How Independent Training Providers (ITPs) can survive and thrive in an inflationary market

Innovation and diversification are always a good thing. In this sector, it helps to have diversity of income streams so that if one begins to dip, you've got others that can help maintain the business. However, it's important to be clear on what you are going into. It needs to be the right fit, not for the short-term, but for the long-term intent and vision of the organisation.

Emily Hughes, Senior Associate, SDN

In this guide

Case studies contributed by:

The Strategic Development Network (SDN) and Aptem have teamed up to produce this white paper aimed at helping Independent Training Providers (ITPs) negotiate the uncertain economic and policy terrain. We have a simple goal – to offer helpful information to training providers to help them survive and deliver what the UK needs – a skilled, successful and happy workforce.

The Strategic Development Network (SDN) is a team of leading specialists in apprenticeships, technical education and workforce development. We work for training and education organisations, employers and government, providing industry-leading consultancy, CPD, resources and research.

Aptem delivers innovative technology solutions for training providers to manage their organisations in the most efficient and learner-focused way. Its products support the delivery of complex, regulated skills and employability programmes. Our mission is to deliver technology products that enable people to learn and improve their lives. Aptem works with 150 training and employability providers, supporting over 100,000 learners daily.

This white paper aims to help Independent Training Providers (ITPs) negotiate the uncertain economic and policy terrain.

Introduction

The UK has been hit by rising inflation, not seen for generations. It's not just about the individual burden of increasing business costs in energy, staff costs, materials and capital goods, and travel.

FE Week reported in 2022 that high inflation would wipe out £850m of skills funding increases in the sector's budget over the next three years.

When the economy gets tough, it's tempting for businesses to focus on cost savings. One provider cited by FE Week said they had cut three courses and reduced the number of employers they work for from 217 to just 20.

A spokesperson for the provider, who wanted to remain anonymous, said:

"We've gone from a reasonable margin to now having no margin. It is literally cancelled out. Half of our provision is around adult care. We had a conversation where we seriously considered just not doing any more care qualifications. If you are in those lower funding bands, there is very little wiggle room. We're going to see a lot of providers fold."

Research by Corndel, published at the start of this year, found that 75% of HR leaders say that the economic downturn would impact their staff learning and development programmes, and that 49% would be cutting back on L&D.

Some providers have withdrawn from apprenticeships altogether.

Holding fast in a tight market

We know difficult decisions need to be made. But taking a too rigid 'belt tightening' approach may not be the best option.

A study of 4,700 companies' performance during the last three great recessions showed that only 9% of them flourished after the recession was over. What was different about them?

The researchers found that companies that balance 'cutting costs to survive today but investing to grow tomorrow' did the best. They created operational efficiencies to reduce costs. Rather than solely relying on layoffs, they invested comprehensively in marketing, R&D and new assets.

Long-term, there is every reason to hope for an upturn. No matter what brand it is, a new government will need to focus on skills shortages to lead an economic recovery.

And we know that recruitment is more challenging in the UK, post-Brexit and post-pandemic. Jobseekers are in a position to demand better benefits.

Corndel's research, for example, found that 83% of employees surveyed said professional development in their workplace made them feel more 'valued'.

The need for skills and skills training is not going away. But right now, we know things are difficult.

For example, all these trends are impacting ITPs:

- Funding cuts
- The reorganisation of skills training
- Changes to the Ofsted inspection regime
- Increased requirements by the Education and Skills Funding Agency (ESFA), such as 'exit plans.'
- The drift to higher-level apprenticeships and HE dominance
- Devolution pressures

There is no magical solution to these difficulties. But this white paper aims to present ideas and effective practice on how ITPs can survive now.

Not all of the ideas here will be useful for everyone. But we hope one or two may provide some options to consider. And as part of the advice, we'll share case studies of ITPs who have done something innovative – and made a success out of it.

We will look at:

- Sources of government funding
- Diversifying funding streams
- Strategic thinking
- Investment for the future

Expert advice and networking

First and foremost, the most crucial thing an ITP can do now is seek expert input and be part of the broader skills training community. Taking the step into expert advice and networking:

- Provides a different perspective
- Enables organisations to plan for the future more effectively
- Lessens feelings of isolation
- Offers new ideas and essential information.

There is a lot of information on government and funder websites. But sometimes, all you get is the tender portal, which can feel light on detail.

