. The approach gained global prominence in the 1990s through the pioneering work of Jerry and Monique Sternin in Vietnam. Its key characteristics follow a four-step framework: (1) identifying these deviants; (2) qualitatively studying their unique practices; (3) statistically testing hypotheses; and (4) disseminating the successful, naturally occurring behaviours across the wider network.

See Appendix 2 for more information on how this project was based on positive deviance and where we diverged from Jerry and Monique’s original playbook.

WE CHOSE TO FOCUS THIS RESEARCH ON A SPECIFIC SIZE OF SMALL BUSINESS, CONSISTING OF 10 TO 50 EMPLOYEES

Research parameters

Positive deviance has traditionally been applied in healthcare and humanitarian settings. To work out how to translate this framework into a commercial SME context, we conducted a review of the current landscape, which included:

- **Stakeholder interviews:** We spoke with Gatsby staff and sector intermediaries including the Strategic Development Network (SDN), Shout Network and Loughborough College.
- **Reviewing the evidence:** We reviewed foundational documents provided by Gatsby and wider macroeconomic reports on SMEs from McKinsey, OECD and others.

We considered investigating Bright Spots within the skills system itself (such as exceptional colleges or regional intermediaries). However, we concluded that the most valuable, transferable insights would come from focusing exclusively on the businesses themselves and how they interface with the system.

We clarified that our aim was not to celebrate general commercial success. To yield actionable insights, we needed to isolate SMEs demonstrating exceptional success specifically in how they engage with technical education, utilise sector resources, and navigate the skills system.

We chose to focus this research on a specific size of small business, consisting of 10 to 50 employees, where they’re big enough to be able to invest in training and skills development but don’t have the human-resources infrastructure of bigger firms.

We also chose to focus on four priority sectors where skills shortages are particularly acute, which are engineering and manufacturing, construction, digital, and science. Even with these focuses, we would like to acknowledge that using the term SMEs to cover such a wide diversity of organisations isn’t ideal, while the goal of this research isn’t to bunch the sector together; on the contrary, our research identifies diversity within SME operations and provides recommendations that reflect their common challenges.

What do we mean by Bright Spots?

For this research, we defined Bright Spots to be “positive deviant” companies (in this case SMEs) that demonstrate three specific behaviours of exceptional success with technical education and skills. They differentiate themselves from the rest of the market by: (1) actively seeking information on skills and training; (2) engaging successfully with the sector and intermediaries; and (3) choosing to invest resources, time, and money in technical education.

These companies were also in strong commercial health, with established track records, strong reputations in the marketplace and consistently growing over the long term. See Appendix 3 for the SME Bright Spots Scorecard we created and used for identifying companies to participate in this research.

ENGAGING BUSINESSES IN THE RESEARCH WAS CHALLENGING BUT ENDED UP BEING INFORMATIVE IN ITSELF.

How we engaged small businesses... and what happened when our researchers encountered the firewall

Following eight weeks of research and networking, we compiled a longlist database of approximately 60 SMEs that appeared to meet our initial criteria for interviewing. The Gatsby Education team reviewed this longlist using our SME Bright Spots Scorecard framework and refined it into a highly targeted shortlist of candidates to approach for interview, starting with a screening call.

Engaging businesses in the research was challenging but ended up being informative in itself. As you'll see below, having to find ways of contending with business owners' “firewalls” ended up being a key insight in our final report.

When it came to companies we identified through desk research, we found it very difficult to reach the key person and cut through the noise of others who were trying to do the same. Our researchers sent emails and made phone calls asking to speak with them, but it was entirely unsuccessful.

We regrouped and tried again. This time we posted a highly personalised letter to each individual business, printed on ‘solicitor-grade’ Gatsby letterhead paper, explaining who we are and why we're contacting them (making it clear that we're not trying to sell you something). The letter was signed by Gatsby's manager with her contact details requesting they reply to express their interest. The handmade ‘snail mail’ approach worked well and we managed to hit our target of 25 companies going through to the next stage of the process.

The Firewall

moments of opportunity

It would be a mistake to assume that SME leaders have the headspace or perspective to engage in technical skills training and education as a default state.

Most of the time, SME bosses aren't thinking about skills policy or workforce development strategies. They are focused on day-to-day survival, delivering for customers, and managing cash flow. They are up against it, and they erect a mental firewall to block out distractions. (Our researchers experienced the firewall in the making of this report!).

We can't break this firewall by spraying out generic marketing indiscriminately. We must wait for, identify, and target specific moments of opportunity where the firewall comes down.

Moment 1: **NEW LEADERSHIP**

A change at the helm is often the single biggest catalyst for investing in skills training and education. When a new leader steps in – whether a successor in a family firm or a new franchise owner – they often audit the business and realise the current workforce model is unsustainable.

- **The new broom at Pirtek:** When Shaun Pearson took over the franchise in December 2024, he recognised the need to expand its in-house capabilities beyond its traditional hydraulic repairs model. In response, he oversaw Pirtek’s strategic shift by onboarding apprentices across areas such as technical engineering and sales delivery to future-proof the business.
- **Professionalising the family firm (SJD Associates):** When Ruth Devine joined her father’s business, she leveraged her previous experience overseeing quality management to implement a company mandate that required every employee to go through an apprenticeship. As a new leader driven by the fear of liability and motivated to improve the company’s quality of output, the mandate ensures that everyone, regardless of age, meets industry standards.

“You can’t sit back and complain about a skills gap if you’ve done nothing proactive to work towards changing that gap and closing that gap.”

MGS Technical Plastics

SME Survey:
Our survey of 100 small-business leaders indicates they are open to new ideas when a new leader comes on board and suggests changes.

[Q: Thinking about when you make big strategic decisions (like changing your model for finding and developing talent), how open are you to new ideas, if at all, in the following scenarios?]

When a new leader joins the business and suggests changes.

81%

Total open

6%

Total not open

Recommendation 1:

Look for news about changes in SMEs’ ownership, or announcements of MD hires. Use these as triggers for targeting senior leaders in their first 6 months, when they’re most open to new systems and reforming the way things have always been done.

Moment 2: **THE LEADER GOES BACK TO SCHOOL**

A powerful predictor of engagement is when the leader themselves engages in external training (e.g. MBAs, Goldman Sachs 10,000 Small Businesses, Productivity Through People). These are moments to look up, where they shift their focus from working in the business (tactical) to working on the business (strategic).

- **Untangling the wool (Teleplan Forsberg):** Chris Mayne described his strategy as a “jumbled mess of wool” until he attended a productivity course and later a Master’s at Lancaster University. This external education gave him the framework to implement a talent development pillar and see it as a strategic business function.
- **The soft skills shift (MC Construction):** Dave Lowe credits the Goldman Sachs programme for teaching him the softer side of people management – insights he brought back to modernise a traditional construction firm.

