



Skills for Success.

Supporting business leaders
with digital adoption.



Contents.

| | |
|--|----|
| Introduction | 04 |
| Forewords | 06 |
| Executive summary | 08 |
| <hr/> | |
| Digital awareness | 13 |
| The Covid-19 context | 21 |
| Confidence in technology adoption | 27 |
| Skills for success | 33 |
| The value of learning | 41 |
| Creating the right learning offer for SMEs | 47 |
| Skills for the future | 52 |
| Recommendations | 54 |
| <hr/> | |
| About Be the Business | 62 |
| Developing the skills for success with The Open University | 66 |
| About The Open University | 71 |

METHODOLOGY

Opinium conducted an online survey of 1,502 directors and above working in UK SMEs, excluding sole traders, between 20 April and 4 May, 2021.



Introduction.

The embrace of technology by small- and medium-sized businesses (SMEs) across the UK has rapidly accelerated since the Covid-19 pandemic first took hold in the early months of 2020.

In fact, past research by Be the Business found that three years' worth of innovation took place in just three months as a result of the crisis¹. However, we also know that of those businesses that adopt technology, most (53%) are unsuccessful².

Both digital skills and leadership and management expertise play a role in increasing the likelihood of successful technology adoption. But are business leaders aware of the value of these attributes and how willing are they to upskill both themselves and their employees?

And, beyond the need for business leaders to take a

proactive approach to skills development, what are they looking for from the learning and development ecosystem? What should training provision for SMEs look like going forwards?

SMEs and micro-businesses account for 99.7 per cent of the total business population in the UK³ and, with technology a key driver of productivity, the national economic

opportunity from an increase in successful adoption is huge. This report seeks to answer the key questions around digital adoption, skills development and what more needs to be done to stimulate economic growth and raise firm-level productivity.

¹Be the Business, A Third; A Third; A Third: Different firm positions on recovery (2020)

²Be the Business, The UK's Technology Moment (2020)

³BEIS, UK Government, Business Population Estimates for the UK and regions (2020)

Forewords.

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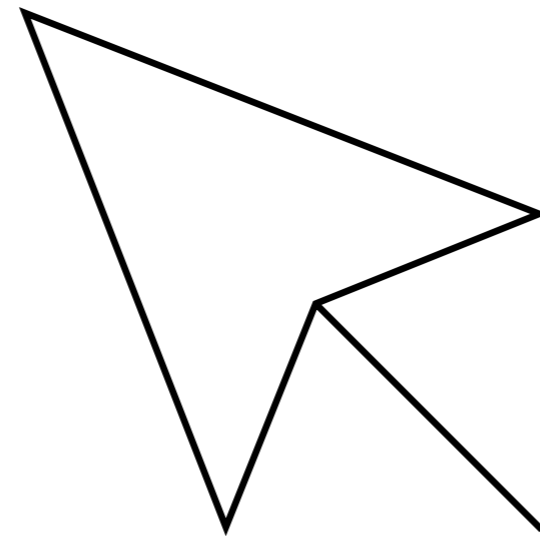
“
Throughout my 25-year career in the field of IT training, digital skills have always been a challenge for organisations of all sizes when it comes to successfully adopting digital technologies.

Recent reports from The Open University (OU) have highlighted that digital skills shortages,

both within the workforce and at leadership level, were holding back businesses – but we did not foresee the additional challenges that Covid-19 would bring as the pace of digital adoption accelerated.

Successful SMEs are critical to the economy. They are the lifeblood of local towns and regions throughout the four

nations of the UK. Their success allows local communities to thrive, creating employment opportunities to drive the economy forward. But the pandemic has forced many business leaders to rapidly reassess how they do business and the role of technology. Whether



businesses are changing the way work is done, or reconsidering the way they deliver products and services, digital skills are front and centre to current thinking across all sectors.

If we are to make levelling up a success and assist SMEs in developing the skills they need to thrive, then it is essential that everyone plays their part. That's why the OU is delighted to be working with Be the Business on this vital report.

SMEs provide great environments for talented workers to fulfil their potential through lifelong learning. If business leaders can adopt a 'grow your own' approach, then it is a win-win-win for the employee, employer and the economy.

But there are some barriers to overcome – not least the time and cost investment. This report looks at what the skills landscape now looks like for SMEs and how we can chart a path to grow the digital skills for the future.

Jane Dickinson

Digital Skills Lead,
The Open University

“
Technology adoption has always been at the heart of what makes a productive business, but the UK lags behind competing economies.

This isn't down to a lack of capacity or an inadequate appetite for innovation, but rather the challenges associated with adopting new technologies and the skills gaps within SMEs. This connection between digital adoption and skills is something that we haven't explored in detail in our research, until now.

The OU is an ideal partner for this survey. Without the right skills and training – focused on both digital and leadership capabilities – successful technology adoption can be out of reach. Delving into the skills that are most important, identifying gaps in knowledge and understanding exactly how leaders want to learn and develop is crucial if we hope to see businesses succeed into the future.

We know that smaller businesses are less likely to adopt technology than larger firms. For example, while 62 per cent of large UK firms use CRMs, only 26 per cent of small (10-49 employees) businesses do⁴. Large firms have the economies of scale necessary to build digital skills among their people, with some even having entire departments dedicated to this. But if small businesses are left behind by those paving the road to successful adoption, the whole economy and overall productivity levels suffer.



However, things are changing. Our report, *The UK's Technology Moment*, published

last year, found that the Covid-19 pandemic created “a moment of urgent opportunity”

as leaders were forced to embrace digital tools with the potential to transform the workings of their businesses⁵. This new survey with the OU shines a light on the rapid acceleration of

technology adoption among SMEs since the pandemic and the confidence that goes with it. Perhaps this is the next moment? Can business leaders maintain the progress that has been made and use these learnings to continue to adapt and evolve their models for the better with the help of greater digital adoption?

If we seize this moment and build the right capabilities among business leaders, we can ensure that the flurry of technological innovation seen in the last 15 months is supported by a skilled workforce and a culture of continuous learning that is fit for the future.

Anthony Impey

Chief Executive,
Be the Business



⁴OECD database, 2019 data

⁵Be the Business, *The UK's Technology Moment* (2020)

Executive summary.

Despite high levels of awareness of different digital tools, there is a lack of deep knowledge and a relatively limited appreciation of the value of technology to small- and medium-sized businesses.

→ Across a range of 15 digital tools and services, net awareness among business leaders is high (over **70%**), though deeper knowledge of each technology is significantly lower.

→ Time and cost were raised as significant barriers to adopting technology with nearly one third of business leaders (**30%**) considering digital tools too expensive and 16 per cent put off by the time needed to train staff.

→ The value of technology isn't apparent to all business leaders, with only a minority seeing it as having a positive impact on increasing efficiency (**39%**), revenue (**31%**) and profit margin (**27%**).

→ One fifth (**21%**) of all business leaders don't think adopting technology could have a positive impact on their business at all.

21%

of business leaders don't think tech could have a positive impact on their business.



The Covid-19 pandemic has caused an uptick in technology adoption and a significant acceleration of its use across a range of business areas.

→ Covid-19 accelerated the implementation of digital tools in more than half (**54%**) of the SME population.

→ Sixteen per cent of technology adoption in the past year would not have happened at all if the pandemic had not occurred.

→ Of the business leaders who adopted new technology or accelerated its use due to Covid-19, 85 per cent plan to continue using it at the same level once restrictions are fully lifted.

→ The pandemic has made business leaders more likely to invest in digital skills development, both for themselves and their employees.

54%

of digital tool implementation was accelerated by Covid-19.

Business leaders report high levels of confidence in the process of technology adoption, but this confidence may be exaggerated.

→ Across four stages of technology adoption – objective setting, purchase, implementation, and

ongoing maintenance – two thirds of business leaders (**67%**) report that they are very or somewhat confident.

→ Despite this confidence, just over half (**54%**) of business leaders think they make good purchasing decisions about technology, of which only one in ten (**12%**) make very good decisions.

→ Approximately a quarter of business leaders turn to technology providers for

direct support across the four stages of tech adoption, but a higher proportion rely on internet searches at the objective-setting (**31%**) and purchase (**28%**) stages.

54%

of business leaders think they make good purchasing decisions about technology.

Business leaders value basic digital skills most highly when it comes to technology adoption, but there are significant skills gaps across all areas surveyed, affecting both management teams and the employee base.

→ Business leaders value basic digital skills (33%) or technical understanding of technologies (20%) ahead of the leadership skills required (12%) to engage employees and support adoption journeys.

→ There is a significant skills gap both at leadership level and below:

Fewer than a quarter of business leaders (23%) think they have all the necessary technical skills to successfully adopt and implement technology and only a third (33%) believe they have all the leadership and

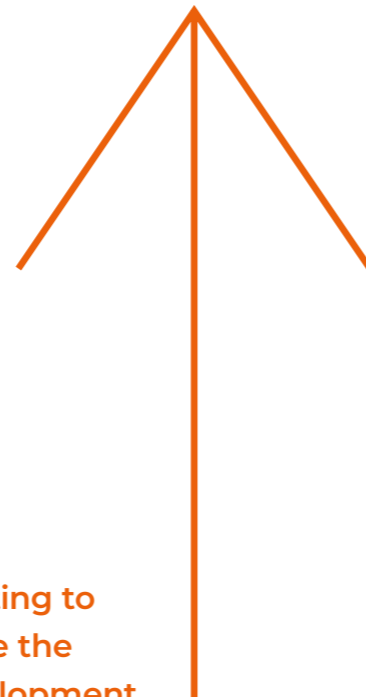
management skills needed.

When asked about their employees, only a third of leaders (31%) think their teams have all the basic digital skills needed, falling to approximately a fifth for advanced digital skills (19%), technical understanding (19%), and leadership and management (20%).

→ Only half (50%) of leaders who felt their employees lacked skills in these areas have either a formal or loose plan to address the skills gap in the next 12 months.

31%

think their teams have all the basic digital skills needed.



A third of business leaders want to improve their skills relating to technology adoption, but a significant proportion fail to see the value of training and choose not to invest in skills and development opportunities. Others see barriers, such as time and expense.

→ One quarter of business leaders (25%) spend no money on training and learning, with a higher proportion in the over 55s age bracket and in businesses with less than 49 employees. However, three quarters of leaders aged 18-34 (73%) do have a budget set aside.

→ A substantial number of leaders don't feel they would benefit from any training

for tech adoption (26%), leadership and management (22%) or digital skills (19%).

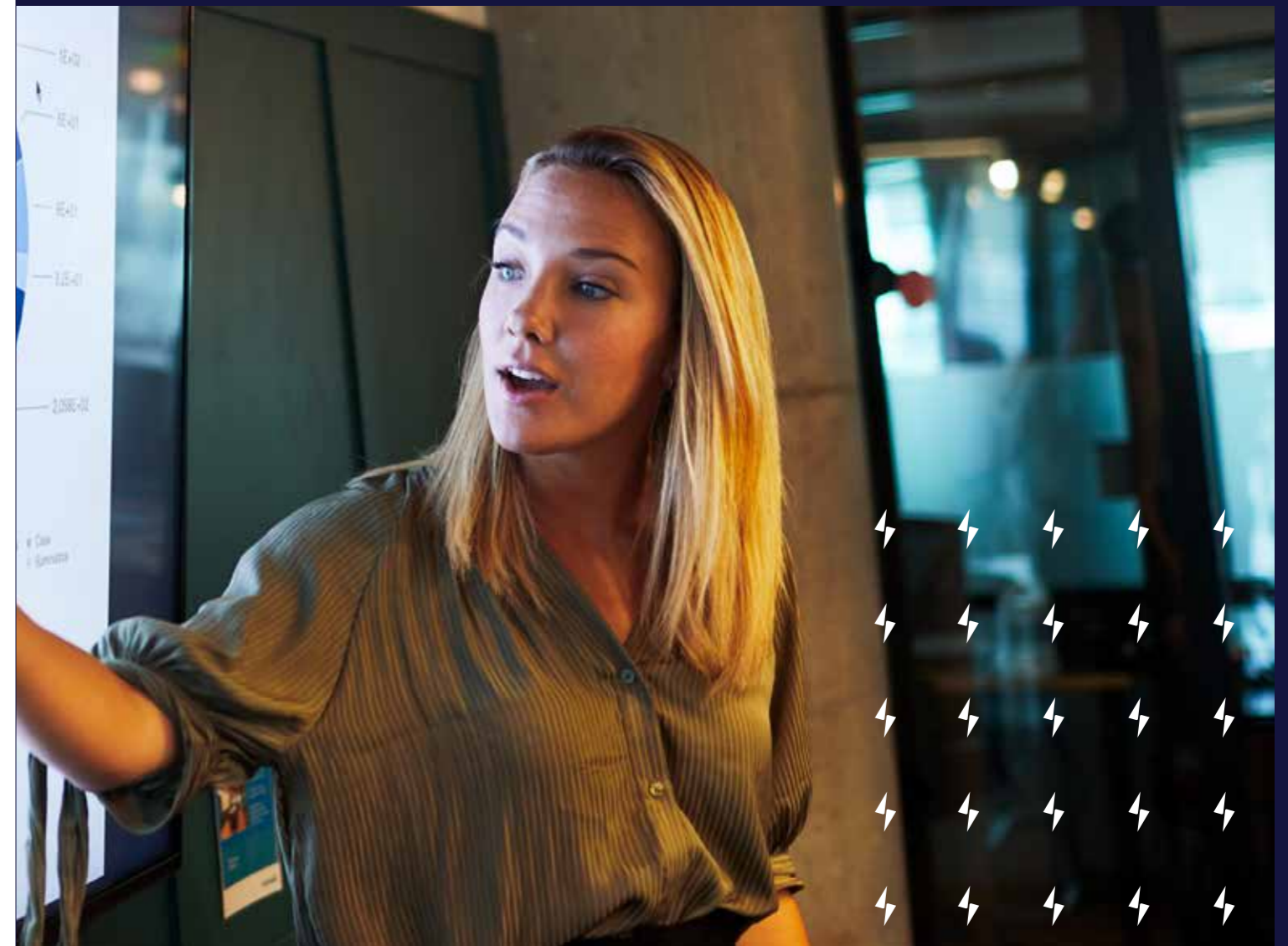
→ Twenty-eight per cent of leaders would like to do more training but don't have time, compared to 17 per cent who think it's too expensive.