The most valuable learning comes from collaboration – sharing best practice and how to navigate funding. Advice from your peers as part of employer groups and networks is a 'must-have'.

Some can be wary of doing this because of potential 'competition'. However, the university sector has shown that strategic collaboration through formal bodies like the Russell Group, UVAC and Universities UK increases their clout. At a more operational level, communities such as the Aptem HE Forum enables apprenticeship providers to share best practice and collectively shape the products and services they depend on. The ITP sector, through formalised Learning Provider Networks as well as ad hoc collaborations, shows a notable openness to sharing experiences and lobbying for change.

In short, the challenges we are trying to solve as a sector, and as a society, are better addressed as a collective.

Our experts say thinking differently about cooperation can really make a difference:

"Commercial companies want the business and don't want to work together because they both want the business to survive. But working together would actually make them stronger." Emily Hughes, Senior Associate, SDN.

The economic downturn is difficult for everyone, but together we can find a way to survive and thrive.

"The temptation when times are tough is to turn inward and focus on cost savings and belt-tightening. But you might miss the bigger picture. Make sure that you use a trusted external viewpoint, for example through critical friend arrangements such as external governance. This is vital to both support and offer challenge.

"It's also critical to turn to networking and collaboration. It's both therapeutic (you are not alone) and informative (offering new ideas). Time spent on networking can feel like a luxury in hard times, but it shouldn't. In collaboration with the AoC, AELP, ETF and UVAC, and funded by the DfE, SDN is doing some work around Apprenticeship Workforce Development where this collaboration is proving helpful to providers." Karen Kelly, Strategic Associate, Strategic Development Network (SDN).

On a larger scale, the Department for Education has been investing in the apprenticeship workforce. SDN and sector partners so far delivered CPD workshops to more than 1,800 provider staff members to unpick challenges.

Karen Kelly, Strategic Associate, Strategic Development Network (SDN)

Making the best use of government funding

Government funding is complex, despite calls to make it easier to navigate. Training providers need to be on top of all these funding streams and be able to pivot when needed.

The schemes currently being funded by the government include:

- Apprenticeships
- T Levels
- AEB-funded programmes (adult education)
- Higher Technical Qualifications (HTQs)
- Skills Bootcamps
- Multiply
- Digital, Numeracy and English – Essential Skills
- SWAP (Sector-based Work Academy Programme)
- LSEPs – Local Cultural Education Partnerships

Although ITPs have run successful businesses for many years delivering skills training, government funding comes with many strings attached because it is, after all, public money that deserves full accountability.

We have listed some of the dilemmas that providers face in state-funded skills training:

Regulation. There is a complex system of regulation that comes with skills training. There must be accountability as providers are spending public funds; however, some arguably find this too onerous. For apprenticeships, for example, providers must join the Apprenticeship Providers and Assessment Register (APAR)[1], and face oversight by the Education and Skills Funding Agency (ESFA). For example, monthly returns to the EFSA must be timely and accurate, or it may result in funding delays.

Policy. In an ideal world, education and skills should be a long-term, consensual planning function in government. In reality, there can be short term changes and uncertainties to policy which affect how organisations operate. One example is the ongoing confusion around BTECs and how many will be replaced by T Levels. It is difficult to engage in forward planning when government policy is uncertain.

1 APAR is a merger between the End-point Assessment Organisation (EPAO) and the Register of Apprenticeship Training Providers (RoATP)

Top tip!

Trying to get into as many government-funded programmes as possible is tempting, but they come with different regulations, which can be very complex. Look at alternative ways of diversifying, to future-proof your business against sudden changes in policy or funding cuts (see page 17).

I'm not convinced that diversification through multiple government funding streams is the way to go. I think there needs to be some commercial support around that, or at least looking at alternative ways. Government money is just too high risk.

Alex Miles, Managing Director, Yorkshire Learning Providers

Cutbacks. In recent years, public spending across several skills programmes has either been frozen or reduced. Efficiency is important, but it can impact training providers. Many apprenticeship funding bands have remained the same since they were first launched and several have been reduced. Adult education funding has reduced by 25% in real terms since 2010. Providers themselves have had to make careful efficiencies and difficult business decisions to continue operating.