“That admission of ignorance is actually very liberating for the rest of the staff. It gives permission for everyone else to say, ‘I don’t know either.’ Once you break down that barrier, the learning flows.”

Like Technologies

SME Survey:

Our survey validated the idea that business leaders are particularly open to hearing about strategic ideas when they take time out to work on their business – for example, on a leadership course.

83%

Total open

4%

Total not open

Recommendation 2:

Fish where the fish are. Partner with leadership programmes, or consider creating your own, to engage CEOs when they’re uniquely receptive to conversations about training their own staff.

Moment 3: **THE FRUSTRATION MOMENT ('HITTING THE CEILING')**

This is the needs-must trigger. The firewall falls when a business hits a growth ceiling because they physically cannot find the staff to fulfil a contract. They realise they cannot buy talent; they must build it.

- **The legacy course failure (Maltby Surveys):**
Richard Maltby reached a breaking point with existing industry training, which costs thousands every year and was ineffective. His frustration drove him to take a leading role in his industry's efforts to develop an apprenticeship standard that would give his business what it needs to survive.
- **The demographic ceiling (Southbourne Rubber):**
Stephen Wilde faced a literal physical barrier to survival. Upon taking over, he found a manufacturing workforce in physically demanding roles with an average age of 57. While his inability to afford experienced hires was at first restricting, he explored apprenticeships as an alternative route. This has since become the cornerstone of the company's talent-development strategy, which has markedly improved their operational returns and workplace culture through better employee retention.

“Let's be clear: this isn't just altruism. It's a commercial imperative. We have to train people because we cannot recruit them ready-made.”

Like Technologies

SME Survey:
The 'hitting the ceiling' frustration moment showed up in our interviews and our survey considerably more with engineering and manufacturing companies than in other sectors.

However, we think there's value in education and skills organisations gaining insight into companies' growth frustrations and showing how they could be part of relieving those frustrations, but there's likely to be high variance from sector to sector and not all companies will experience it.

Recommendation 3:

Frame technical education not as training, but as the solution to the small business owner's growth frustrations.

Moment 4:

REALISATION OF ISOLATION (THE ECOSYSTEM SHIFT)

This is when a leader realises they cannot survive as an island. They understand that to scale, they must plug into a place-based ecosystem.

- **The 3-Year vacancy (Teleplan Forsberg):** Chris Mayne described the 'nightmare' of trying to scale up for defence projects in 2016, when he had an advert for a senior engineer open for three years without filling it. It forced him to innovate and "move from an internal view to a Helical model of engagement". Chris formed an industry cluster where he teamed up with six other local electronics businesses – including competitors – to pool resources. He also worked with his local college to set up a new electronics lab and did his own outreach to local schools.
- **The ambassador network (Adopstar):** Ben Field advises SMEs to join networks like the Apprenticeship Ambassador Network because they provide the support structure for businesses that "want to do it but have no idea what to do".

"It's okay to say you're struggling. It's okay to say you don't understand, and it's okay to say that you just need somebody to come and help."

Olamalu

Recommendation 4:

Don't approach SMEs as isolated units. Invite them into clusters where they can solve problems alongside their peers and share the risks, responsibilities and rewards.

Moment 5: **THE CLIENT DEMAND**

For many SMEs, the firewall falls when they realise that training wins contracts. In sectors like construction and manufacturing, large corporate clients increasingly demand social value commitments in their supply chains.

- **The procurement lever (Make Good Academy):** Goldfinger is a BCorp furniture maker whose ethos around social-impact entrepreneurship underpins everything that they do. Through their social enterprise Make Good Academy which also serves as the social impact arm of their sister furniture company (Another Country), they deliver hands-on training that supports young people, particularly those facing barriers to employment, into paid work and industry opportunities. As a result, they are able to unlock a competitive advantage by attracting like-minded clients who share the same values and engage in Goldfinger's social-impact activities. This creates a positive ripple effect across the organisation's client base and, in return, builds advocacy for the company.
- **The supply chain asset (Southbourne Rubber):** Stephen Wilde found that its membership of the '5% Club' (a national network of businesses committed to the 'earn and learn' ethos) and strong apprenticeship programme became a decisive advantage when bidding for a partnership with a major defence client, who needed clear evidence of ESG commitments within their supply chain.

“It's favourable that when we're tendering on work for corporate companies, there's always a section on social impact. We find it very easy to achieve those requirements because we were already doing it.”

Lyndhurst Precision Engineering

SME Survey:
According to our survey of 100 small-business leaders, small-business leaders are more open to fresh ideas at the start of a new financial year or after a major project finishes.

40%

Very open

48%

Somewhat open

10%

Neutral

Recommendation 5:

Show SMEs how a high-quality training programme can be the differentiator that wins them the next tender.

Understanding ‘The Firewall’: generational differences?

Our survey of 100 small business owners surfaced notable differences between age groups.

62% of early- and mid-career business leaders agreed with the statement that *“I spend most of my day fighting fires and solving immediate problems and rarely have the headspace for long-term strategy”*.

In comparison, a similar proportion (71%) of late-career business leaders tended to disagree with the same statement.

This suggests the firewall appears to be less of a thing for older business leaders. For them, when it comes to strategising about skills and technical education, they’re more likely to be ‘always on’ than their younger, less experienced peers who only have the headspace at certain times.

A similar generational difference came through when we tested another statement:

“I generally only think about recruitment or training when a key staff member leaves or we hit a crisis.”

	Generation Z	Millennials	Generation X	Baby Boomers
Agree	67%	56%	43%	33%
Disagree	17%	27%	36%	67%

This suggests that when it comes to thinking about recruitment and training, the older/more experienced the business leader is, the less their thinking tends to be swayed by short-term challenges.

For organisations planning how they are going to communicate and engage with SME business owners, there may be value in segmenting the target audience by years of experience and adapting messaging accordingly.

The Human Reality

Once we are through the firewall, the mechanics of the sale change. Behavioural science demonstrates that when business leaders are asked to explain their decisions, they tend to over-rationalise, defaulting to logical business benefits. In reality, their choices are shaped by deeper psychological biases and emotional responses.

Our research uncovered a spectrum of these emotional levers that drive Bright Spots leaders – from the altruistic desire to ‘give back’ to the existential fear of their trade dying out.

We believe these drivers are common to most SMEs, not just the Bright Spots, but they may be being overlooked by engagement strategies that are over transactional.

Recognising these hidden drivers allows us to tap into the values that truly move the dial. Crucially, however, these emotional levers cannot be deployed through generic, national campaigns; they require a targeted, context-specific approach.