→ Business leaders who have undertaken training themselves have a more open and positive attitude towards training and development generally. For

example, only 9 per cent of leaders who have completed training say that they do not spend any money on training, compared to 27 per cent of those who haven't completed training.

25%

spend no money on training and learning.



Business leaders are looking for a mix of formats and delivery mechanisms when it comes to training for themselves and their employees.

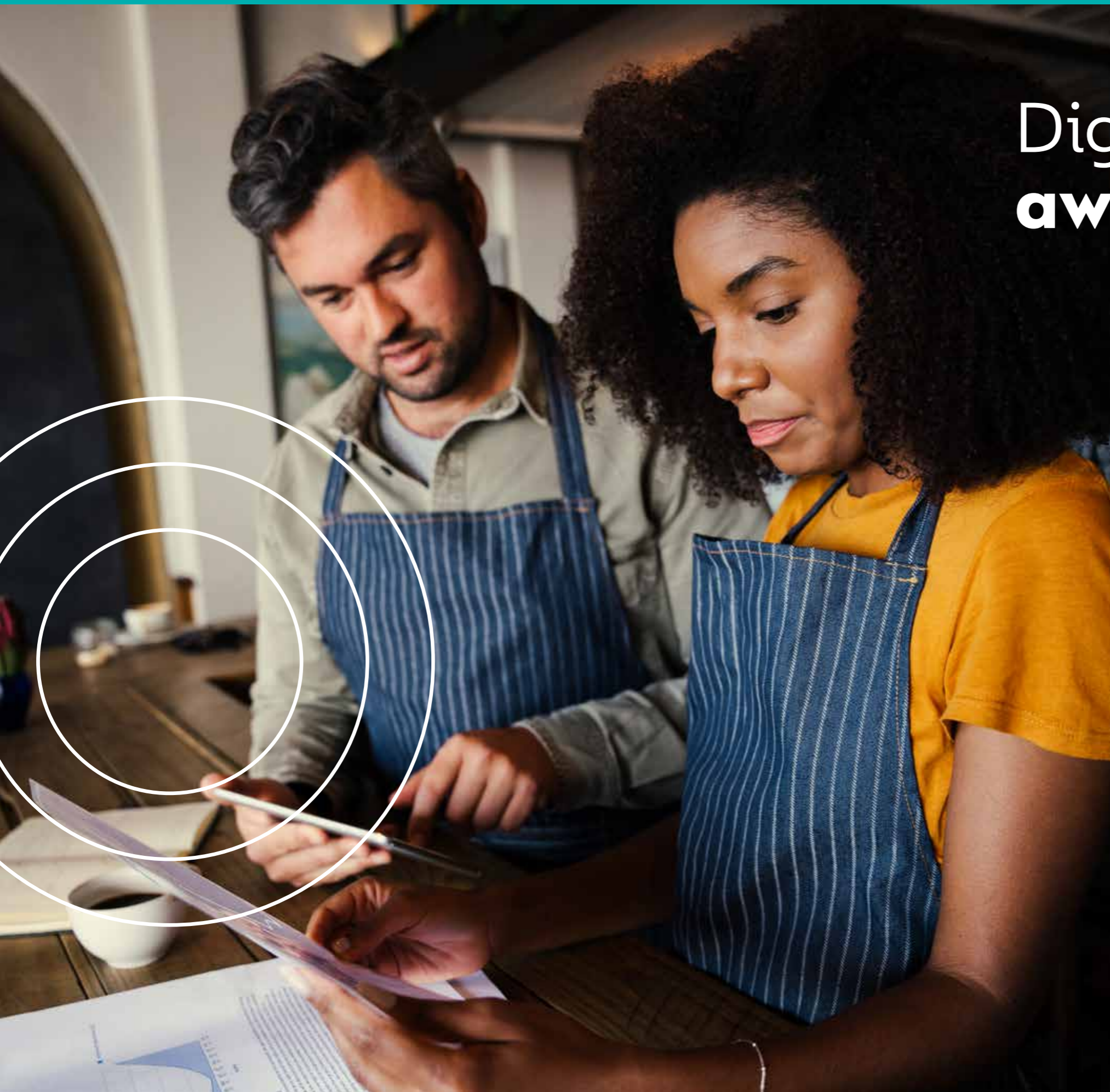
→ Seven in 10 (70%) business leaders express interest in some form of learning and

development in the next 12 months, with a preference for short courses or modules (34%), followed by industry certifications (24%) and vocational qualifications (18%).

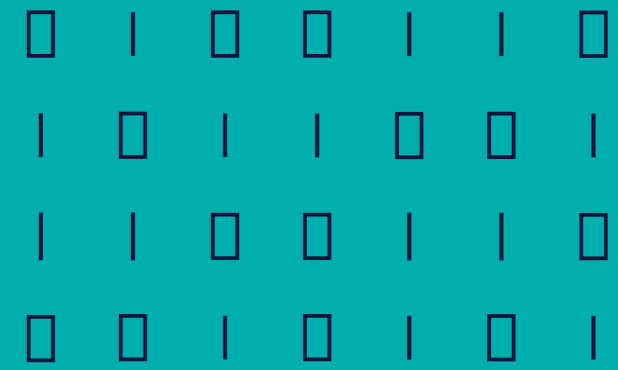
→ Training formats seen as the most beneficial to leaders are online dip-in dip-out (29%), online regular learning (24%) and a mix of in-person and online (21%). The formats leaders would see as most

valuable for their employees reflect this preference, but also include a desire for on-the-job training (21%).

→ Key barriers to finding training for business leaders include the search being too time consuming (28%), training being too expensive (22%) and learning opportunities lacking relevance to the business or sector (18%).



Digital awareness.



When it comes to understanding the process of digital adoption, a key starting point is the level of awareness and the perception of value of different technologies. It is understandable that both successful adoption and confidence in implementation will vary among SMEs depending on the extent of their knowledge and understanding of the technological solutions available.

Across a range of 15 digital tools and services, net awareness among business leaders is over 70 per cent, with cloud-based computing, online accounting software, video conferencing and collaboration tools, artificial intelligence (AI) and cyber security and data protection tools all over 95 per cent. Only marketing automation and enterprise resource planning (ERP) software dip under 80 per cent net awareness, at 78 per cent and 72 per cent respectively.

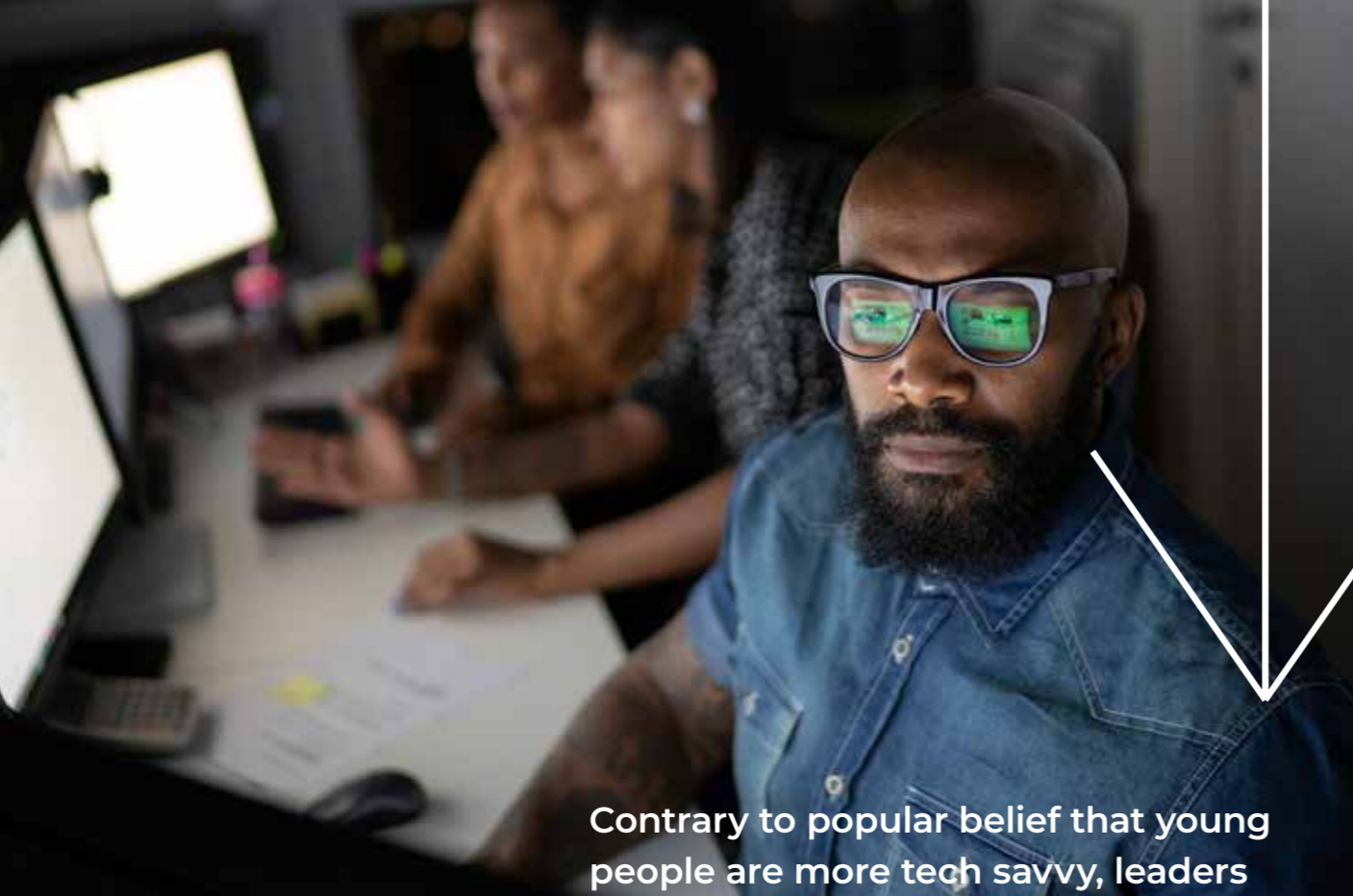
However, when looking at the more meaningful measure of business leaders who 'know

a lot about' the technology, responses are significantly more conservative across the board, with all technologies coming in under 35 per cent. Reflecting net awareness levels, online accounting software (35%) and cloud computing (29%) remain best known, while marketing automation (12%) and ERP (13%) are least recognisable to SME leaders. More broadly, knowledge levels of the individual technologies tend to increase in line with business size and male leaders have slightly stronger net awareness levels than their female counterparts.

| Technology or digital tool | Use cases |
|--|---|
| CLOUD-BASED COMPUTING | Cloud-based computing is a digital service that allows users to access programmes and data stored on a remote server anywhere they have an internet connection. It enables businesses to store and back up company data, run software applications and streamline how information is shared. |
| CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SOFTWARE | CRM software tracks and manages relationships and interactions with existing and potential customers. Most CRM software stores customer data centrally so everyone can see customer records and quickly find contact information, order history or details of previous interactions. |
| E-COMMERCE SOFTWARE | In their most basic form, E-commerce platforms enable businesses to sell products and services online, but many have also been developed to include website building tools, accounting and inventory systems and customer service platforms. |
| ONLINE ACCOUNTING SOFTWARE | Online accounting software helps businesses record and process financial transactions including invoices, payroll, pensions, tax submissions and expenses. |
| COMPUTER-AIDED DESIGN (CAD) SOFTWARE | CAD software is often used by engineers, architects and construction managers to replace manual drafting. It helps users to create designs in either 2D or 3D so they can visualise the construction. |
| PROJECT MANAGEMENT SOFTWARE | Project management software helps businesses plan and run complex projects, co-ordinate teams, set milestones, allocate budget, manage schedules and deliver change on time. It can also help improve productivity, efficiency, quality and consistency in the way people work. |
| BUSINESS INTELLIGENCE SOFTWARE | Business intelligence software enables employees to retrieve data, before analysing and transforming it into business insights. It can take many forms, including reporting tools, visualisation platforms, data warehousing and data visualisation, but they all work to help businesses identify strengths and weaknesses within their processes. |

| Technology or digital tool | Use cases |
|--|---|
| VIDEO CONFERENCING AND COLLABORATION TOOLS | Video conferencing software helps businesses communicate face-to-face with employees who are not in the same space. Collaboration software enables teams to work together digitally, from small tasks to larger projects, mirroring in-office experiences while increasing efficiency and productivity. |
| HR MANAGEMENT SOFTWARE | HR software stores employee data and automates manual HR processes like payroll, timesheets, calculating time off, onboarding and performance management. |
| MARKETING AUTOMATION | Marketing automation streamlines marketing efforts through tools and platforms to make them more efficient and effective. Using marketing automation can free up time originally spent on scheduling, improve marketing ROI and facilitate access to consumer behaviour insights. |
| ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE | ERP is a collection of software that helps businesses automate processes relating to supply chain, inventory, manufacturing, procurement, risk or compliance. It is designed to reduce costs, waste and manual admin and increase quality, safety and productivity. |
| SUPPLY CHAIN MANAGEMENT | Supply chain management software (SCMS) is a collection of integrated tools that maximise the efficiency of all supply chain-related processes. Businesses can improve their sourcing, production and logistical operations, as the tools help with increased product movement and obtaining data that helps to identify areas requiring attention. |
| ARTIFICIAL INTELLIGENCE (AI) | Artificial Intelligence encompasses multiple technologies such as Natural Language Processing, Machine Learning, Deep Learning, robotics, virtual assistants and more. It can be used to recommend what individuals should buy next online, to recognise who and what is in a photo, to spot spam, or detect credit card fraud. |
| INTERNET OF THINGS (IOT) | The Internet of Things refers to the billions of physical devices around the world that are connected to the internet, all collecting and sharing data in real-time without involving a human being. |
| CYBER SECURITY AND DATA PROTECTION TOOLS | Cyber security relates to a set of actions to make your digital ecosystem secure against cyber attacks, while data protection focuses on protecting the information stored within that ecosystem. |