These ongoing changes in policy and funding patterns may be frustrating, but they are our reality. Providers need to be in a position to be agile, while also taking care of the long-term interests of learners and offering quality provision.

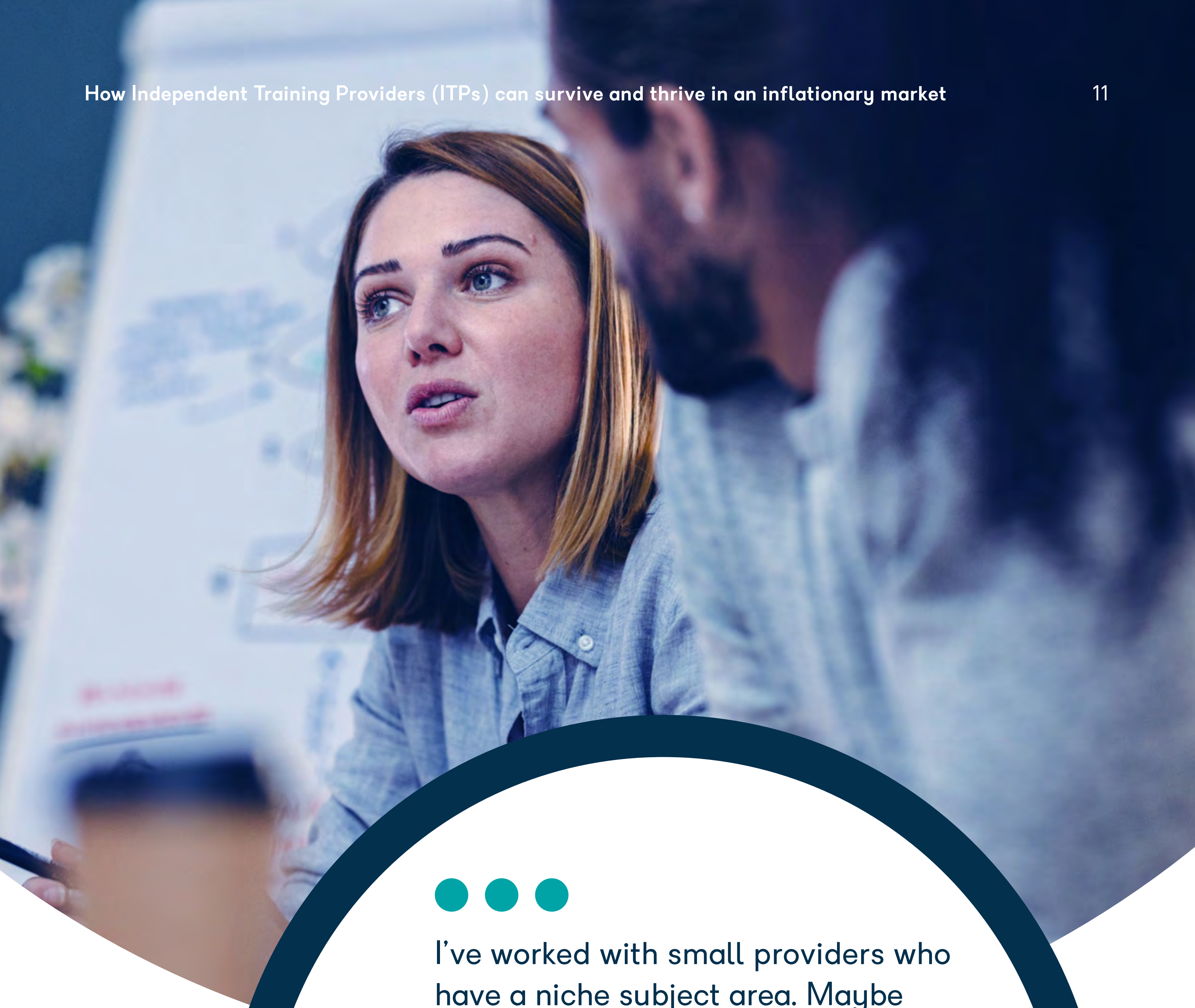
Maximising opportunities

- **Do your research:** Take your time and thoroughly investigate any possible new funding sources.
- **Plan for the worst-case scenario**, even if it doesn't happen. A long-term strategy needs to plan around the possibility of change and further constraints in funding.
- Keep an eye out for **opportunities**. For example, providers can use market intelligence platforms like the Aptem Intelligence Dashboard to provide information about growth areas to get ahead of the game.