I. LOVE OF THE TRADE: DEVOTION & STEWARDSHIP

Bright Spots leaders often possess a deep, emotional pride and devotion to their profession. They view themselves not just as business owners, but as stewards of a craft. They are motivated by a love of their industry that supersedes commercial rivalry.

- **Seeding the competition (Maltby Surveys):** Richard Maltby celebrates that his training has seeded 12 competitor firms. Rather than seeing this as a loss, **he views it as a badge of honour:** “It’s worth it for the love of the craft... for the good of the country.”
- **Protecting the future (Southbourne Rubber):** Stephen Wilde wrote a book – Growing and Retaining Apprentices for SMEs – in response to feeling “mortally wounded” by the high rates of apprenticeship failures reported in national statistics. Driven to improve the state of industry across the nation, Stephen says his approach to apprenticeships has led to such positive changes within his own organisation (operationally, and culturally), that he wanted to share these with other business leaders.

“It just makes sense to me that if you’ve got someone that’s got that hunger and they’re good at something, why would you not embrace that?”

MC Construction

SME Survey:
Our survey of 100 small-business leaders validated the idea they are motivated by a devotion to the trade or industry they work in.

“I feel a duty to pass on my skills and protect the future of my trade/industry.”

94%

Total agree

2%

Total disagree

Recommendation 6:

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.

2. SURVIVAL INSTINCT

For niche trades, the driver isn't just stewardship; it is existential fear. If they don't train, the business – and the trade itself – could cease to exist.

- **The nuclear option (Like Technologies):** For a company maintaining electronic control systems for nuclear power stations, there is no open market for talent. Kate Houlden notes this is a commercial imperative: “We have to train people because we cannot recruit them ready-made.”
- **The demographic timebomb (Lyndhurst Precision):** Faced with an ageing workforce and the threat of losing skills such as manual tool-making, the business recognised they had to take a structured approach to training before their veteran staff retired. Andy Wilding pairs young students with his older, highly skilled experts to ensure these rare capabilities survive. He views this proactive training as a critical necessity for both the business and the wider sector.

“Let's help the country, let's help engineering, and maintain the skills we have. We can't complain if we haven't done our bit to introduce engineering to the next generation.”
Lyndhurst Precision Engineering

Recommendation 7:

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.

3. IDENTITY: THE ‘LIFELONG LEARNER’

For these leaders, training isn't just a department; it is a core part of who they are. They identify as learners first and bosses second. This ethos trickles down: because they are constantly learning, they expect everyone else to learn too.

- **The learning heart (Olamalu):** Kate Berman states: "Learning needed to be at the heart of the organisation from the day we set it up." This is a mindset she brought with her from her previous roles in larger organisations. She says that this wasn't only a policy decision but is part of the company's identity.
- **Staying one step ahead (Pirtek):** Shaun Pearson actively prevents boredom – a key driver of junior staff turnover – by stretching apprentices beyond the standard syllabus. He sends them to the National Fluid Power Centre for additional qualifications during their apprenticeship. By keeping them "one step ahead", he ensures they are constantly challenged, which directly secures their retention.
- **Continuous development (SJD Associates):** Ruth Devine's engagement didn't stop at apprenticeships; she pursued an MBA herself. Her identity as a lifelong learner drives the company culture.

"I want people within this business that have a real growth mindset. If I've got people with a growth mindset, I can work with them and they'll develop themselves because they want to develop themselves. It's always about staying curious."

Pirtek

SME Survey:

In our survey, small-business leaders indicated they are open to hearing about strategic ideas when they are attending industry events.

82%

Total open

4%

Total not open

Recommendation 8:

Appeal to the SME leader's self-image as a 'lifelong learner' by positioning technical education as a genuine intellectual challenge. Frame your offer as Continuous Professional Development (CPD) for the whole business, not just entry-level, that stretches senior staff just as much as junior recruits.

4. PRIDE: GIVING BACK

Bright Spots leaders are often motivated by their own journeys. Many were apprentices themselves so they see training as a way of 'paying it forward'. They derive immense satisfaction from offering the same chance they were once given, often to candidates others might reject.

This desire to pay it forward frequently extends beyond the individual to the wider local community. Many SME owners view their businesses as integral pillars of their local areas, driven by a desire to create life-changing opportunities for local youth who might otherwise fall through the cracks.

- **The ripple effect (MGS Technical Plastics & Make Good Academy):** Judson Smythe describes the feeling of "doing your bit as somebody who was once trained as an apprentice". He takes pride in a particular employee story, which highlighted how, through the stability of his job, he was able to overcome personal struggles, transformed his life and eventually bought a house for his family. Similarly, Goldfinger purposefully developed in an area of stark inequalities in North Kensington, where Make Good Academy supports young people, particularly those who have struggled in traditional education, through hands-on training, mentoring and access to paid opportunities, providing a "professional family" and accessible network for local youth who lack support systems.
- **The community pillar (Online Lubricants & Adopstar):** Online Lubricants specifically targets hires from Barking to support an underfunded community. Adopstar takes immense pride in providing niche tech roles in rural Devon, offering local people an entry into an industry usually restricted to major cities.
- **Woven into the local fabric (Lyndhurst Precision):** Lyndhurst Precision deliberately sends their students on small errands to neighbouring businesses, such as the local hardware store and garage, so students can build a supportive local network. To stay connected to their roots, they also continue to take on unprofitable odd jobs for local residents, stating that it is important to remember "these are the people that got us to where we are today".

SME Survey:

Our survey showed the vast majority of small-business leaders are highly motivated by seeing their young employees succeed. "For me, being a mentor to young employees, watching them grow and succeed is personally more satisfying than just hitting a financial target."

92%

Total agree

2%

Total disagree

"If you are too busy to train the next generation, you are burning your staff out."

Like Technologies

Recommendation 9:

Acknowledge the SME business leader's role as mentor and community pillar. Validate their pride in making people and strengthening their local area, as much as making products.

5. ACCESSIBLE HIERARCHY

Bright Spots SMEs managed to create a culture where social hierarchy dissolves, but professional boundaries remain. They achieved a blend of approachability and rigour: voices are heard and candidates who don't necessarily 'fit the mould' are able to progress, but there is still a clear structure to follow.

- **No egos (MC Construction):** Dave Lowe describes a culture where directors are "not too big to muck in," citing when the founder grabbed hold of a wheelbarrow to help move concrete when the team were struggling. However, this openness is paired with clear boundaries: "If it's business related and it hasn't been through your line manager, then you're going to get told to turn around and go straight back down that route first." It is accessible, but structured.
- **The safety blanket (Lyndhurst Precision):** Andy Wilding tells the story of an apprentice so introverted he wouldn't take his coat off for weeks. The team didn't pressure him; they waited. This patience wasn't a lack of discipline; it was a structured allowance to let him find his feet.