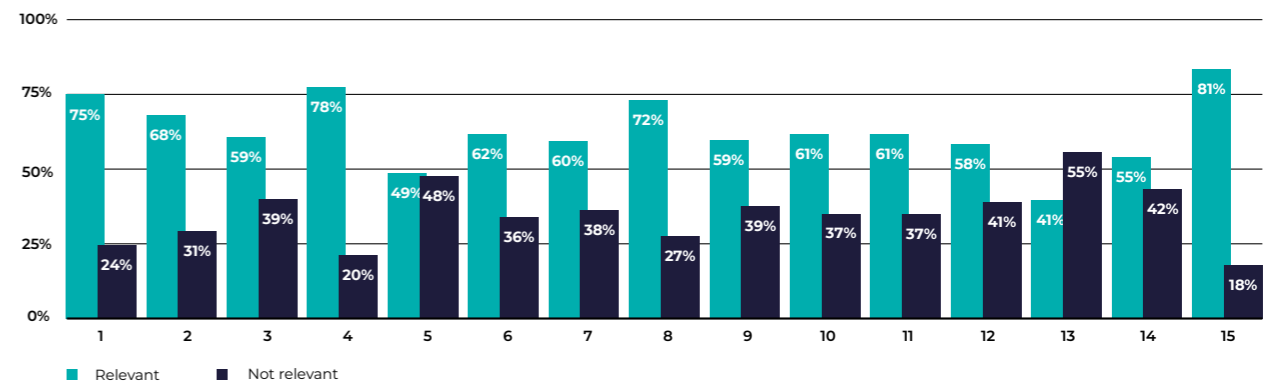
Contrary to popular belief that young people are more tech savvy, leaders aged 35 and older reported being more generally knowledgeable about cloud-based computing, online accounting, video conferencing and cyber security.

However, of the minority reporting they 'know a lot about' the technologies, the proportion of leaders in the youngest age group (18-34) asserting this level of knowledge is significantly higher than their older peers across almost all digital tools, including cloud-based computing, online accounting and cyber security. Younger leaders are also twice as likely than older leaders to report being knowledgeable about marketing automation and ERP. This may indicate a degree of overconfidence among leaders aged 18-34 and points to the need for tailored approaches to business support based on age.

In addition to awareness levels of technology products, their relevance to SME decision makers is central to understand attitudes to adoption. Cyber security and data protection tools have the highest net relevance (81%), followed by online accounting software (78%) and cloud-based computing (75%). Two in five (42%) business leaders classify cyber security tools and online accounting software as being 'very relevant' – the best performing of the 15 technologies. In contrast, AI (55%) and the Internet of Things (IoT) (42%) have the lowest levels of net relevance.

Based on what you know, how useful do you think the following technologies are to your business?

FIGURE 1



- 1. Cloud-based computing
- 2. Customer Relationship Management (CRM) software
- 3. E-commerce software
- 4. Online accounting software
- 5. Computer-aided design software
- 6. Project management software
- 7. Business intelligence software
- 8. Video conferencing and collaboration tools
- 9. HR management software
- 10. Marketing automation
- 11. Enterprise Resource Planning (ERP) software
- 12. Supply chain management
- 13. Artificial Intelligence (AI)
- 14. Internet of Things (IoT)
- 15. Cyber Security and Data Protection Tools

How could adopting technology have the greatest impact on your business?

39%
increasing efficiency.

31%
increasing revenue.

27%
increasing profit margin.

24%
increasing flexibility.

21%
don't think technology could have any positive impact.

While business leaders demonstrated significant awareness levels relating to digital tools, factoring in relevance exposes some of the disparities between different technological solutions (figure 1). Moreover, when examining the potentially positive impact of these technologies on SMEs,

we can see that the value of technology isn't necessarily cutting through to business leaders. Of the areas in which adopting technology could have the greatest positive impact on SMEs, 39 per cent of business leaders said increasing efficiency, 31 per cent said increasing revenue, and 27 per cent said

increasing profit margin. However, both female leaders and younger leaders aged 18-34 were more likely to think that increasing flexibility ranked higher than increasing profit margin, reflecting a priority often seen in millennial and Gen Z workers.

There is significant evidence pointing to the value of technology in increasing firm-level productivity.

The CBI has estimated that adoption of key technologies by firms could add £100 bn to UK GVA⁶. Similarly, the introduction of technologies such as Enterprise Resource Planning (ERP) or Customer Relationship Management (CRM) tools has been shown to create a productivity premium of around 25 per cent⁷. Despite this, one fifth of all business leaders (21%) don't think adopting technology could have a positive impact on their business at all, rising to one quarter (25%) of businesses with 1-49 employees. Speaking to the barriers, 30 per cent of leaders think digital tools are too expensive, while 16 per cent

object to the time needed to train staff on how to use them, suggesting ongoing challenges in bringing all SMEs along on the journey to technology adoption and increased productivity. Help to Grow: Digital, a new UK Government programme announced in the March 2021 Budget, addresses the cost of adopting three key technologies (digital accounting, E-commerce and CRM systems) with proven links to productivity improvements by providing a voucher for up to £5,000 that can be used by businesses (5-249 employees) to offset the purchase costs by up to 50 per cent.

⁶CBI, From Ostrich to Magpie, Increasing business take up of proven ideas and technologies (2017)

⁷ONS, Information and communication technology intensity and productivity (2018)



THREE BARRIERS TO SERVING THE SME MARKET

Research from Be the Business⁸ has shown that not only do SMEs face challenges in the process of technology adoption, but suppliers also experience difficulties in serving this section of the market. There are three main barriers to suppliers:

01. The economics of product development for SMEs:

The costs of developing or customising products for SMEs can be prohibitive for large scale, often global, technology providers.

02. The costs of customer acquisition are too high:

SMEs are looking to quickly find, trial for free, and adopt easily accessible solutions that fit with their sector and specific needs. However, the economics of individual SME sales make tailoring the sales and marketing approach unattractive.

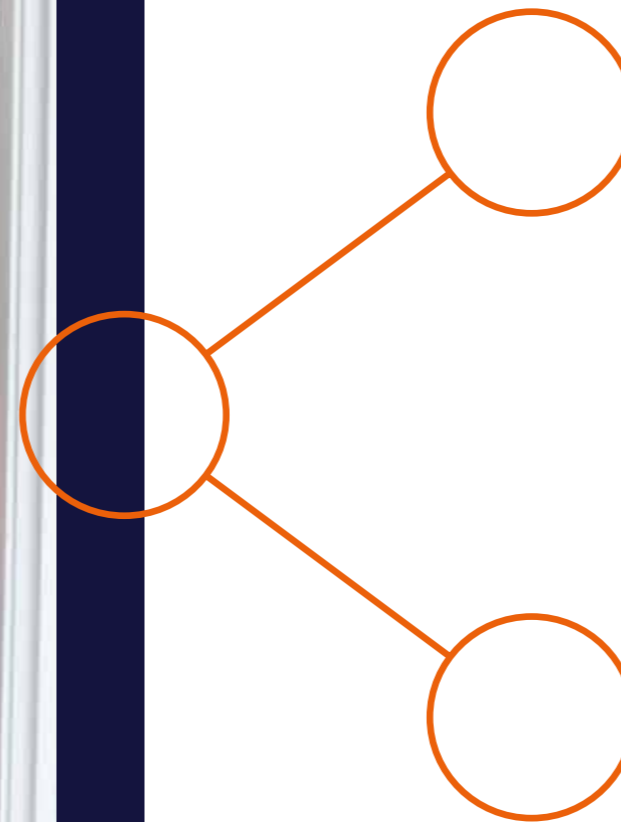
03. The smaller ticket size of SME sales challenges service models:

SME customers generate a high volume of inbound queries that require investment in customer service if they are handled through the same channels and models as enterprise customers.

⁸Be the Business, The UK's Technology Moment (2020)



The Covid-19 context.



It's not surprising that awareness of video conferencing and collaboration tools reached 96 per cent among business leaders, particularly after the last 15 months.

One of the most universal experiences of the Covid-19 pandemic has been the shift from face-to-face interactions between family, friends and colleagues to an online world, connecting our individual living rooms, kitchens and spare bedrooms. In fact, *Be the Business' The UK's Technology Moment* report⁹ showed the Covid-19 crisis created three years of innovation in just three months.

Moreover, the *Lloyds Bank 2020 Transformation with Tech* report, in partnership with *Be the Business*, found in November 2020 that, since the pandemic, almost half of businesses stated they would have ceased trading without digital technology. More than a third (35%) reduced costs, and 40 per cent started doing more business online, with one quarter (27%) reporting an online presence for the first time. The report also found that smaller businesses need more support as they are less confident using even basic technology like social media;

73 per cent stated they were asking for help, but six in 10 (61%) said they weren't currently getting any¹⁰.

Our survey found that three quarters of businesses (74%) used workplace video conferencing software during the pandemic, including one quarter (26%) using it for the first time since March 2020. 72 per cent of businesses also used personal video calling and messaging during this period, while just over half (51%) used E-commerce software (8% for the first time). For those businesses using video conferencing and personal video calling for the first time since March 2020, one third (30%) would not have considered it if not for the pandemic, and over half (52%) accelerated their adoption because of Covid-19. Almost three fifths of businesses (59%) using E-commerce software accelerated adoption, while only 16 per cent put this down solely to the pandemic.

⁹ *Be the Business, The UK's Technology Moment*, (2020)

¹⁰ *Lloyds Bank, Business Digital Index Report* (2020)

More broadly, when asked about a range of over 20 use cases for digital tools, 7 per cent of business leaders adopted technologies for the first time during the pandemic and 18 per cent confirmed they had already been using technology for specific purposes but usage had increased since March 2020.

54%

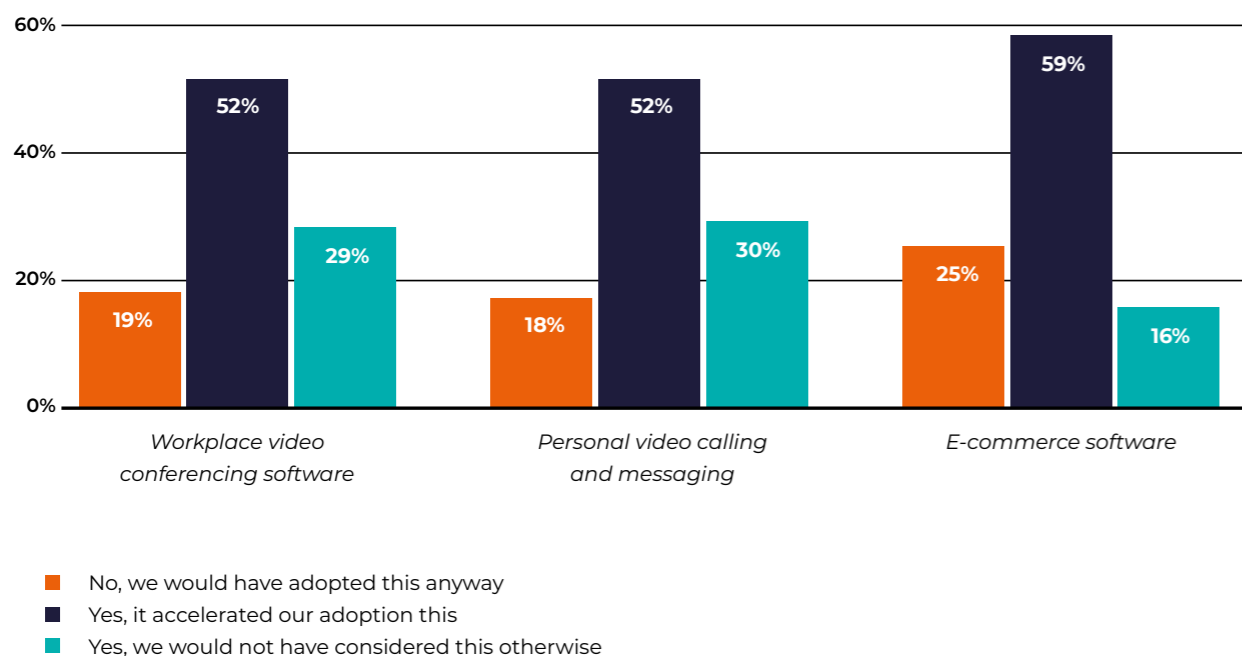
of business leaders accelerated their adoption of technology because of the pandemic.