Policy change. The government announced in 2022 that it would set up 1,500 flexi-apprenticeships, allowing learners to complete short-term placements across different sectors. This plan removes a significant obstacle for some businesses to recruiting apprentices, providing an opportunity to providers. It is one example where an agile provider can position themselves to help, particularly if they have built an excellent local network.

Regulation. Look at the regulation and compliance that's needed for any new provision. What kind of resourcing will be required to meet new funding rules, compliance, data collection and reporting, and programme benchmarks?

Partnerships. Smaller providers can form partnerships with other providers to fill mutual gaps or take advantage of new opportunities. ITPs can also team up with universities – which tend to be well-resourced and relatively stable – to offer services or new training courses.



I've worked with small providers who have a niche subject area. Maybe you're doing apprenticeships, but then maybe you've looked at AEB delivery or bootcamps in a related field. But the requirements of those are so different.

It's about looking at whether that would work for them, and for some providers, it has worked, and for others, they've said, actually, no, this isn't for us right now.

Emily Hughes, Senior Associate, SDN

Case study:
London South Bank University (LSBU)

Despite the challenging operating environment, London South Bank University (LSBU) group has significantly expanded their apprenticeship provision in recent years – with a strong focus on quality and growth.

Sammy Shummo, Group Director of Apprenticeships at LSBU explained that they have been working to three key strategies which have supported their plans for growth.

First, the creation of South Bank University Group, which incorporated Lambeth College (now called South Bank Colleges):

"As well as bringing together a broad and unique offer from Level 2 to Level 7, this change has allowed us to develop high quality cross-organisational teams and develop a more consistent approach to curriculum development, validation, quality assurance, compliance and employer engagement. It's been helpful in developing efficient and effective processes and team structures."

Second, they streamlined their systems and technology, moving away from multiple systems to Aptem:

"It allows us to track and report a lot of our activities across the apprenticeship journey and across our organisation. Again, this has helped to increase productivity and efficiency across our teams."

Third, they developed hybrid programmes, based on an in-depth analysis of market needs.

"We've been clear from the outset that we do not want to compromise on quality and the support students receive, so working with various partners, including QuantumRise, we've developed a lot of our induction support for apprentices and employers (including Prevent and Safeguarding training) as e-learning to test the concept.

We're now developing a hybrid apprenticeship model with 80% online learning and 20% in person, whilst providing the same level of wellbeing support that other in-person students receive. We're expecting this to expand our reach to a wider range of apprentices across the country and lay the foundation for larger cohorts in future."

Through new technology, teaching and sector partnerships across the public and private sectors, LSBU has laid the foundations for future growth.

Virtual learning trends. The pandemic allowed training providers to be more flexible and cost-effective in how and where they delivered training. For some, this has helped to save on staff travel costs. It has also opened up the opportunity to reach a larger volume of learners who aren't close to provider training centres. But this also means that providers must up their game to provide engaging, quality online provision.

"One of the challenges providers come to us with is they tend to get huge drop-off on their virtual classrooms. Why? Because they are not thinking how to deliver interesting programmes. It's a mindset that the teacher or the trainer goes in with: 'I'd rather be in the classroom or, you know, it's not the same as in person, etc.'

We find that our learners want to attend their next session because they've had a really good experience. And that's because we've thought about how to deliver virtual training. Continued attendance is a massive indicator of the quality of teaching delivery.

Erica Farmer, Director, Quantum Rise and Senior Associate, SDN

Be a learning organisation. ITPs are unusual in that they are both business and learning organisations. To some, they are business organisations first and learning organisations second. The cost-of-living crisis intensifies these priorities. But if you get the learning experience right, everything else will follow. That's particularly important because employers – the third player in the tripartite relationship in apprenticeships – are demanding more.

If I'm paying you a lot of money out of my levy bill because I'm a switched-on head of L&D, and I know my numbers, and I'm using that as effectively my de facto L&D budget, I want you to come and add value to what I'm doing. I want you to bring me innovation and new ways of teaching and training. I want the extra from you.