"Growing with hands-on learning is absolutely key to what we need to do. To grow those people and grow those skills is absolutely fundamental for our growth."

Southbourne Rubber

SME Survey:
Our survey of 100 small-business leaders showed that maintaining their company culture was a strong motivator for them to nurture their own talent.

"I would rather train my own staff from scratch, even if it takes longer, than hire outsiders who don't fit our culture."

81%

Total agree

5%

Total disagree

Recommendation 10:

When engaging SMEs, emphasise that their unique culture – in particular their ability to offer accessible leadership – is a competitive advantage. They can offer a level of listening and rapid progression that big corporates cannot.

The Structural Reality

(What to Build)

It would be a mistake to assume that because SMEs don't have extensively formalised, codified systems of working, they are unable to engage successfully with providers of technical education and skills. Bright Spots companies gave us many examples of how they invented bespoke 'scaffolding' to make training work.

The reality, however, is that it is a challenge for small businesses who don't yet have all the operational scaffolding in place. The engagement opportunity is in being part of the solution: giving business leaders practical tools and resources that help them fill in the gaps and develop their systems.

I. METICULOUS PLANNERS

To ensure success, Bright Spots remove the risk of unspoken assumptions. Rather than leaving behaviour or training methods to chance, they replace guesswork with explicit written structures.

- **The Pirtek reset (Technical structure):** When Shaun Pearson took over Pirtek, apprentices were failing because their path within the company was invisible. He created internal playbooks – guides that defined exactly what was expected at months 3, 6, and 12. This gave the apprentice a clear roadmap of their own progress, removing the anxiety of the unknown.
- **The reciprocity contract (MGS Technical Plastics):** Judson Smythe adopts a similar approach which ‘codifies’ the employer-employee relationship. Turning a basic job offer into a professional partnership, the company’s ‘Two-Way Contract’ is framed on the wall of the main meeting room, stating simply: the company provides investment and high-quality training, and in return, the apprentice commits to specific standards of effort and attitude.

“In the past, I think one of the big problems with manufacturing was that people didn’t write things down and document things and say what they were doing. There was this thing of keeping the knowledge to yourself. And we’ve very much broken the back of that culture here.”

MGS Technical Plastics

SME Survey:

Our survey of 100 small-business leaders indicated they would be receptive to service providers offering practical tools and internal playbooks to help with internal systems.

We tested the idea of apprenticeship providers equipping businesses with a ‘roadmap’: – a pre-written 12-month plan showing exactly what the apprentice should be doing week-by-week – and it achieved a score of 42% (second highest) in a menu of five ideas.

Scenario: If you were considering hiring an apprentice tomorrow, which of the following changes, if any, would make the biggest difference?

Buffer’: A 2-week try before you buy trial period to check their attitude before employing them	50%
Roadmap’: A pre-written 12-month plan showing exactly what the apprentice should be doing week-by-week.	42%
Concierge’: A single phone number/person to handle all the government paperwork for me.	29%
Filter’: The college does free aptitude/attitude testing on candidates so I only see the ones who really want to work.	38%
Cash’: A higher government cash incentive (e.g. £1,500).	33%
None of the above / not sure	3%

Recommendation 11:

Give SMEs practical tools and template resources that help them clearly articulate the systems, processes and expectations required for technical skills to thrive in their business, e.g. a simple compact that outlines what the apprentice gets (skills, investment) and what they give (effort, curiosity).

2. DE-RISKING RECRUITMENT

SMEs are terrified of a “bad hire” because the cost of failure is so high. Bright Spots use structure to remove the guesswork.

- **Recruiting for behaviour over skills (MC Construction):** Dave Lowe uses a structured behavioural model to assess candidates, looking specifically for individuals who are “hungry, humble, and smart”. By prioritising these core cultural traits over ready-made technical skills, the business removes the guesswork of whether a candidate will survive in a fast-paced SME environment. If a candidate demonstrates these three traits, the company will often create a role for them, knowing the risk of failure is minimal.
- **The lorry driver technician (Like Technologies):** Bright Spots frequently stop searching for ready-made staff because niche technical talent often doesn’t exist off the street. Instead, they focus on innate problem-solving mindsets. Kate Houlden discovered a lorry driver who had been driving for years but spent his spare time tinkering with electronics. They brought him in on a bespoke bootcamp, and he is now a brilliant technician who loves the work so much they cannot get him out of the building at the end of the day.

“Your people are your most important assets, and I’ll stand in a corner and argue that all day. If you’re investing in your most important assets by improving them, that has to make commercial sense.”

MGS Technical Plastics

SME Survey:

In our survey of 100 small-business leaders we A/B tested key messages from an apprenticeship provider. When we asked them to choose between a generic message from a training provider versus a ‘try-before-you-buy’ proposition, there was a clear winner:

Scenario: you are unsure about taking on a young trainee and pitched with...

“Sign up for our 12-month apprenticeship programme today.”

31% approved

“Try before you buy: Host a student for a 2-week work trial with no commitment.”

53% approved

Both equally likely or unlikely

16%

Recommendation 12:

Support SMEs with simple, low-cost behavioural interview frameworks (such as the ‘hungry, humble, and smart’ model) to help them confidently recruit for attitude and cultural fit, drastically de-risking the process for them.

3. THE WHOLE-TEAM MANDATE

Apprenticeships often fail when the burden falls on a single busy manager. Bright Spots tended to make training a shared endeavour, embedded across the whole team. Crucially, leadership grants explicit permission for productivity to dip in the short-term while staff are teaching.

- **Permission to slow down (Lyndhurst Precision):** Andrew Wilding actively takes the pressure off his managers. He acknowledges that when they are helping an apprentice, their own output will drop, and he accepts this trade-off. If staff feel punished for losing time to training, they won't do it.
- **The village approach (Goldfinger / Another Country via the Make Good Academy):** The training mission is embedded throughout the whole team across both organisations. Everyone views themselves as a contributor to the trainee's journey, often through real project work, rather than it being the responsibility of a single supervisor. Where ad hoc work or entry-level positions arise, they are often offered to alumni of the Make Good Academy's programmes.
- **Bridging the gap (SJD Associates):** Ruth Devine supports this culture by assigning a peer buddy – often a recently qualified apprentice – to mentor new starters. This provides a safety net for questions they might fear asking a senior manager.

“You don't have to be perfect from the moment you walk in the door.”

Like Technologies

SME Survey:
Our survey of 100 small businesses indicated that the importance of 'growing our own' talent was felt more strongly by late-career leaders than their younger/early-stage peers.

[To what extent do you agree or disagree with the following statement?]

“I would rather train my own staff from scratch, even if it takes longer, than hire outsiders who don't fit our culture.”