An additional 10 per cent claimed that, although they aren't currently using technology to help with specific business processes, they have plans to introduce it in the future. For businesses adopting technology for the first time since March 2020, 16 per cent of business leaders confirmed that Covid-19 was the catalyst (figure 2). More significantly, 54 per

cent accelerated their adoption of digital tools because of the pandemic, particularly in areas such as managing employee satisfaction and engagement, employee collaboration, new ways to grow revenue and data security and encryption, which all saw faster implementation among approximately two thirds of businesses.

You mentioned you adopted the following technologies for the first time during the Covid-19 pandemic. Did the Covid-19 pandemic cause you to adopt these technologies?

FIGURE 2



GROWTH LEADERSHIP IN AN ONLINE WORLD

Systal are a technology solutions provider based in Glasgow. JohnPaul Wright has spent his twenty-year career in IT and specialises in running a team of managers who deliver IT systems to clients from around the world.

JohnPaul said: "We were fortunate that we didn't drop any services during lockdown. We adapted well to lockdown and moving to a remote service." But even as an IT networks company, moving to wholly digital communications had its challenges.

support, adding that "we're always investing in leaders and managers and making sure that they have the tools to do their job."

JohnPaul took a growth leadership course with The Open University, which included five other managers. In response to this, Systal now works with The Open University in Scotland to develop skills through fully funded graduate apprenticeships and the Flexible Workforce Development Fund. They also have a new managers toolkit which is an induction model for managers.

Given the ever-evolving nature of the IT industry, JohnPaul is well accustomed to the need to constantly update his staff's skills to stay ahead.

The first aspect of addressing skills for Systal during Covid was getting used to remote interviews via Teams. "It was quite challenging onboarding new staff and making them feel like they were part of a team," JohnPaul explained.

The pandemic has presented a particularly busy year for Systal, where companies rely on robust IT networks more than ever before to keep their businesses running smoothly.

JohnPaul is committed to personal development for staff to match his company's core principles of flexible, tailored



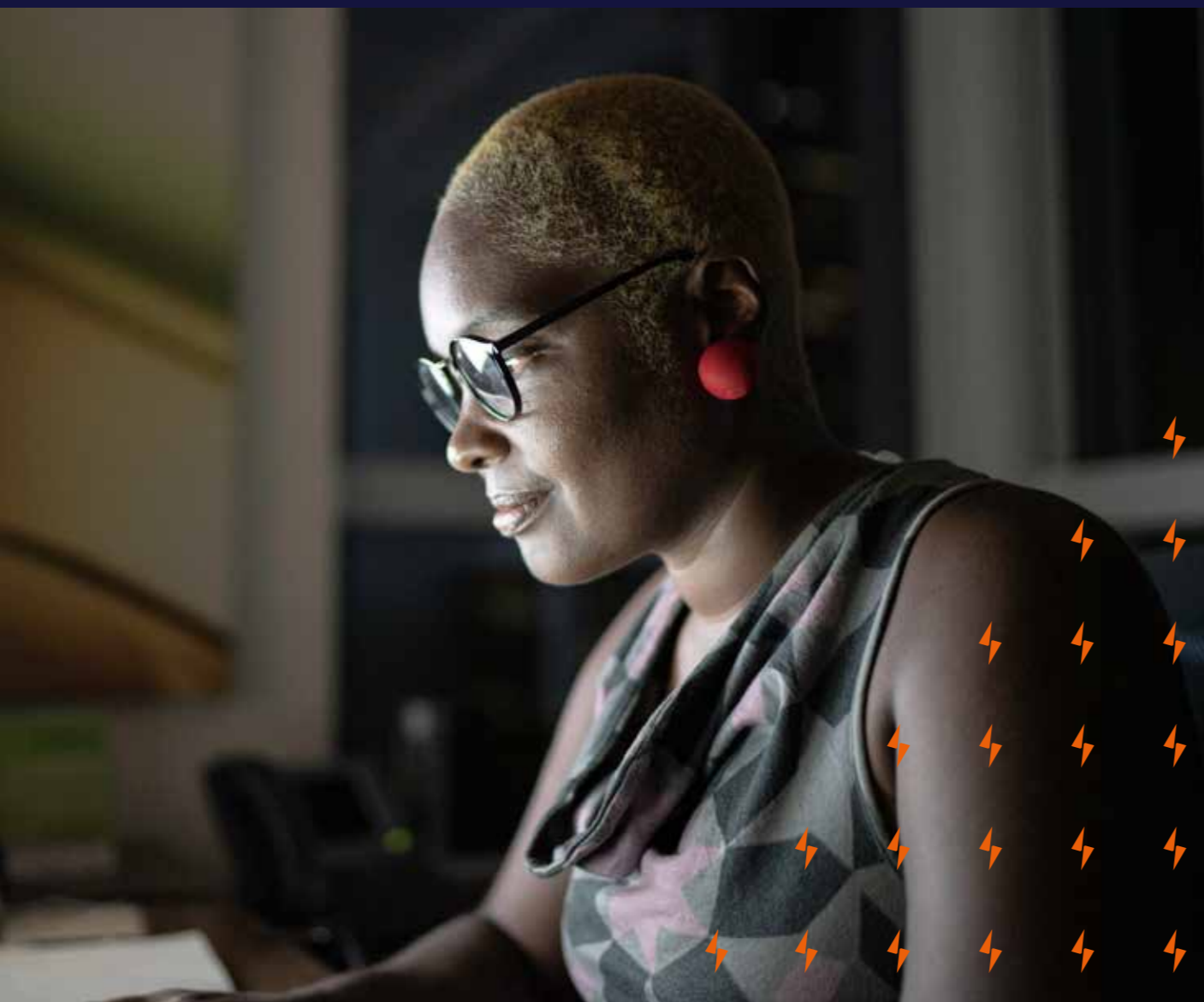
JohnPaul Wright
Network Operations
Centre Manager at Systal
Technology Solutions

There has been much discussion about what the 'new normal' will look like for businesses up and down the country. With over 85 per cent of business leaders planning to continue using technology at the same level once Covid-19 restrictions are fully lifted, this is a clear indication of ways of working going forwards. More than nine in 10 businesses said they'd probably or definitely continue to use technologies for reducing waste and making processes more efficient (93%), managing taxes and accounting (92%), data

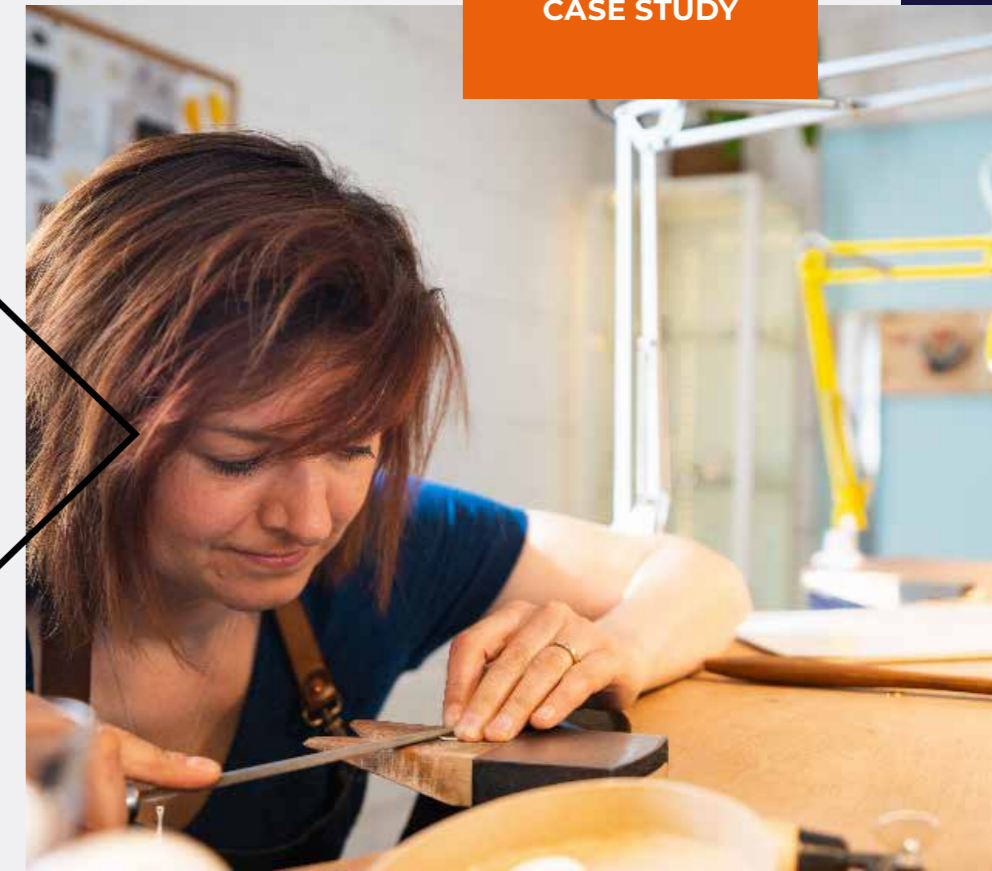
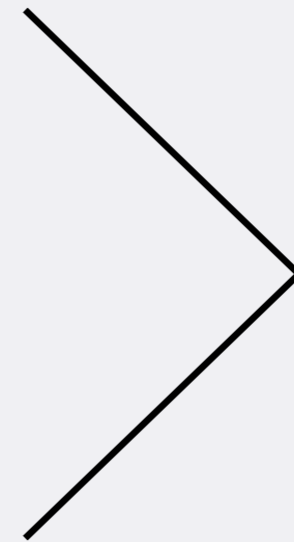
security and encryption (92%) and getting insights from data (91%), demonstrating the likely permanency of digital tools adopted during the pandemic. This commitment to technology also points to the evolution of future skill sets and areas that may improve employability and opportunities for in-work progression for employees.

In addition to technology itself, the Covid-19 pandemic has made leaders more likely to invest in digital skills training for themselves and their employees.

One third of leaders (33%) say that Covid-19 has made them more likely to invest in training to improve their leadership and management skills and to improve company culture and employee engagement. Two in five are more likely to invest in training to improve digital skills (39%) and their understanding and application of specific technology solutions (40%). Female leaders are also more likely to invest in digital skills and technology training than male leaders.



CREATING CRAFTY DIGITAL OFFERINGS



Kate Dewmartin

Founder, Craft Courses

Kate set up Craft Courses in 2011 and it's now the UK's largest creative experience site. Based in Pembrokeshire, Craft Courses offers a choice of thousands of arts, crafts and well-being workshops, classes and courses.

Previously offering a largely in-person product, the pandemic presented an acute challenge to Craft Courses. Kate's business had to pivot to digital offerings and heavily invest in the company's software infrastructure to bring in new digital tools.

Having the right engineering team was crucial to weather the storm. "The team supports each other and we invest in upskilling to make sure that the software

platform remains up to date and caters to customer needs," Kate explained.

In order to help tackle the challenges presented by the pandemic, Kate worked with The Open University in Wales to enrol an employee on the Applied Software Engineering Degree Apprenticeship – training which is fully funded by the Welsh Government through the Higher Education Funding Council for Wales.

"Being based in a very rural part of West Wales we had to turn on a sixpence to change our focus when the lockdowns hit."