Erica Farmer, Director, Quantum Rise & Senior Associate, SDN

Building deep employer relationships: As we noted above, employers are becoming more demanding about the value skills training brings. Employers want to know how your training will help them build the workforce they need now and in the future. How will the curriculum respond to their needs? What will their staff know and be able to do once they've completed their training? Training providers need to have an answer for what value training brings. It's all about setting expectations and showing employers what the outcomes/impact is for them. Successful providers treat employers as partners, not distant customers. A system such as Aptem, with its easy-to-digest reporting options, can help transparency.

Mental health: Post-pandemic mental health has hugely impacted the UK, including staff and learners. Training providers need to know where to turn to seek support. Support organisations like Maximus offer programmes of mental health support for organisations.

Train your people. EdTech is big right now, and it can help with anything from programme delivery and compliance, to offering personalised education (AI). But in the UK, people still need to gain adequate IT skills, which can hamper any IT transformation project. Providers need to ensure people are trained to use the technologies driving beneficial efficiencies. They need to reflect on how it will transform education. Invest in the science of learning. While AI has caused a lot of panic among educators, used intelligently as a support function it can help productivity and pedagogy.

Top tip!

Yes, you are a business. But your primary business is learning. Focus on delivering quality courses supported by modernised forms of teaching delivery and pedagogy that learners want.

Make sure staff are aware of new thinking around neurodiversity, AI, trauma-informed learning (how trauma can impact learning), etc. Look at modes of delivery that work for learners – for example, remote, part-time, flexible.

"...the feedback where we've worked with providers and upskilled their teams, and they've gone and rolled out our principles, is we've increased attendance to virtual classrooms. People want to come back and attend the next one. They want more of this kind of learning. So it increases attendance because they're having a great learning experience...

"If you do that, Ofsted will follow, the clients will follow, the learning achievement rates will follow, etc. Which is we all know drives your on-programme payments, your completion payments and your finances anyway."
Erica Farmer, Director, Quantum Rise and Senior Associate, SDN.

Case study: Resolve ASB

Resolve ASB was looking for an apprenticeship management system that could do everything to support their small team – seamlessly onboard learners without them having to interact with lots of different systems, deliver the learning plan, support eLearning, provide easy-to-digest reporting, and support compliance requirements.

They also needed help to manage their new trailblazer apprenticeship programme – the ASB Community Safety Officer Level 4.

They chose Aptem, an intuitive, highly adaptable end-to-end SaaS system delivered by a company that worked in a close partnership approach with clients.

The system has not only rationalised current delivery and eased workloads, but it'll also enable them to grow.

We plan to use Aptem to deliver BTECs and CPD courses in the future, supporting hundreds of our learners. And we want the ability for a learner to participate in multiple courses and get a consistent delivery experience.

Jacky Ellison, Head of Learning and Development, Resolve ASB.

2

Diversifying funding streams

Diversifying your income streams is a great way to build resilience. So what are providers doing to access funding beyond government programmes?

Commercial programmes

"There's a lot of people considering whether the funding routes are the most appropriate for their business." Emily Hughes, Senior Associate, SDN.

Employers spend around £41 billion in L&D annually. Many would like to do more but are hampered by cost and ineffective programmes.

Many employees are not eligible for government-funded programmes, so they rely on their employers to privately invest in their skills. These options include training days, commercially funded short courses, CPD and longer professional qualifications.

Having a diversity of provision, including commercial provision, allows providers to pivot in the case of funding cuts or employment trends.

If you are a specialist in leadership and management, what else can you offer in the way of short courses or day training, and then sell to businesses?

For example, we know that leadership skills are in demand. Can providers fill the gap in a way that employers – small businesses, SMEs, third sector and corporations – will find affordable?

There's a lot of people considering whether the funding routes are the most appropriate for their business.

Emily Hughes, Senior Associate, SDN

Case study:
Manpower Group

Manpower Group (the umbrella brand for Talent Solutions, Manpower, and Experis) partnered with one of its clients, QinetiQ, to offer three Train-to-Fit programmes for combat systems engineers, ISTAR systems architects and combat systems architects.

They'd observed that recruitment for skilled positions was becoming increasingly difficult, leading to a shift in recruitment from skills to competencies and hiring people from different, complementary areas. Having the right skills training in place for these new hires was vital.