25–34	19%
35–44	31%
45–54	39%
55–64	71%
65 or over	100%

Recommendation 13:

Avoid the idea of 'day one productivity.' Instead, advise SME leaders to budget for teaching. Help leaders calculate a realistic reduction in targets for mentors, ensuring that training is framed as a sanctioned investment rather than a distraction from 'real work.'

4. TRAINING PROVIDER AS FLEXIBLE PARTNER

Bright Spots tend not to accept off-the-shelf, rigid training provision. They recognise that a bad provider creates more work for them, not less. They seek out partners who offer account management rather than just course delivery.

- **The youth worker approach (Online Lubricants):**
Online Lubricants explicitly rejects strict, teacher-style providers in favour of those with a youth worker approach. They realised that their apprentices needed pastoral support from the college, not just technical instruction. When a provider used confusing systems and poor communication, they soon switched.
- **The single point of contact (SJD Associates):**
Ruth Devine highlights that the system is often too complicated for SMEs to navigate alone. She values providers who offer good communication and a personalised journey, rather than a one-size-fits-all approach where the employer has to chase for updates.
- **Co-creating the curriculum (Teleplan Forsberg):**
Chris Mayne didn't just accept the local college's offering; he helped write it. By forming a cluster with other businesses, he worked with the college to shape the curriculum so it was actually relevant to the industry, working with his provider as a partner.

“The brightest thing for me is seeing them with their certificates and knowing that they want to stay in the profession.”

Maltby Land Surveys

In our survey of 100 small-business leaders we A/B tested key messages from an apprenticeship provider. A message positioning themselves as a partner performed better than a message describing their training services.

Scenario: a training provider introduces themselves to you with...

“We provide OFSTED-rated training and handle all your compliance needs.”

24%
approved

“We act as your talent partner, helping you build a team so you can step back from the day-to-day.”

49%
approved

Both equally likely or unlikely

27%

Recommendation 14:

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).

5. THE APPRENTICESHIP ON-RAMP

The research identifies the transition from school to the workplace as the system’s weakest link. Bright Spots SMEs don’t tend to wait for the system to fix itself; they proactively build their own on-ramps to de-risk the experience for both the business and the student.

- The biscuits and tours method (Lyndhurst Precision):**
 Andy Wilding reduces the terror 16-year-olds feel when entering a large factory by hosting informal open days weeks before the placement starts. By inviting students to have a drink and a biscuit and meet the team early, the SME ensures they are not as nervous on day one and can merge into the workplace without crashing.
- The assertive outreach model (Teleplan Forsberg):**
 Chris Mayne began his engagement with what he calls a “bullish” approach, cold-calling schools to demand time for career talks rather than waiting for an invitation. This has since evolved into a structured partnership where the business hosts school visits twice a year, allowing students to learn about careers in electronics and experience the full lifecycle of a product.
- The volunteer advisor role (Adopstar):** Ben Field acts as a Careers Enterprise Advisor at his local community college. He runs digital marketing and business workshops specifically for students who have been unable to secure their own work experience placements, ensuring they don’t miss out on vital exposure to the world of work.

“To sort of build someone’s confidence within a year or two is quite amazing, really. It makes you feel proud because it means we’ve done something right.”

Online Lubricants

SME Survey:

One of the strongest and most consistent signals we got from our interviews with Bright Spots company leaders was their awareness of the ‘bigger picture’ and their motivation to do right by the next generation.

Our survey of 100 small-business leaders backed this up. It showed a shared, powerful desire across almost all SME business leaders, no matter their size of company, to pass on their skills to future generations and feeling great pride in being able to do so.

	Number of employees		
	10-25	26-50	51-100
“I feel a sense of duty to pass on my skills and protect the future of my trade/ industry.”	90%	91%	95%
“Mentoring young employees is more satisfying than just hitting financial targets.”	90%	96%	97%

Recommendation 15:

[For providers] Prioritise pre-apprenticeship on-ramps by optimising those first encounters between young people and employers to ensure they go well and meet the needs of both sides. Providers can facilitate soft meetings (coffee, site tours) to bridge the social gap between a nervous teenager and a busy workshop.

MESSAGING AND FRAMING IDEAS FOR COMMUNICATING WITH SMALL BUSINESSES

Bright Spots companies would quite often point to specific examples of communications they'd seen or heard that stood out for them. They also used their own examples to illustrate their points (often with great passion!) in ways that would resonate with other SMEs.

This section is a distillation of what we heard and observed in those interviews, rather than standalone advice.

1. Practical, highly specific messaging

Communicating with a busy SME owner can be like trying to reach a pilot while they are landing a plane... they're locked into the job in hand. They may not be receptive to the engineering theory of flight (policy details, funding formulas, or 80/20 ratios). Consider instead clear, actionable Sat-Nav instructions that help them land safely and prepare for the next take-off.

2. Framing

- **Relieve the Frustration:** Think about framing technical education as the cure for the leader's headache – for example, the frustration of 'having a square peg in a round hole' in their company culture.
- **Build, Don't Buy:** In niche sectors, acknowledge upfront that talent doesn't exist off the street. Position apprenticeships as the only viable way to secure their future workforce.
- **The Sustainable Growth Dividend:** Some of the companies we interviewed said there was too much emphasis on short-term attributable ROI, instead we needed to talk more about how "the profit comes out of the back of it" when you invest in people first.
- **The Boredom Buster (Retention Strategy):** Junior staff don't tend to leave because they are overworked; more often they leave because they are bored. This may mean that we frame continuous training not as a cost, but as a retention tool. Stretch them to keep them.

3. Metaphors

Metaphor: The Seed & The Gardener

Purpose: Frames the employer's role. Trainees are seeds placed in fertile soil (culture) that require watering (mentorship) and protection from weeds (bad habits) to thrive.

Metaphor: The On-Ramp

Purpose: Describes the transition from school to work. Without a smooth on-ramp (work experience, T Levels), the student can't merge onto the motorway of a career without crashing.

Metaphor: Workplace Google

Purpose: Describes the value of cultivating, retaining and sharing knowledge. Long-serving employees aren't just workers; they are the Workplace Google, a repository of answers for apprentices to query.

4. Language watchlist

USE Strategic & human

- Working ON the business, not just IN it (signals strategic leadership)
- Valued partners (apprentices as contributors)
- Hungry, humble, and smart (focuses on attitude/culture)
- Talent development (replaces the functional HR)
- Future-proofing

AVOID Transactional and/or pessimistic

- Bums on seats (devalues the professional nature of training)
- Nerve-racking or survival mode (overly negative contexts cause disengagement)
- Training requirements
- Academic jargon (e.g. "80/20 Split"), which could be interpreted as administrative burden.