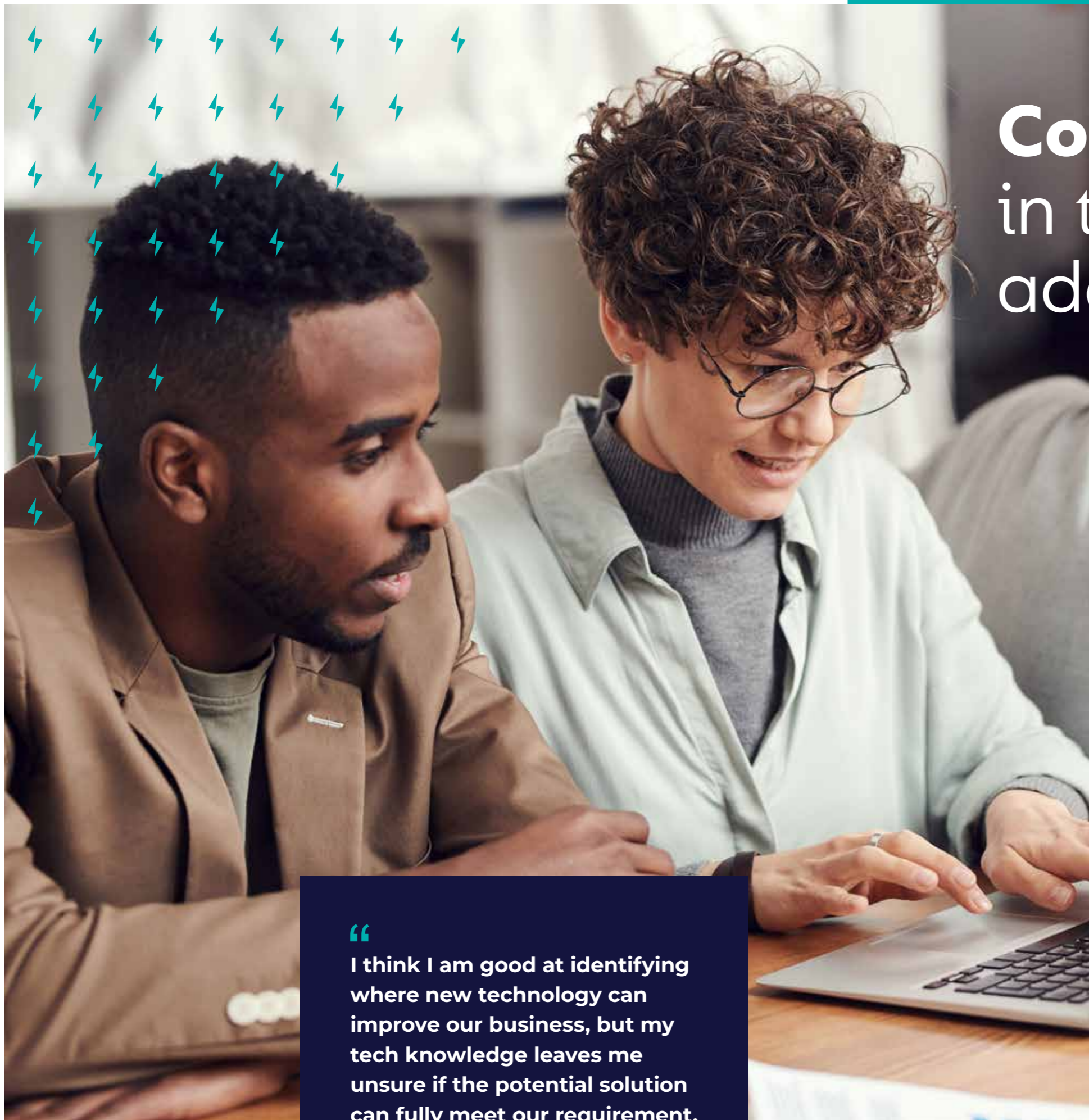
"Working with the OU's apprenticeship scheme has offered great stability. The apprentice stays with the company for four years and becomes an integral part

of the team, while you have an opportunity to nurture homegrown talent. It's a win-win situation and everyone is happy."

Kate is also looking to add another apprentice to her payroll as she believes that "the OU degree apprenticeship takes a lot of discipline to combine work and study" and that in itself shows great commitment..

Speaking about her plans and hopes for the future, Kate acknowledges that "training will remain essential to the growth of my company".

With a clear intention to fully embed technology and invest in skills for the longer-term, a question remains about how successfully business leaders are able to do this and their levels of confidence in getting the most from digital tools.



Confidence in technology adoption.



At a time when a global pandemic has radically accelerated the adoption and use of technologies across the business landscape, it is worth considering whether greater familiarity with digital tools has had an impact on the confidence of business leaders when it comes to introducing new technologies into their businesses.

Across four stages of technology adoption – objective setting, purchase, implementation, and ongoing maintenance – one third of business leaders report that they are not confident or don't know how confident they are (figure 3). On average, only one in five are very confident, although high confidence peaks at implementation stage (28%).

While there were almost equal levels of confidence among male and female leaders, it's unsurprising that confidence also increases in line with business size. The findings confirm that a significant proportion of business leaders don't want to be technology experts and do need help with ongoing support.

“
I think I am good at identifying where new technology can improve our business, but my tech knowledge leaves me unsure if the potential solution can fully meet our requirement.

Senior manager in a utilities small business.

Now we'd like you to think about the different stages of adopting and implementing new technologies in your business. How confident are you about adopting technology in your business at the following stages?

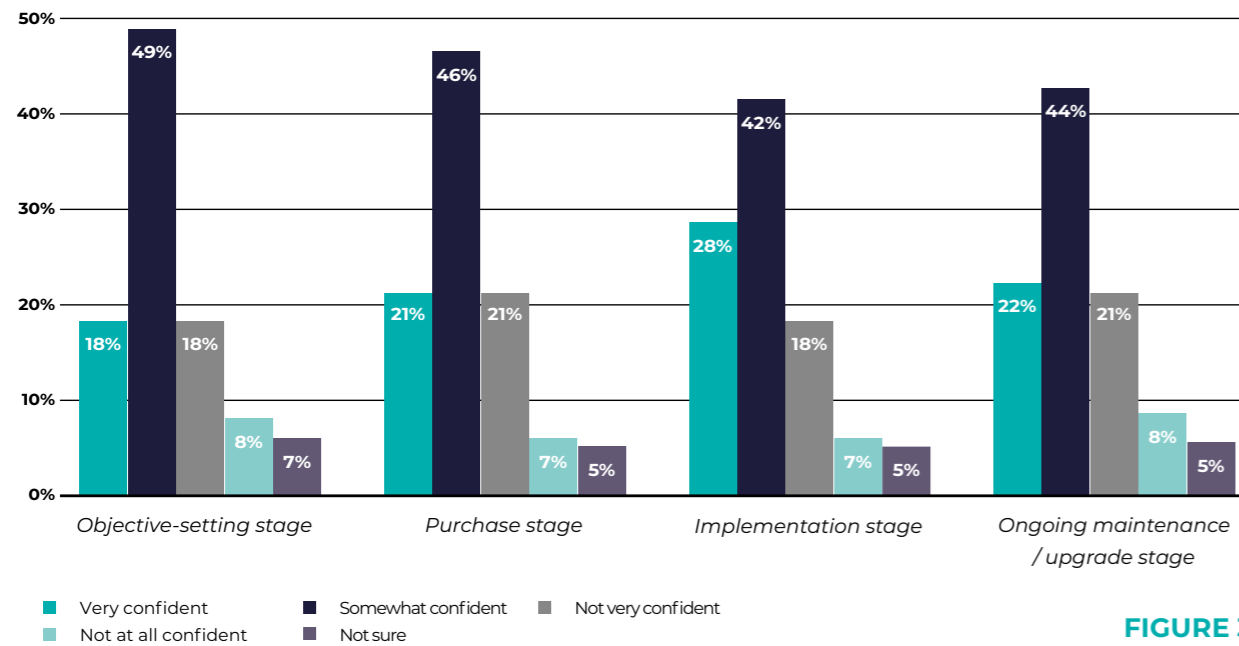


FIGURE 3

Thinking about occasions when you have adopted or considered adopting new technology, how well or poorly does your business perform at the following stages?

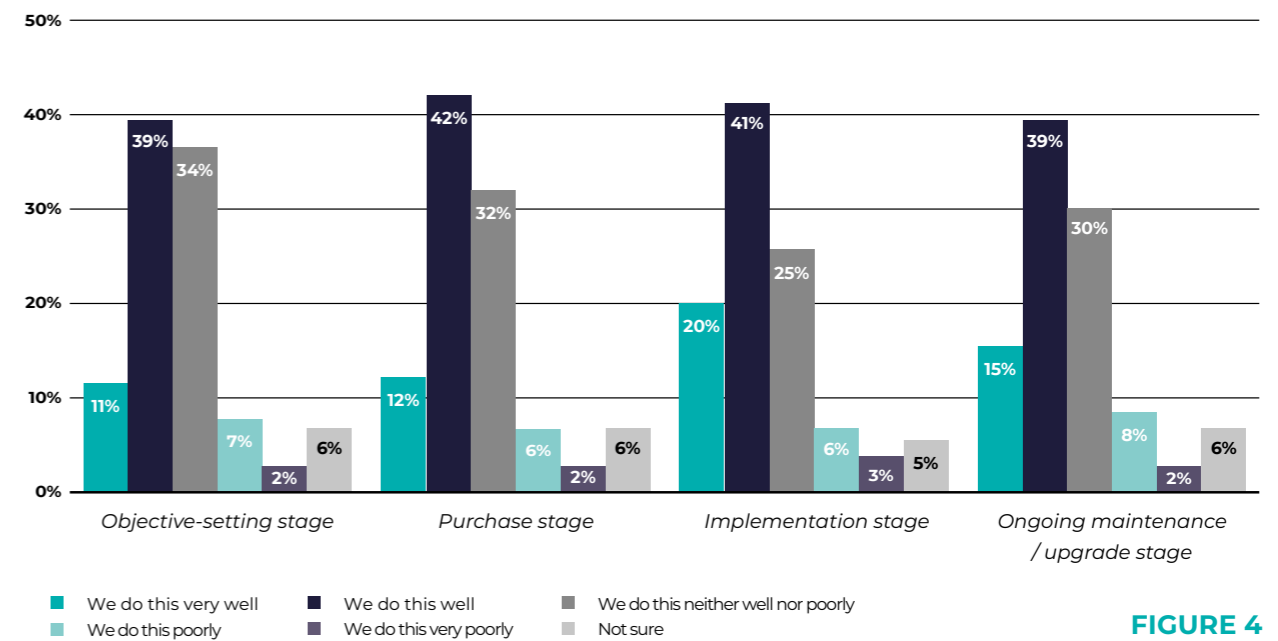


FIGURE 4

While confidence levels among business leaders are fairly high, when asked about how well or poorly their business performs at each stage, there's a drop of 10-17 per cent across the stages, suggesting a certain level of overconfidence recorded in the first question (figure 4).

Despite the majority of business leaders claiming to be confident and successful in the adoption and implementation of technology, we know from previous Be the Business research that of those businesses with over 11 employees that do adopt technology, over half (53%) fail¹¹. This is mainly due to the inability of leaders to effectively engage employees, as well as the technology failing to deliver the results expected by the business leader. This failure rate exposes a contradiction between the level of confidence among leaders and the outcome of the process, suggesting a level of self-reporting overconfidence in the data for this survey.

Moreover, this research also found that those leaders who successfully adopted technology actually found the process more challenging than those who failed, suggesting that business leaders can underestimate the complexities involved.



“ During the implementation stage, training staff on new technology has always been a challenge for me.

CEO of a food and beverage small business.

Notably, only half (54%) of business leaders think they make good buying decisions when it comes to technology, with only 12 per cent believing they 'do this very well'. Once again, the implementation stage performs best, with six in 10 business leaders (60%) thinking they 'do this well' and one in five (20%) believing they 'do this very well'.

54%

of business leaders think they made good technology purchasing decisions.

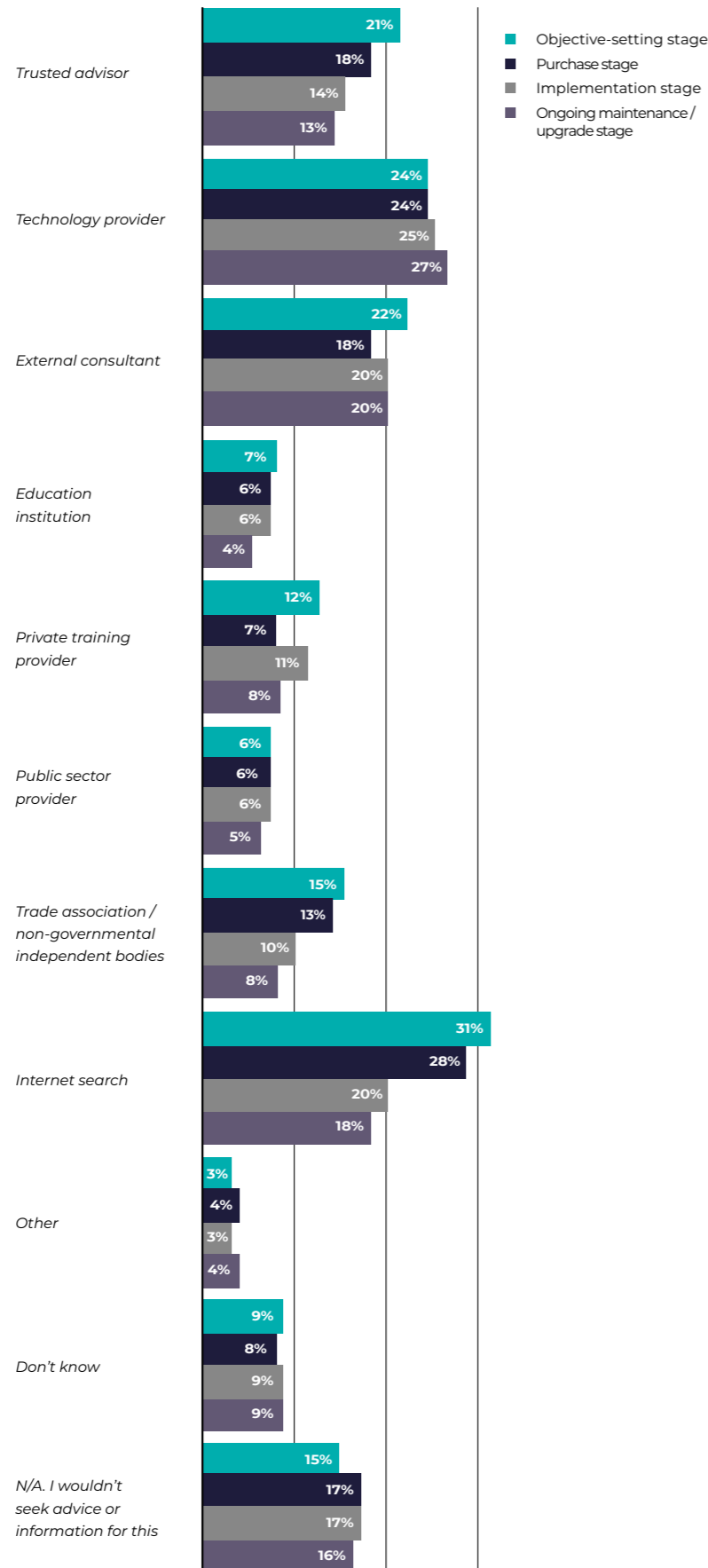
BE THE BUSINESS DIGITAL

To increase successful digital adoption, business leaders must be able to access support that makes the process less complex and increases confidence in finding the right technology for them and their business. Be the Business Digital contributes to this aim by providing a free, online platform with a range of resources to equip business leaders with the confidence and knowledge to effectively adopt the technology that their business needs. It was built to provide free, independent advice, based on extensive consultation with over a hundred businesses.