This partnership allowed them to meet skills demands. Jill Bassett, Operations and Board Director, ManpowerGroup, said:

"We would advise companies to look at reskilling in the wider context of their talent strategy. Build your talent pipeline; buy skills where necessary; borrow from external talent sources; and bridge people with adjacent skills from one role to another to complement existing skills."

This case shows how macro trends impact opportunity. Identifying a new need for in-organisation skills training can be an excellent source of revenue for training providers.

Moving into commercial provision

What do you need to consider if you are thinking about making a move into commercial provision?

- Ensure you can intelligently plan new commercial opportunities without impacting your existing provision. Plan ahead, and factor in what additional resources you will need. That includes physical resources, additional training for teachers, and the broader needs of the students (such as wellbeing, personal development, DEI, safeguarding and careers advice).
- **Plan ahead!** So you have an idea for a new commercial course? Take some time to think about its impact on your business and whether the cost-benefit analysis works for you.
- Think about making **bespoke courses**. While small businesses and organisations may buy short-term courses off the shelf, bigger organisations may require customised training. And in this case, it is about forming relationships with clients and working on building a set of partnership programmes. Consider using validated AI tools to enable this, as and when they become available.
- Consider what happens if you **over – or under-recruit**. This has to be factored into the risk analysis.
- Being a **thought leader** in your field helps businesses spot new commercial opportunities. For example, if employers keep a close eye on policy change and realise a gap in CPD has opened up, it can help providers to cash in.

Top tip!

Many learning providers are diversifying but also rationalising.

It's about focusing on your best subject areas and approaches, and being creative about where you sell yourself. Take some time to work out your unique selling point (USP). That may mean doing some research among employers and your learner cohorts.

Also, understand what the training needs are in your area and develop close relationships with employers to know whether you are delivering what they want.

"We're seeing a lot of providers looking at their future trajectory and they're actually reducing their offer to hone in and focus on the specialism." Alex Miles, Managing Director, Yorkshire Learning Providers.

I've got a couple of clients who are very good at looking at legislative change in their sector and seeing where they can then fill a gap with their CPD provision, or what I call commercial provision. So if there is a legislative change around something in particular for their sector, they are very quick to respond with the commercial offer that would allow them to extend their provision and open up their service to new businesses and audiences.

Emily Hughes, Senior Associate, SDN

- Use your **resources** to the maximum. Review your staff expertise and see whether it can translate to other subject areas.
- Look at **selling CPD hours** to learners who have finished their programmes. That also means building relationships with your alumni. They may become influential in their organisations and have budgets to deliver learning.
- Consider how **technology** can help you deliver courses more efficiently and in a way that is intuitive to learners. For example, a system like Aptem, which offers an all-in-one interface for learners, and also tracks progress and risks, can help mitigate costs and benefit retention. An end-to-end, automated platform like Aptem can be tailored to the commercial market.

eLearning sales and partnerships

Content is valuable. We tend to think of content as just for marketing – brand recognition and trust. But training providers produce a wealth of teaching content, which can be leveraged to **make or save money.**

One example is eLearning. Many providers have put a great deal of effort into creating innovative e-programmes and have worked to crack the engagement problem.

This eLearning can be sold or licensed to other training providers.

You don't just need to sell eLearning; you can also buy it. If you know of a provider who has created great solutions to a problem programme, or even just a chunk of it, why not create collaborative partnerships to buy or license that eLearning?

Case study:
Learning Curve Group

One of the country's largest training providers, Learning Curve Group, has proved resilient in these challenging times. How?

Its growth strategy has been multifaceted. It has absorbed smaller training providers, invested in new learner-recruitment businesses and prison-based programmes, and persistently delivered quality training. It has thought hard about how to engage with the post-pandemic realities of online training delivery.

The company also operates as a publisher, developing and selling 200,000 learning resources annually. Its five online courses on mental health are the best performing, accounting for a third of its online registrations.

LEARNING CURVE GROUP

3

Strategic thinking

Whatever you want to do to increase your income, it must fit in with your strategic vision. Only if a plan fits within the bigger picture for your organisation will it leverage results for your organisation.

A short-term, poorly planned strategy, might end up costing the organisation more, both in terms of money and reputation.

Imagine this scenario.

Like everyone else, you are struggling financially. You rush to fill a temporary gap in the market in, say, digital skills. It isn't your specialism, but there is quite a lot of money around because it is so 'on topic'.