5. Ambassadors

- **The company owners we spoke with confirmed what's already known by most communicators in this field:** SME owners may be sceptical of experts but they trust peer recommendations implicitly. They also added:
 - **Secrets of success:** Intermediaries should give Bright Spots owners a platform to talk more about the recipes of their success with technical education and skills – for example how they made it work with their local provider, how they joined forces with other firms – rather than solely talking about positive outcomes.
- **The Ambassador Effect (Adopstar & Southbourne Rubber):** Companies like Adopstar actively participate in Ambassador Networks because they recognise that sharing their story is the most effective way to inspire other small employers to lower their firewalls.

METHODOLOGY

1. Defining industry Bright Spots

We created an SME Bright Spots Scorecard to specify what we were looking for. There were three main behaviours:

1. **Actively seeking information on skills and training** – e.g. regular and ongoing engagement with multiple entities; may be involved in advisory roles or network activities.
2. **Engaging with the sector and intermediaries** – e.g. regular engagement with multiple entities; may be involved in advisory roles or network activities.
3. **Choosing to invest resources, time, and money in technical education** – e.g. consistently demonstrates strategic, consistent investment; company leaders may be actively involved in the skills agenda.

We also specified the companies should have an established track record of commercial success and a strong reputation in their industry. There were further criteria around diversity (e.g. location) and ability to participate in the research process. See Appendix 3 for our full SME Bright Spots Scorecard.

2. Bright Spots identification and recruitment

Track 1: Desk research. We searched online to identify existing indicators of commercial and cultural excellence:

- **Recognised excellence:** National skills awards and top employer rankings (such as the Apprenticeship Top 100).
- **Business growth networks:** Alumni lists from general business development programmes (such as the Goldman Sachs 10,000 Small Businesses programme) and regional Chambers of Commerce.
- **Sector intelligence:** Trade media and publications from professional membership bodies, such as the Federation of Master Builders.

Track 2: 'Connectors'. The second route focused on engaging Gatsby's network of "connectors": highly experienced professionals embedded in local business ecosystems, including representatives from the Federation of Small Businesses and regional business networks such as North East Combined Authority, South East Apprenticeship Ambassador Network, and Building Crafts College.

We asked these connectors for warm introductions to business leaders within their specific regions or sectors. Using connectors allowed us to look beyond the “usual suspects” who are already highly visible and engaged in skills policy. We asked for introductions to highly successful companies that didn't necessarily heavily self-publicise, ensuring our research captured the practices of quiet achievers rather than only those with active public relations efforts

3. Qualitative Interviews

1. Screening calls

The first step involved 30-minute online screening calls, typically conducted with the company founder. These introductory sessions served a dual purpose: they allowed the business owner to understand the research objectives and team, and they enabled the researchers to carefully verify whether the company met the SME Bright Spots Scorecard criteria.

2. In-depth interviews

The core of the research comprised comprehensive, structured depth interviews lasting between 60 and 90 minutes. While most interviews were conducted with the original founders, others involved successors who had taken over leadership. Some sessions included pairs of representatives, such as a founder alongside their designated skills lead. On one occasion, a company owner chose to be accompanied by an apprentice.

These structured interviews were designed to explore the specific drivers of their exceptional success, investigating:

- The specific capabilities that enabled their behaviours, such as financial resources, knowledge, or psychological strength.
- The opportunities available to them, including access to resources, interpersonal influences, and cultural norms.
- Their underlying motivations, exploring whether they were reflective, automatic, intrinsic, or extrinsic.
- The role of peers and the impact of timing, including specific prompts or contextual disruptions that triggered their engagement.

Researchers sought to identify illustrative quotations, character traits and colourful stories. They also looked for circumstantial factors and ‘conspicuous absences’.

All interviews were recorded. Prior to each session, appropriate consents were formalised regarding participation, recording, data retention, and quotation usage, ensuring full GDPR compliance.

3. Synthesis and analysis

To manage the extensive qualitative data – including videos, transcripts, and notes – the research team utilised the AI meeting assistant Fathom. The synthesis of these materials was conducted in two distinct phases to combine human insight with AI efficiency:

- **Phase One (Manual Synthesis):** researchers conducted structured workshop sessions using a digital Figma whiteboard to visually map out recurrent themes across the interviews. This collaborative, manual exercise gathered interesting details and stories to elicit exactly what these companies were doing and why their approaches were achieving exceptional success.
- **Phase Two (AI Verification):** The team subsequently used Fathom's AI capabilities to run specific queries, cross-reference data, and rigorously check details across all interview transcripts.

4. Quantitative survey of SMEs

To increase our confidence in the recommendations derived from the qualitative interviews, we undertook a targeted quantitative survey. This allowed us to statistically test our underlying ideas, messaging concepts, and behavioural hypotheses at scale across a broader audience.

We commissioned the independent polling agency Mortar Research to survey 100 business leaders across the UK. To ensure the data accurately reflected the decision-makers relevant to this project, respondents had to pass strict screening criteria:

- **Seniority:** Director level or above (including C-suite executives, owners, and partners).
- **Business Size:** SMEs employing between 10 and 100 staff.
- **Sectors:** Operating within key priority industries including Engineering & Manufacturing, Construction, Digital, Science, and Health.

Reaching busy SME directors is notoriously difficult. To achieve a representative sample and remove single-source bias, Mortar Research deployed a multi-sourced recruitment approach. This utilised a blend of eight affiliate suppliers, double opt-in research panels, and app-based recruitment. The latter was particularly useful for reaching niche B2B segments who do not typically take surveys for monetary incentives, engaging them instead by unlocking app features or paywalls in exchange for participation.

Fieldwork was conducted between 27th February and 2nd March 2026. Out of 413 initial survey entrants, strict filtering and profiling yielded our final base of 100 completed, verified responses.

To guarantee data integrity, robust quality control measures were applied at both the supplier and respondent levels. This included Geo IP tracking to prevent duplication or link manipulation.

All participants were incentivised and provided opt-in consent in full compliance with Market Research Society (MRS) and GDPR guidelines.

RATHER THAN ASKING STANDARD POLICY QUESTIONS, THE SURVEY WAS DESIGNED TO TEST HUMAN BEHAVIOUR.

Rather than asking standard policy questions, the survey was designed to test human behaviour. We asked leaders to imagine they were in realistic scenarios such as dealing with a sudden staff departure or scrolling through emails on a busy Tuesday morning. We asked them to choose between different messaging frames and practical interventions (such as 'try before you buy' trials versus standard 12-month apprenticeships). This allowed us to empirically validate the 'moments of opportunity' and structural interventions uncovered during our qualitative phase.