¹¹ Be the Business, The UK's Technology Moment (2020)

FIGURE 5

And if you needed support at the following stages of technology adoption and use, where would you seek advice or information? Please select all that apply.



When exploring the help that is available to business leaders seeking to adopt new technology, there is a clear preference for support direct from technology providers across the four stages, with on average a quarter (25%) choosing this path (figure 5).

Strikingly, on average 30 per cent of leaders turn to internet search at the objective-setting and purchasing stages, suggesting that many don't know where exactly to turn for advice and support. Trusted advisors also ranked highly for advice, yet at least one quarter (25%) of business leaders wouldn't seek any advice or information or do not know where to look. The value of personal recommendations is also evident in research from Be the Business' Tech Adoption Labs¹², which found that over half (56%) of SMEs only adopt technology if it is recommended by their existing suppliers or clients.

“ I'd feel more confident at all stages of the tech adoption process if I was able to speak to someone in person. ”
Small business CEO.

THREE BARRIERS TO SERVING THE SME MARKET

With approximately one in four business leaders turning to internet searches for support with technology adoption, it raises a question around why the current business support landscape isn't working well for SMEs. Previous Be the Business research¹³ found that the most prevalent barriers to taking up strategic advice were:

- 44% said they were unable to find advice tailored to their sector
 - 43% worried about the difficulty or cost of implementing recommendations
 - 42% didn't know where to find the right advice
 - And 41% felt unable to trust those providing the advice
- As part of the push to improve the successful adoption of technology, bettering access to support and the quality of strategic advice for business leaders is crucial.

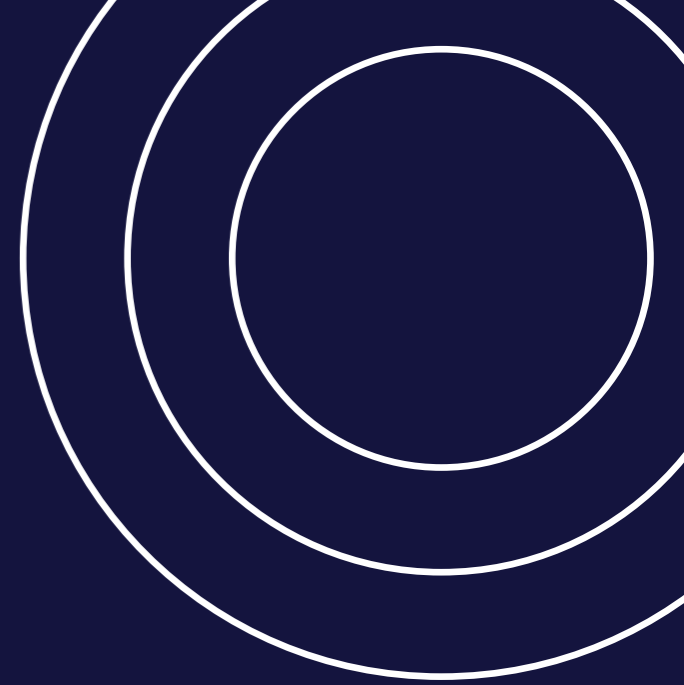
- 51% cited cost as the greatest challenge
- 46% said they were unable to find advice tailored to their business

“ If I had a comparison platform to compare prices from various suppliers, I'd feel more confident at purchase stage. ”
Director in a real estate small business.

¹² Be the Business, Tech Adoption Lab: Insight Report (2021)
¹³ Be the Business, Business Support Survey (2020)



Skills for success.



With elevated confidence in SME leaders when it comes to technology adoption and the relatively high incidence of failure, placing digital skills at the centre of the conversation is crucial.

In terms of what these skills are, one third (**33%**) of business leaders conclude that basic digital skills (e.g., the ability to use Microsoft Office and a general understanding of digital technologies and data) are the most important for both themselves and their employees. Advanced digital skills (e.g., software engineering competency, IT support, digital marketing and sale) follows with one in five leaders (**22%**) viewing these as the most important.

There is a slight divergence in the data for a technical understanding of digital tools (e.g., understanding exactly what the technology does, how to use it and all its

potential), with 20 per cent of business leaders thinking this is a priority for them, while 24 per cent see it as a priority for their employees, suggesting a greater reliance on the wider team to have a more detailed understanding of technologies. In contrast, leadership and management skills are seen as the most important skillset by only 12 per cent of business leaders, with half as many prioritising these attributes in their employees. The low prioritisation of leadership skills is concerning given research by Be the Business, which found that many failures in technology adoption by SMEs could be attributed to a lack of leadership skills¹⁴.

¹⁴ Be the Business, The UK's Technology Moment (2020)

Despite an acknowledgement of the importance of these skills for successfully adopting and implementing technology, fewer than a quarter (23%) of business leaders think they have all the necessary skills (figure 6).

33%

of leaders think they have all the leadership and management skills necessary to successfully implement technology.

This leaves 77 per cent of leaders admitting that they don't have all the required skills, despite a similar number expressing confidence in the various stages of technology adoption. Moreover, where some of the data has implied a reliance on employees to possess the requisite skills for the successful implementation of technology, only a third (30%) of leaders with a dedicated IT team believe they have all the necessary skills and 17 per cent have a similar level of confidence in their employees in general.

More specifically, based on use cases, of those who say technology is relevant for their business, seven in ten (71%) decision-makers report their business has all or most of the skills needed to adopt and use technology for managing taxes and accounting. However, only

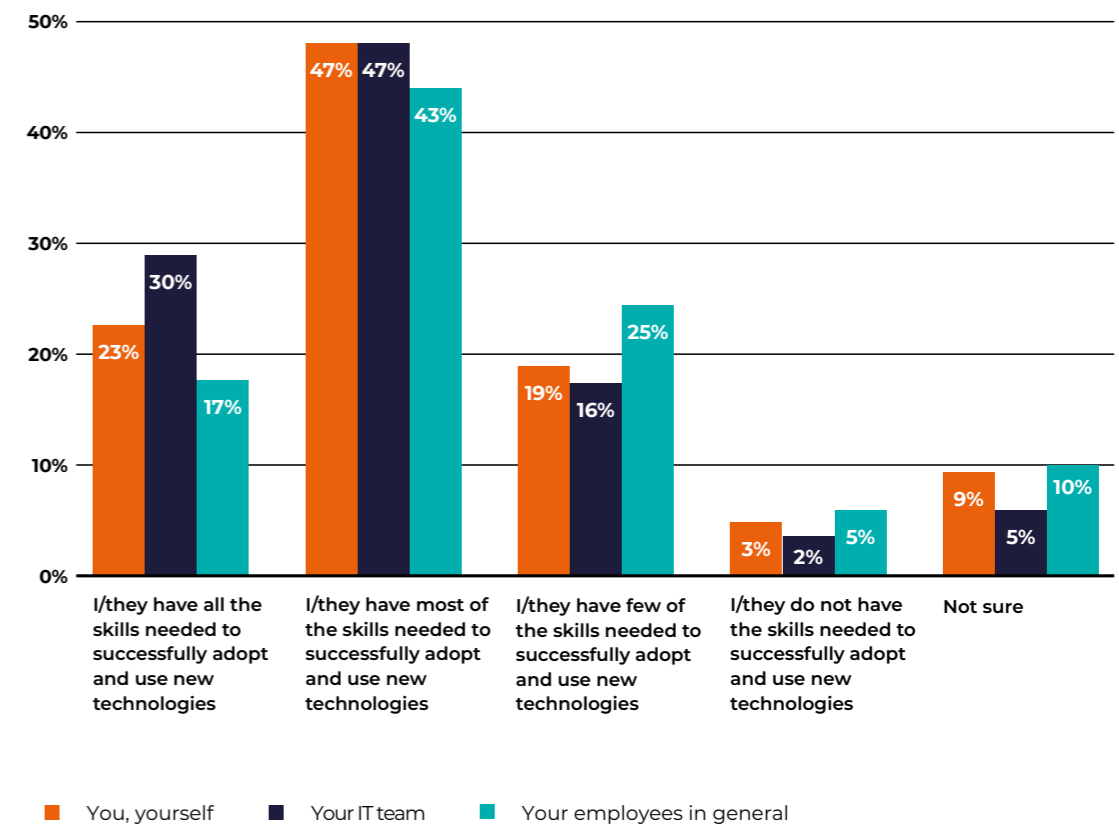
55 per cent feel they have the necessary skills for increasing online sales, reducing waste and making processes more efficient.

Drilling down into the different skillsets, only a third (33%) of leaders think they have all the leadership and management skills necessary to successfully implement technology. So, in addition to not prioritising leadership capabilities, a significant percentage admit to not having all the required skills in this area. We know that successfully getting employees on board with technology adoption is crucial and this requires strong leadership skills to bring staff on the journey, get them comfortable using new tools and help them to understand how it improves the business.



To what extent do each of the following have the necessary skills to successfully adopt and use new technologies in your business?

FIGURE 6



BRINGING MANAGEMENT SKILLS INTO THE TECHNICAL MIX

Zak has a 35-year career as a coder and agile consultant across a wide range of industries. He is an OU MBA graduate and has worked as a consultant for the OU.

Last year, Zak founded smartBIDI in recognition of the uptake and demands for machine learning and AI. smartBIDI is a procurement company that helps businesses automate making bids for government contracts, and turns what is typically a 12-hour job into a 15-minute process by using Artificial Intelligence.

Having spent his working life committed to reskilling, upskilling and better understanding ways of working

to help him and the businesses he consults for, Zak realised that his well-developed technical skills were a limiting factor in his ability to develop businesses and work with a bigger picture mindset. Following this realisation, he enrolled onto the OU's MBA programme in 2008.

The MBA allowed Zak to hone his management skills. "I was able to go from seeing systems at a very low level to understanding the operational and strategic level," he reported.

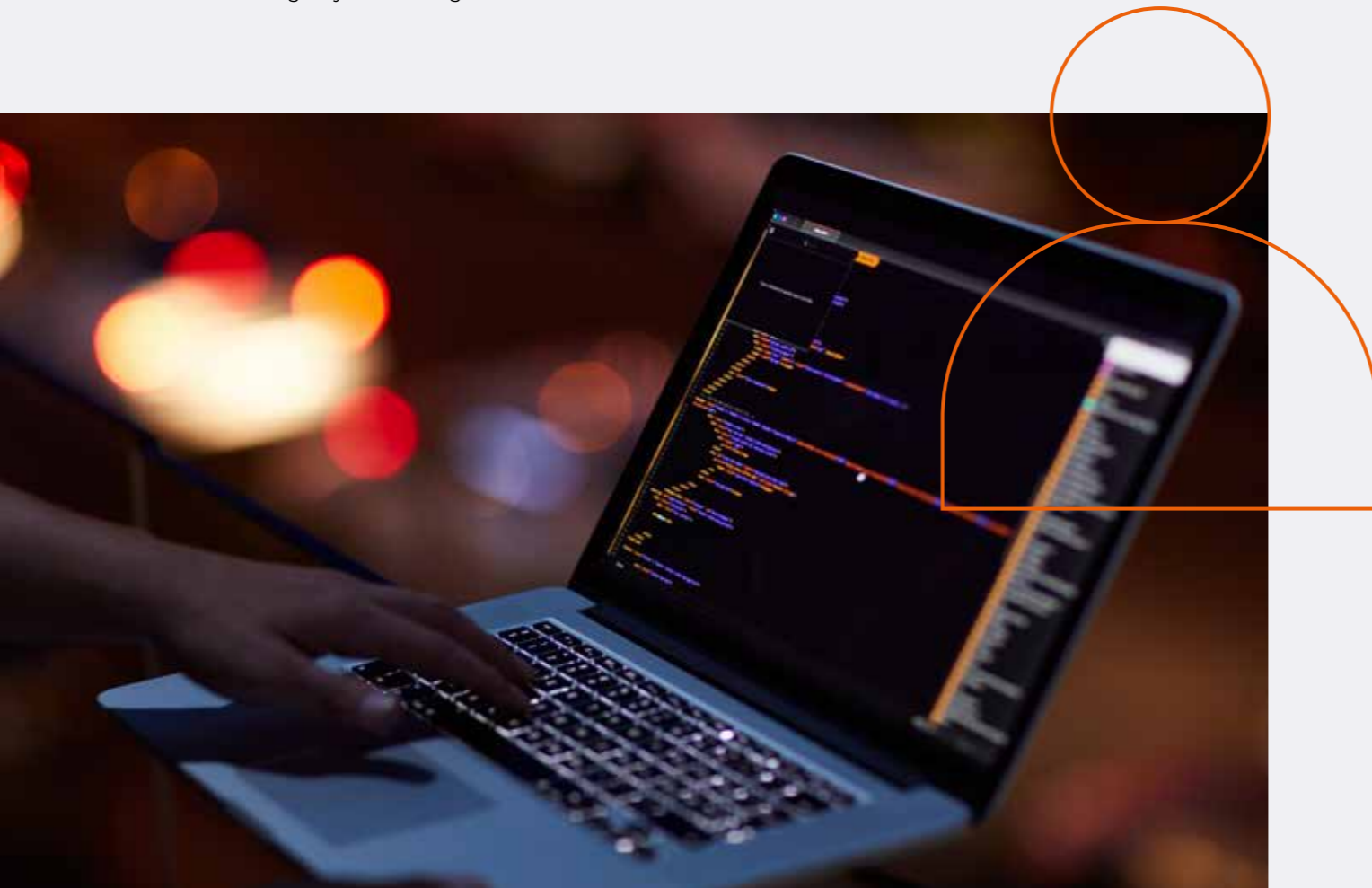
Zak takes a philosophical view on the importance of skills for business and hiring staff: "You have to look at who your target customers are. Is it the people who have 10 years' experience

and want to fit in to a company? Or is it someone who wants to change the company?"