So you hire some staff and plug into one of the training programmes available. But because it isn't your specialism, the staff are siloed in the organisation. And you have no way of knowing if they are delivering quality learning.

Six months down the line, specialist providers are already filling the gap in the market – and they are doing it better than you.

That's a lot of wasted outlay for little return (and you may have damaged your reputation in the process). And what's more, you know that funding agencies and Ofsted are looking at what you are doing.

Training provision is a **long-term** business, even if subject to political policy changes and economic downturns. Constantly pivoting to fill a short-term temporary gap will inject instability into your business, the primary value of which is to deliver quality learning to learners.

"Sometimes people will try and move quickly into things that suddenly have incentives or additional support. Or people think, we've got a quiet six months coming up, with our employers wanting less of X or less of Y. So we're going to do this as a stopgap. They can access help to get it going. But then what about the medium to long term if that support is no longer there?

It doesn't work because you have to think of the learner. You have a responsibility for them until their very last day. Have you got that capacity for long-term teaching resourcing and everything else that's needed? It's about knowing you've got that long-term commitment to everything the new funding stream or innovation comes with."
Emily Hughes, Senior Associate, SDN

Business-critical questions to consider

First and foremost, it's about the quality of learning delivery.

- Do you have the capacity to deliver a quality product? Do you have staff specialists that are a known quantity? How does it fit with other programmes? Will you need, for example, to de-prioritise other programmes to make this one work?
- How does the new programme fit within your organisation's one-, three- or five-year plan? Does that plan need re-examination for the new conditions, and what are the budgetary implications of that?
- Have you conducted a risk assessment?
- Compliance – what regulatory requirements will you have to meet to take advantage of the new funding stream? It could be related to government funding, where all training routes have distinct regulations, or a commercial training route, where a professional body decides course benchmarks. What is the likely cost of meeting these requirements?
- What other support is needed – this could be information and guidance to aid career progression, planning and support. Or it could be staff training, the likelihood of additional learning support, functional skills training, or safeguarding. What capacity and appetite do you have for that?

It's about knowing you've got that long-term commitment to everything the new funding stream or innovation comes with.

Emily Hughes, Senior Associate, SDN

- Do you have an effective software suite to help take the burden from upscaling or diversifying? To what extent can your technology be agile to support changes to your business processes and workflows?
- Remember that other providers are also likely looking for a piece of the pie. How big is the pie, that is, what kinds of volumes (and how certain is it)? Does your financial forecasting allow for this reality?
- Looking into the future and knowing what you know about policy and the economy, will this new offering fly one year into the future? Is there a way to compensate for the weakness of the UK economic context by selling overseas?
- Strategic thinking requires that you think laterally (what are all the factors in play, and how do they interact?) and in a linear fashion (past, present and future). It is the opposite of knee-jerk panicking.
- It's essential to plan and do your research because the education business is fundamentally about the learner. Will this plan or new offering stay the course for the entirety of their learning journey?

Top tip!

Understand the difference between a strategy and how you deliver it.

Your strategic vision is long-term and can be summarised in a few words (retain staff, grow learners, ensure resilience for the next ten years etc). Delivering this might include a range of ideas, like consolidating your offering, diversifying partnerships, things you can do to retain staff (see next section) and so on.

"*What is your strategic vision, and does this fit with it, or is this a knee-jerk, let's hope for the best, this might fill a gap? Or does it fit with the ethos, the culture, the delivery, and the plan of your organisation? Because if you have suddenly got something rogue on the side that you've just brought in, will that have more challenges than benefits?*"
Emily Hughes, Senior Associate, SDN.

4

Investing for the future

The economic, policy and regulatory climate is tough for training providers right now. Many providers are consolidating their offerings to try and aid resilience.

But looking to the future and seeing what might be coming over the horizon is important. The basic premise of business – that you need to speculate to accumulate – still holds.

But where should you invest? **Operational efficiency** is one area.

And investing in digital transformation is one of the best ways to increase operational efficiency.

As we have shown, diversification or leveraging your existing resources and expertise can all reap benefits. But all these do require some investment up front. Performing a return on investment (ROI) analysis should help you determine if that outlay makes sense.

Use **data** to improve how your business works. And if you have easy-to-use technology, that provides data as and when you need it, all the better. It's about more than just tracking how learners are doing (though that is important). You can also use technology to track how your business is doing, in real-time.