APPENDICES

Appendix I:

List of Bright Spots SMEs that participated in this research

Company name	Company description	Sector	Region	Size by employees	Contact name
MC Construction	A construction company delivering complex construction projects throughout the north west of England.	Construction	North West	65	Dave Lowe
Lyndhurst Precision Engineering Ltd	A trusted provider of engineering solutions for industries with complex requirements. A multidisciplinary team that combines design, manufacturing, assembly, and inspection expertise.	Engineering & Manufacturing	North West	55	Andrew Wilding
Teleplan Forsberg	Engineering company specialising in Positioning, Navigation, and Timing systems, Situational Awareness and Counter-UAS solutions.	Engineering & Manufacturing	North West	<50	Chris Mayne
Maltby Land Surveys Ltd	A multidisciplinary Geomatics company offering survey and mapping services	Environment/ Construction	South East	<50	Richard Maltby FCInstCES MRICS
Southbourne Rubber	A leading provider of precision elastomeric sealing products	Engineering & Manufacturing	South East	<50	Stephen Wilde
Online Lubricants	A leading supplier of commercial oils and lubricants in the UK	Wholesale	South East	<50	John Collings
Pirtek Tyne and Wear	Industrial Machinery Manufacturing	Engineering & Manufacturing, Hydraulics	North East	<50	Shaun Pearson (MSc)
MGS Technical Plastics	Leading plastic injection moulding company	Engineering & Manufacturing	North West	55	Judson Smythe
Like Technologies Limited	Provider of Electronic Design and Repair, Control System Support, Software Development and Obsolescence Management Solutions for industry.	Digital	North West	<50	Kate Houlden

SJD Associates	Offering responsive electrical design, installation and maintenance services to local businesses, full MEP packages for main contractors and can also act as principal contractor for direct local projects	Construction	South East	<50	Ruth Devine
Olamalu	Web Technology Experts	Digital	South Midlands	<50	Kate Berman & Niall Middleton
Adopstar	Ad operations, marketing and Web Development – full service digital agency	Digital	South West	<50	Ben Field
Make Good Academy	A British-grown design and production studio, creating furniture for bespoke projects with a positive impact. Its training and impact arm, Make Good Academy, is also supported by its sister furniture company, Another Country.	Construction	South East	<50	Chris Barrett & Eleanore Andrews



Appendix 2:

The Positive Deviance Approach

1. Theoretical Foundations and Origins

The Positive Deviance approach represents a paradigm shift in change management and organisational research. Traditional problem-solving often utilises a “deficit-based” model, which identifies what is wrong (the problem), analyses why it is happening, and designs an external solution to fix it. In contrast, Positive Deviance is an “asset-based” approach. It operates on the premise that solutions to complex problems already exist within the community or organisation itself.

The methodology defines “positive deviants” as individuals, teams, or organisations that consistently demonstrate exceptionally high performance compared to their peers, despite having access to the exact same resources and facing the same constraints. Their behaviours may deviate from the norm, but they represent successful strategies that facilitate exceptional results.

The approach gained global prominence in the 1990s through the work of Jerry and Monique Sternin in Vietnam. Tasked with addressing severe malnutrition in rural villages, the Sternins did not rely on external aid. Instead, they identified ‘positive deviant’ families who were as poor as their neighbours but had healthy children. They discovered these families were practising specific, uncommon behaviours such as collecting tiny shrimps and crabs from paddy fields and washing hands before meals. By enabling the community to discover and adopt these indigenous behaviours, malnutrition was significantly reduced.

2. Core Methodology

A classic positive-deviance enquiry flips the traditional research question. Rather than asking “why is the accident rate high?”, a positive-deviance researcher asks, “why is the accident rate lower in this specific division?”. The methodology typically follows a four-step framework:

- **Step 1 – Identify Positive Deviants:** Locate the organisations or individuals achieving superior results. In a business context, this might involve identifying a store manager with unusually high employee engagement or a sales region outperforming others.
- **Step 2 – Study the Deviants:** Use qualitative methods to investigate the Bright Spots. The objective is to uncover the specific behaviours, capabilities, and motivations that enable this success.
- **Step 3 – Test Hypotheses:** In larger studies, the qualitative findings are tested statistically to confirm that the identified behaviours correlate with success across a broader sample.
- **Step 4 – Disseminate:** The final step involves spreading the “newly characterised best practices” through the community, often leveraging peer-to-peer networks to ensure the solution is viewed as credible and achievable.

3. Application to this project

The research undertaken for this report was inspired by the Positive Deviance approach. While a full positive-deviance implementation involves an extensive participatory process where the community discovers the solution themselves, our methodology adopted the diagnostic lens of positive deviance to identify Bright Spots within the SME landscape.

Specifically, this project sought to move beyond the typical analysis of barriers to engagement. Instead, we focused on identifying “deviant” SMEs that demonstrated three specific behaviours of exceptional success:

1. Actively seeking information on skills and training.
2. Engaging with the sector and intermediaries.
3. Choosing to invest resources, time, and money in technical education.

By isolating these Bright Spots behaviours, the research aimed to understand the “think” and “feel” factors (such as psychological strength or specific knowledge) that enabled these SMEs to succeed where others struggled. This approach allows for the development of solutions that are rooted in the reality of what is actually working for peers in the sector, rather than theoretical best practice.

See Appendix 3 for the full SME Bright Spots Scorecard we created for this project.

Appendix 3:

Our SME Bright Spots Scorecard

Part I: Technical Skills & Education

Category	Definition	Score 0	Score 1	Score 2
Engagement with education sector	The extent to which the SME actively engages and communicates with education providers like schools and colleges – e.g. visits, talks, mentoring, events.	No evidence or minimal evidence of engagement.	Occasionally engages with specific providers or intermediaries on relevant topics (e.g. attends workshops, makes direct enquiries).	Regular and ongoing engagement with multiple entities. May be involved in advisory roles or network activities.
Workforce investment and development	The degree to which the SME invests time, money, or resources into staff training or technical skill development	No evident investment in skills or training, or minimal investment (e.g., allows staff to attend a free webinar during work hours)	Some targeted investments in skills/ training (e.g., budgets for training, supports multiple employees in development).	Consistently demonstrates strategic, consistent investment and likely sees a clear return on this investment.
	Leadership involvement in skills agenda (e.g. championing training, policy influence)	Not visible.	Occasional support.	Actively leads or advocates
Offering early career programmes	Extent to which the SME has apprenticeships, T-Level industry placements, other programmes/ offerings	None.	Occasional.	Structured, recurring offers.