Coupled with his interest in learning and expertise in coding, Zak is enthusiastic about how school-aged learners can start to code early to prepare them for the skills' demands of the modern economy. "STEM skills, including computing, should be complemented with arts. Making computer games blends both. Those skills will be in increasing demand," he added.

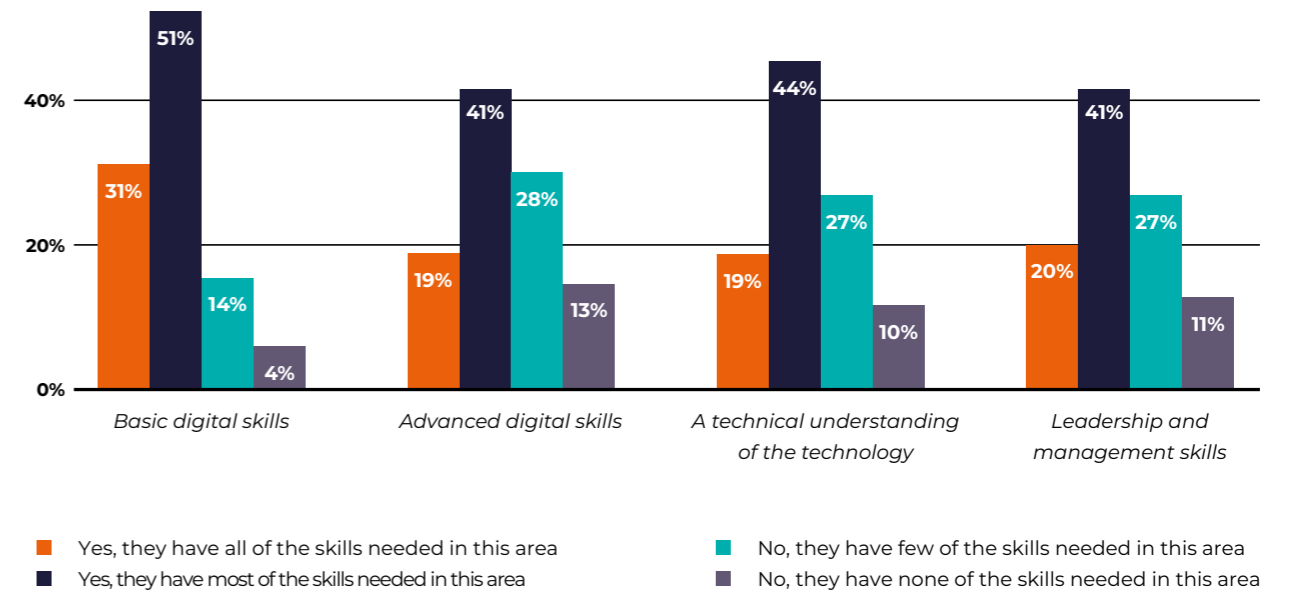
Zak Moore

Director, smartBIDI



Thinking about the skills needed among your employees to successfully implement and use new technologies, to what extent do you think they have the necessary skills in the following areas?

FIGURE 7



Younger leaders (aged 18-34) are most confident that they have all the required skills across these areas. They are also most likely to say they have all the advanced digital skills, the strongest technical understanding and the highest confidence in their leadership and management approach. Across genders, leaders have a similar level of belief in their skills, although female leaders are 5 per cent less likely than men to think they have all or most of the necessary leadership and management skills.

When asked about their employees, only a third (31%) of leaders think their teams have all the basic digital skills needed, while this drops to a fifth across the other skillsets of advanced digital skills (19%), technical understanding (19%), and leadership and management (20%) (figure 7). Again, younger leaders (aged 18-34) are most confident in the skills of their employees and are most likely to say they have all or most of the competencies required.





EXPLORING LEADERSHIP TRAITS

In addition to exploring the importance of digital and management skills, leadership traits are likely to have an impact on the successful adoption and use of technology. When asked which characteristics they believe are most important in this area, business leaders prioritised flexibility (52%), a mindset of continuous

improvement (43%) and decisiveness (32%). In particular, leaders over the age of 35 were more likely to value a mindset of continuous improvement than their younger counterparts. In contrast, both empathy (29%) and diversity (30%) were almost twice as important for leaders aged 18-34 than for the over 55s (17% and 14% respectively).

50%

of business leaders have a plan to address skills shortages.

It's clear from these findings that there is a significant skills gap within SMEs when it comes to the capabilities that business leaders recognise as necessary to successfully adopt technology and digital tools.

Only half (50%) of leaders who felt their employees do not have all the skills necessary have either a formal or loose plan to address the skills gap in the next 12 months. This intent varies significantly by age group, with leaders aged 18-34 almost twice as likely (69%) to have a plan, compared to the over 55s (38%). Those aged 34-54 sit in the middle with 56 per cent having a plan. However, it is

surprising that a third of business leaders (33%) have no plans to address the skills gap, exposing a challenge for a significant number of businesses. It also raises a difficult question for skills providers and business support organisations seeking to upskill businesses; how to engage leaders who recognise a lack of skills but don't think it's important to put in place a plan to close the gap.

What these figures show is a significant opportunity to support business leaders as they seek to fill their skills gaps by engaging employees in learning and development opportunities, while also educating some leaders on the importance of digital skills in the workplace and for future success.

THE LINK BETWEEN OPENNESS TO TRAINING AND CONFIDENCE IN SKILLSETS

25%

of business leaders who have completed training think they have all the skills needed to successfully adopt technology.

Business leaders who have completed training are more likely to say they have all of the skills needed to successfully adopt and use new technologies in their business (25% for themselves, 32% for their IT team, and 19% for their employees), versus non-trained leaders (20% for themselves, 27% for their IT team, and 16% for their employees). This also shows

that leaders who have not completed training rely more heavily on their IT team to have the required skills for the business.

Trained leaders are also significantly more likely to say both they and their employees have the different skills needed to successfully implement and use technology:

TO WHAT EXTENT DO YOU THINK YOU HAVE THE NECESSARY SKILLS IN THE FOLLOWING AREAS?

| | Leaders who have completed training (Yes, I have all the skills needed) | Leaders who have not completed training (Yes, I have all the skills needed) |
|----------------------------------|--|--|
| Basic digital skills | 43% | 39% |
| Advanced digital skills | 23% | 19% |
| Technical understanding | 26% | 21% |
| Leadership and management skills | 38% | 30% |



The value of learning.

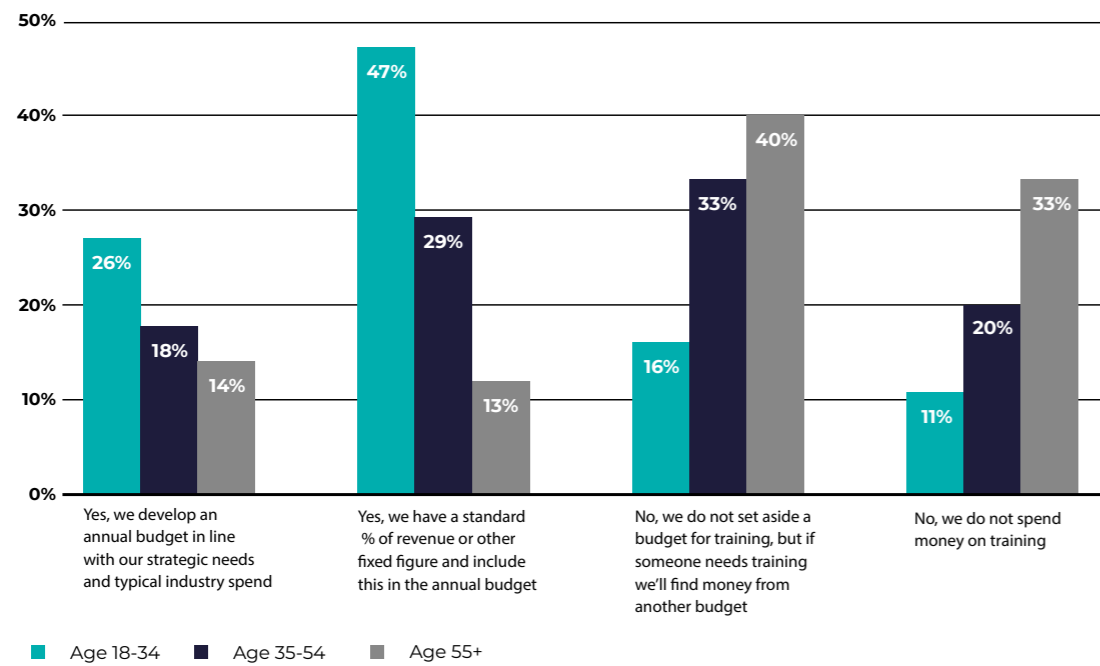


This survey of business leaders has shown not only relatively high levels of confidence when it comes to technology adoption (alongside a query over whether some of this reflects self-reporting overconfidence), but also a recognition of a digital skills gap, with one third (33%) of leaders having no plan to address it. In this context, how is learning and training valued among business leaders?

When asked about investment in learning and development, a quarter (25%) of business leaders confirmed that they do not spend anything on training (figure 8). This rises to a third of businesses led by over-55s (33%) and those with up to 49 employees (31%). In contrast, almost three quarters (73%) of younger leaders under the age of 34 say they set aside money for training. Educational attainment also has an impact

on a leaders' intent to invest in training with half (50%) of those with Master's degree setting aside budget, compared with a quarter (25%) of those with GCSEs. Similarly, leaders who possess management qualifications are significantly more likely to have a set budget than other groups. 60 per cent of these leaders do so compared with 16 per cent of those with no technical qualifications or certifications.

Does your company have a defined training and learning budget? **FIGURE 8**



There are also some nuances among the different age groups with almost half (47%) of younger leaders (aged 18-34) more likely to always look for new opportunities to learn and train, compared to a third (32%) of over-55s. On the other hand, younger leaders are also more likely to see cost and a lack of time as barriers. Leaders over the age of 55 are more likely to seek to address specific skills gaps (45%), which is 10 per cent higher than for the 18-34 cohort. In addition, one in 10 business

leaders (12%) don't think they need any training at all, while 5 per cent don't find training useful or interesting. For those that do value training, three in five (61%) allocate on average four hours a month for personal development and training for themselves and for their employees.

When looking at the reasons employees complete training, the biggest drivers are to motivate staff and help with retention. Training is also seen as necessary to understand

how to successfully adopt new technologies. Previous research from the OU¹⁵ has shown that it's difficult to recruit those with skills, demonstrating a recognition of the need to upskill and build capabilities from within. Specifically, a third (30%) of those whose employees undertook digital skills training, and a quarter (24%) who took part in technology adoption training, said they could not recruit the skills they needed externally.

¹⁵The Open University, Bridging the Digital Divide (2019)

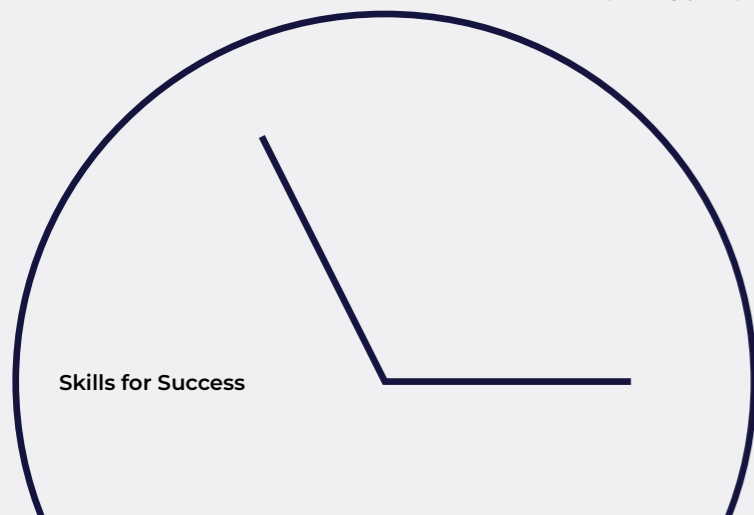
28%

of business leaders would like to do more training but don't have time.