Investing in digital transformation is one of the best ways to increase operational efficiency.

Use data to improve how your business works. And if you have easy-to-use technology, which provides data as and when you need it, all the better.

▲ As your provision and requirements evolve, so does the suite of Aptem SaaS products.

Case study:
SCL Education

SCL Education was established in 1999 and is a leading provider of education, apprenticeships, traineeships, adult education, childcare, sports coaching, and end-point assessment.

Keen to develop their expertise in online learning delivery to reach learners who haven't engaged in face-to-face learning and add value to the learning experience, they invested in training from QuantumRise. The aim? To enhance staff skills in online delivery.

Stuart Allen, Group Director of Operations, SCL Education, said:

"The impact was immediate. Staff felt empowered to try new online teaching methods and tools and the feedback from students has been really positive. As well as reaching a greater number of students through our online learning, more students are now also going on to progress and complete their learning.

"As we continue to drive forward our curriculum diversification strategy in line with national and regional skills/employment needs, we are exploring new and innovative ways of utilising education technology to enhance the quality of our learner experience, development and progression."

Our focus is fully on the development of our staff and the procurement of new technologies in the aim to achieve our medium to long-term curriculum objectives.

What else is coming?

Planning for the future means seeing what is coming over the horizon. And there are two major trends you need to watch out for, particularly when it comes to staff retention.

It's increasingly hard to find, and hold on to, staff. We have a labour shortage in the UK, and the FE sector is being hit hard by it. Recruitment is expensive, while good employees bring excellent ROI. So how can training providers hold on to staff?

The first thing is that staff retention will need to be one of your strategic goals.

So how do you do that? Above all, it means understanding what your employees want, being prepared to invest in them, and thinking creatively about expanding your hiring pool.

Environmental sustainability:
Environmental, Social and Governance (ESG) are increasingly being built into the strategic projections of companies. Why? It's partly to do with regulation. But firms must show they can deliver on specific metrics, like energy saving, recycling, DEI, and ethics, because it will impact costs and employee retention. For example, research shows that, increasingly, [jobseekers are assessing a company's sustainability credentials] when making choices about employers.

"What we're hearing a lot from young people is that they want to work in organisations, and they want to learn from organisations that have got that kind of cultural and moral environmental awareness, so I think it's critical moving forward that providers, in their strategic development and [when] setting their curriculum plans or their investment plans, that they do look at how they are responding to that more kind of cultural sustainability element as well."
Alex Miles, Managing Director, Yorkshire Learning Providers.

Work/life balance: It's not just about pay, though that is important. Employees are interested in work-life balance, flexibility in working hours, hybrid or remote working, CPD and workplace benefits like wellbeing, food, travel costs and help with energy costs.

Staff retention means understanding what your employees want, being prepared to invest in them, and thinking creatively about expanding your hiring pool.

Top tip!

Find skilled people who are under-represented in the UK workforce, though they do desire to work and often have excellent skills – mothers of school-age children, people with disabilities, and the over-50s. Find ways to include them by adjusting working patterns.

Many people in these groups prefer flexible, part-time, remote or hybrid work. Can you offer this, also expanding your geographical reach at the same time?

Workplace experience: Make the workplace experience better and more inclusive. Research shows that people have a strong desire for belonging and use work to socialise, not just network. That includes employees who work remotely.

Summary

We know things are tough, but we'd like to convey a message of optimism. There are actions you can take to survive in the here and now. And all trends for the future point to a need for expanded skills training.

So here's your short checklist for business resilience:

- Assess the policy landscape – what's happening and what's coming up.
- Network, collaborate and learn from others. Support from peers is invaluable.
- Review your current offering – what's working and what isn't.
- Do your research – learners, local needs, business.
- Identify your USP – and do more of it.
- What's your strategy for the next 10 years? Everything you do needs to align with it.
- Look at how you deliver learning and adopt new thinking.
- Look at the commercial market and your own content resources.
- Who can you partner with?
- What can technology/data do to enhance your training delivery and operational efficiency?
- Assess whether your recruitment and staff retention strategy is working.
- Think about the changing business environment – ESG, DEI and workplace cultures.

With thanks

We want to thank all those who have helped produce this white paper.

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