Part 2: Additional Factors (Diversity + Suitability)

[a] Diversity of companies participating:

Category	Definition	Score 0	Score 1	Score 2
Geographic Diversity	Does the company operate in a region that is currently underrepresented or a region where Gatsby and its partners have a specific focus?	Operating in a region already well-represented.	Operating in a region that is somewhat underrepresented.	Operating in a priority region where recruitment has been challenging.
Sector Diversity	Is the company within one of Gatsby's priority sectors for this project? Does it represent a particularly relevant or less represented sub-sector?	Being in a sector already well-represented.	Being in a priority sector that is somewhat represented.	Being in a priority sector that is hard to recruit from or a specific sub-sector relevant to project goals.
Engagement Status Diversity	Does the company represent a distinct level or type of engagement with technical education or placements?	Representing a common engagement type already well-represented.	Representing a somewhat unique or insightful engagement journey.	Representing a unique or particularly insightful engagement journey (e.g., a non-provider who has recently become active).
Size Diversity (within 10–49 bracket)	Does the company's size contribute to diversity within the target bracket?	A size of company in the 10–49 range that's already well represented.	A size within the 10–49 range that is somewhat underrepresented.	A size within the 10–49 range if that group is underrepresented.

0 points: The company adds little to no value in terms of diversifying the sample across the desired dimensions.

1–2 points: The company contributes modest diversity in one or two key areas (e.g., adds representation from a slightly different region or a less common sub-sector within the priority list).

3–5 points: The company offers good diversity across multiple dimensions (e.g., represents an important priority sector in an underrepresented region, or is a non-provider from a key sector).

6–8 points: The company provides exceptional diversity value, representing a highly desired combination of factors (e.g., a smaller SME from a hard-to-reach priority sector in a specific focus region with a unique engagement story), significantly strengthening the potential for interesting/representative findings.

[b] Suitability to participate

	Unsuitable	Score 1	Score 2
SME's willingness to participate in the research project?	Unwilling or declines participation outright or expresses significant reservations.	Willing and seems reasonably interested, understanding the potential value	Enthusiastic, sees how this aligns with their goals.
SME's reputation and credibility?	Negative reputation or "red flags"	Generally positive but potentially limited reputation within its immediate network or local area.	Strong positive reputation in the community/sector; known for reliability and quality.
Commercial health and track record?	Poor/questionable financial health, or a very new business with no/short track record.	Functionally stable, able to meet obligations, with a track record of at least a few years.	Demonstrates consistent profitability and has a strong, established track record over many years.

Appendix 4:

Additional quotations from Bright Spots companies

On people and culture

"We truly believe that we wouldn't be a business without our people. Our people look after our clients, and our clients are the ones that ultimately pay the bills. So if we don't look after our people, we're not looking after our clients indirectly."

Adopstar

"I think it comes down to the value that you put in your people and how important they are in your whole business approach. If you really, really believe that your people are the heart of the business, then investing in them just makes sense."

Olamalu

"Your people are your most important assets, and I'll stand in a corner and argue that all day. If you're investing in your most important assets by improving them, that has to make commercial sense."

MGS Technical Plastics

"I want people within this business that have a real growth mindset. If I've got people with a growth mindset, I can work with them and they'll develop themselves because they want to develop themselves. It's always about staying curious."

Pirtek

"To sort of build someone's confidence within a year or two is quite amazing, really. It makes you feel proud because it means we've done something right."

Online Lubricants

"What makes us stand out is that everybody cares here and everybody wants to be involved in it."

Lyndhurst Precision Engineering

On psychological safety and learning

"Getting something wrong is just normal. It needs to be out in the open as a discussion when things go wrong."

Olamalu

"You don't have to be perfect from the moment you walk in the door."

Like Technologies

"It's okay to say you're struggling. It's okay to say you don't understand, and it's okay to say that you just need somebody to come and help."

Olamalu

"That admission of ignorance is actually very liberating for the rest of the staff. It gives permission for everyone else to say, 'I don't know either.' Once you break down that barrier, the learning flows."

Like Technologies

"There is actually not one right answer. There are often quite a lot of wrong answers, but there are also quite a lot of right answers."

Olamalu

On strategic choice and commercial reality

"We're quite self-sufficient in how we don't expect the provider to do the majority of the job. We're responsible for making sure that person gets the skills and knowledge."

SJD Associates

"We're quality-oriented, so we want to do a good job in the right way, which is probably above and beyond the size of company that we are, really."

SJD Associates

"You can't sit back and complain about a skills gap if you've done nothing proactive to work towards changing that gap and closing that gap."

MGS Technical Plastics

"If someone turns around and says they're too busy to take on apprentices, then you know what, just put a 'closed' sign on your door, because that's where you'll be in 12 to 18 months' time."

Pirtek

"Growing with hands-on learning is absolutely key to what we need to do. To grow those people and grow those skills is absolutely fundamental for our growth."

Southbourne Rubber

"The profit kind of comes out off the back of it."

Teleplan Forsberg

"It just makes sense to me that if you've got someone that's got that hunger and they're good at something, why would you not embrace that?"

MC Construction

"If you are too busy to train the next generation, you are burning your staff out."

Like Technologies

"Let's be clear: this isn't just altruism. It's a commercial imperative. We have to train people because we cannot recruit them ready-made."

Like Technologies

On community and legacy

"Yeah, we've always done it. You always have to have apprentices because that's what makes you grow in the longer term."

SJD Associates

"It's a feeling of doing your bit as somebody who was once trained as an apprentice and passing that opportunity on to someone else."

MGS Technical Plastics

"Come to work, do some good, have some fun, earn some money, and grow. Grow with us, grow yourself, grow the business."

Southbourne Rubber

"The brightest thing for me is seeing them with their certificates and knowing that they want to stay in the profession."

Maltby Land Surveys

"Let's help the country, let's help engineering, and maintain the skills we have. We can't complain if we haven't done our bit to introduce engineering to the next generation."

Lyndhurst Precision Engineering

"It's favourable that when we're tendering on work for corporate companies, there's always a section on social impact. We find it very easy to achieve those requirements because we were already doing it."

Lyndhurst Precision Engineering

Appendix 5:

Acknowledgements

In addition to the Bright Spots, we would like to extend our sincere thanks to the following individuals for their support with recruitment and their assistance in identifying suitable organisations.

- Kim Smith – Northeast Combined Authority
- Nancy Peskett & Nigel Gilkinson – Building Crafts College
- Kelly Bradley – London Regional Heritage Skills Network
- Lorna Wagner – Maritime UK
- Paul Jones – Northern Auto Alliance
- Phil Golding – South East Apprenticeship Network
- Kate Thomas – EY Foundation
- Natalie Green – Saint Francis Xavier
- Alex Robinson – Certsure
- Paul Hannant & Michele Lawty Jones – Lancashire Skills Hub
- Lee Stanford – Everton Development Trust
- Charlotte Windebank – First
- Andrea Teasdale – Gateshead College
- Karen Soames – Training 2000

We would also like to acknowledge individuals who helped with the research.

- Adam Mitchinson – report design
- Amrit and Joe at Mortar Research – SME polling
- Steven Impey – report editor
- Laura Marks – SME engagement