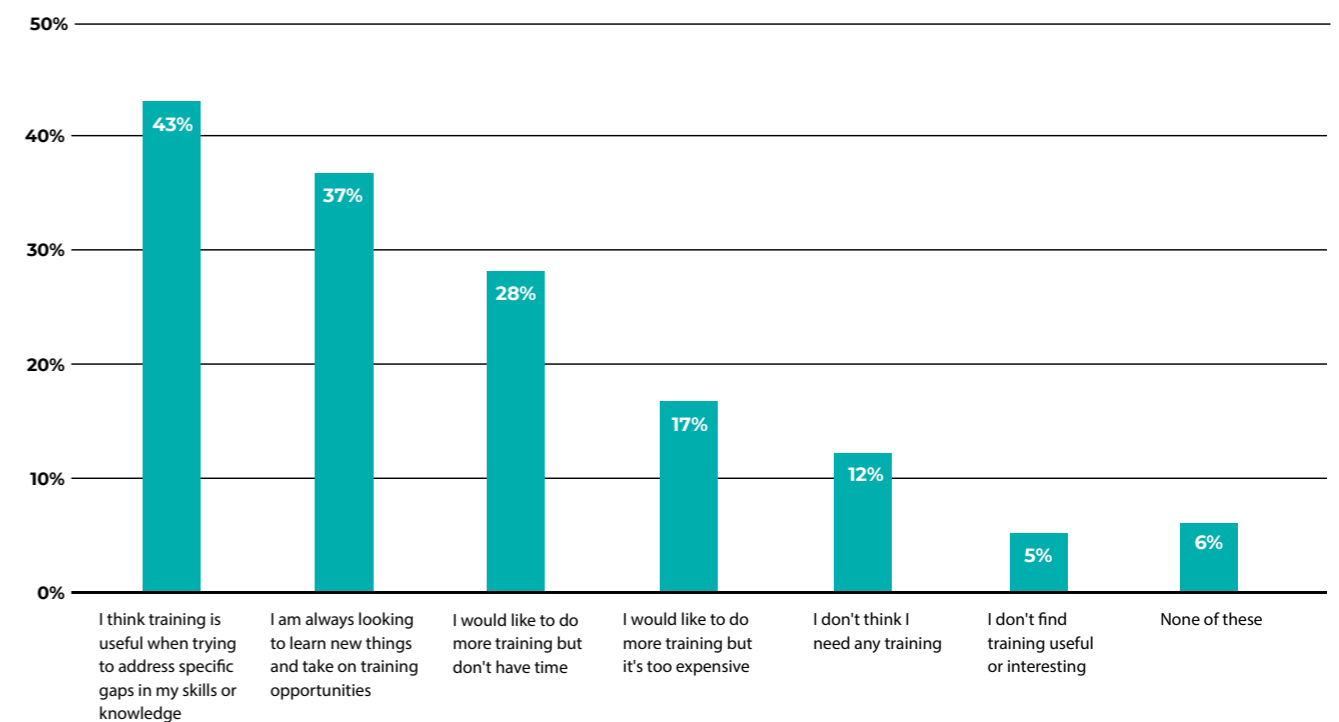
Beyond age and prior education and training, attitudes to learning vary significantly among business leaders depending, in large part, on their personality and approach to personal development in the workplace (figure 9).

43 per cent of business leaders recognise the value of learning when trying to address specific gaps in skills or knowledge, while 37 per cent are interested in a more continuous approach to learning and training. Unsurprisingly, 17 per cent would

like to do more training but think it's too expensive. However, time is seen to be a bigger barrier to business leaders, with 28 per cent stating they would like to do more training but don't have time.



Which of the following best describes your general attitude towards training and development for yourself? Please select all that apply. **FIGURE 9**



There are some encouraging findings around training completed by business leaders: 44 per cent undertook leadership and management training, 41 per cent for digital skills training and 29 per cent for technology adoption training (figure 10).

Younger leaders are more likely to have completed training in these areas than other ages groups, while women are more likely to have undertaken digital skills training than their male counterparts. Notably, one third (30%) of leaders would like to complete training to support them with technology adoption, demonstrating a desire for support in this area.

As seen in other areas of the research, there is a sizable cohort of business leaders who don't think they would benefit

from training in these areas. Specifically, 26 per cent feel this way about tech adoption training, 22 per cent for leadership and management, and 19 per cent for digital skills. Across these skills areas, approximately one in four leaders (27%) don't believe their employees would benefit either, although a similar proportion (25%) disagree and would like to see their employees undertake training.

While some leaders clearly see the value of training for both

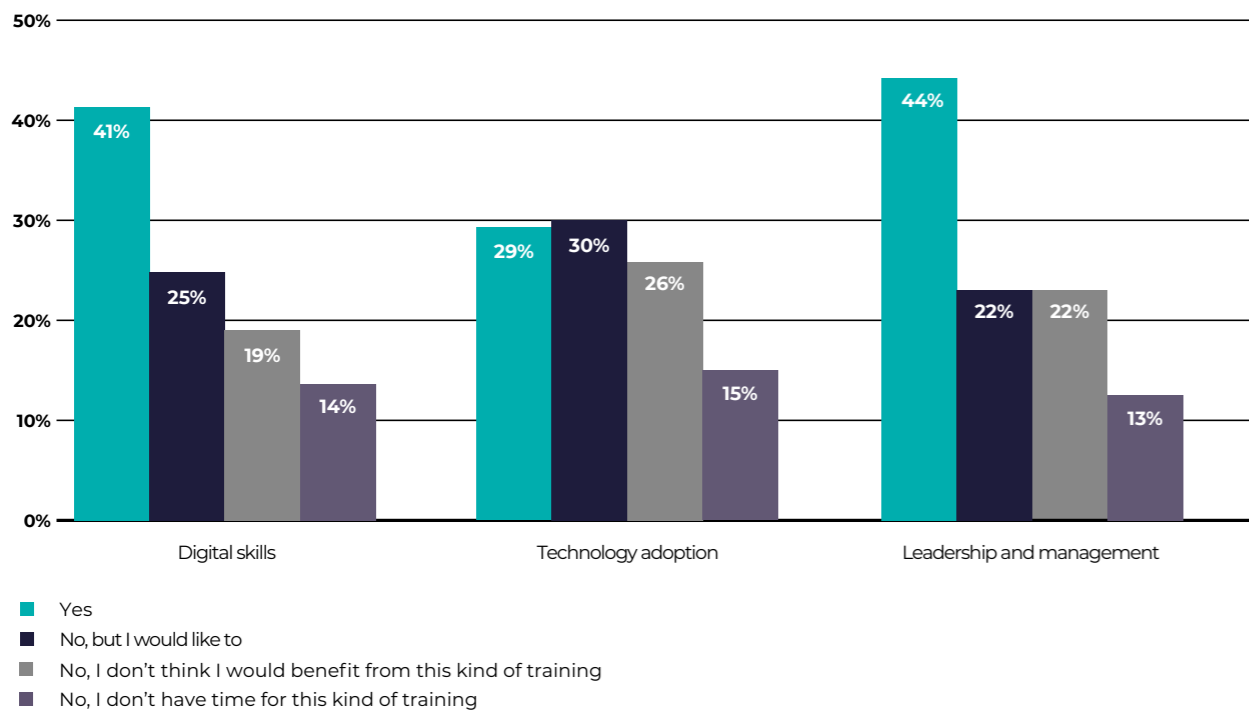
30%

of leaders would like to complete training to support them with technology adoption.

themselves and their employees, there remains a sizeable minority who don't believe that training is a benefit to their business. With the recognition of a skills gap at both leadership and employee levels, and a tendency among some leaders to rely on their teams to have the necessary skills, these findings beg the question as to whether there is currently enough investment in training to equip individuals adequately.

Have you ever completed training or development courses in the following areas? If you have completed training on this more than once, please think about the most recent occasion.

FIGURE 10



THE TRICKLE-DOWN EFFECT

Is there a correlation between those business leaders who have completed training and how receptive they are towards future training for themselves and their employees?

The survey clearly shows that business leaders who have undergone training tend to have a more open attitude towards training and development:

→ Forty-nine per cent of leaders who have completed training think it is useful when trying to address specific gaps in their skills or knowledge, compared to 42 per cent who have not completed training.

→ Forty-six per cent of leaders who have completed training say they are always looking to learn new things and take on training opportunities versus 33 per cent of those without training.

→ Fifty-seven per cent of leaders who have completed training have a defined training and learning budget, versus 37 per cent who have not completed training.

→ Only nine per cent of leaders who have completed training say that they do not spend any money on training, compared to 27 per cent of those who haven't completed training.

→ Three quarters of trained leaders currently allocate time for their own (73%) or their employees' (77%) personal development and training, compared to just over half of non-trained leaders (56% for themselves, 58% for their employees).



Creating the right learning offer for SMEs.

Converting the quarter or so of business leaders who don't currently spend any money on training or who don't think that they would benefit from training is a complex challenge.

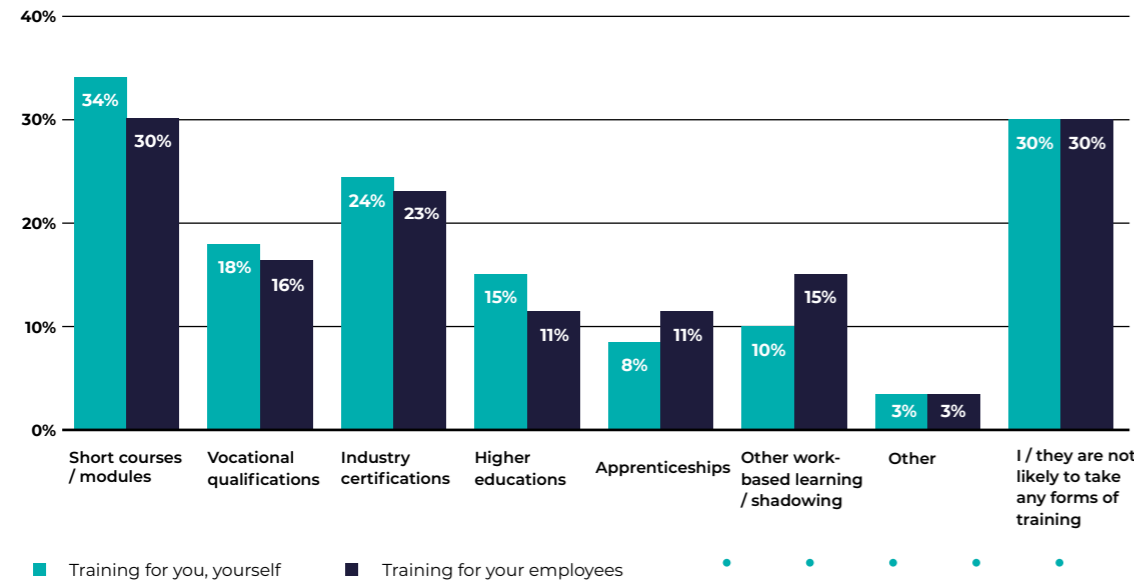
However, there remains a clear need for training and development opportunities to support those business leaders more receptive to personal development to help with upskilling, particularly with regards to digital skills and the successful adoption of technology. With this in mind, how can the learning and development ecosystem best respond to the needs of SME business leaders and meet them on their own terms?

When asked about external training over the next 12 months, seven in 10 business leaders (70%) express interest in some form of learning and development.

Of that group, leaders are most likely to opt for short courses or modules (34%), followed by industry certifications (24%) and vocational qualifications (18%). While apprenticeships and other work-based learning or shadowing are less popular among leaders' preferences for themselves, they are seen as more likely avenues of learning for employees (11% and 15% respectively) (figure 11). In line with other aspects of the survey, approximately four in 10 leaders over the age of 55 say they will not undertake external training (42%) or recommend it for their employees (40%). Leaders of smaller businesses with up to 49 employees show a similar trend.

Which, if any, of the following forms of external training are you and your employees likely to undertake over the next 12 months? Please select all that apply.

FIGURE 11



WHY WORK-BASED LEARNING AND APPRENTICESHIPS WORK FOR SMES

The concept of apprenticeships has evolved over the last few years. Many people think of occupations such as hairdressing and plumbing when it comes to apprenticeships, but those perceptions are changing.

In England, Apprenticeship Standards are available across hundreds of occupations, from Accident Repair Technicians to Well-being and Holistic Therapists. Apprenticeships are available from Level 2 to Level 8 and crucially, people of any age, at any stage of their career, can start an apprenticeship.

These work-based programmes are ideal for SMEs to grow their

own talent, drive digital adoption and develop future leaders and managers. The supported work-based model means that apprentices learn on-the-job and immediately contribute back into the business with their new knowledge and skills.

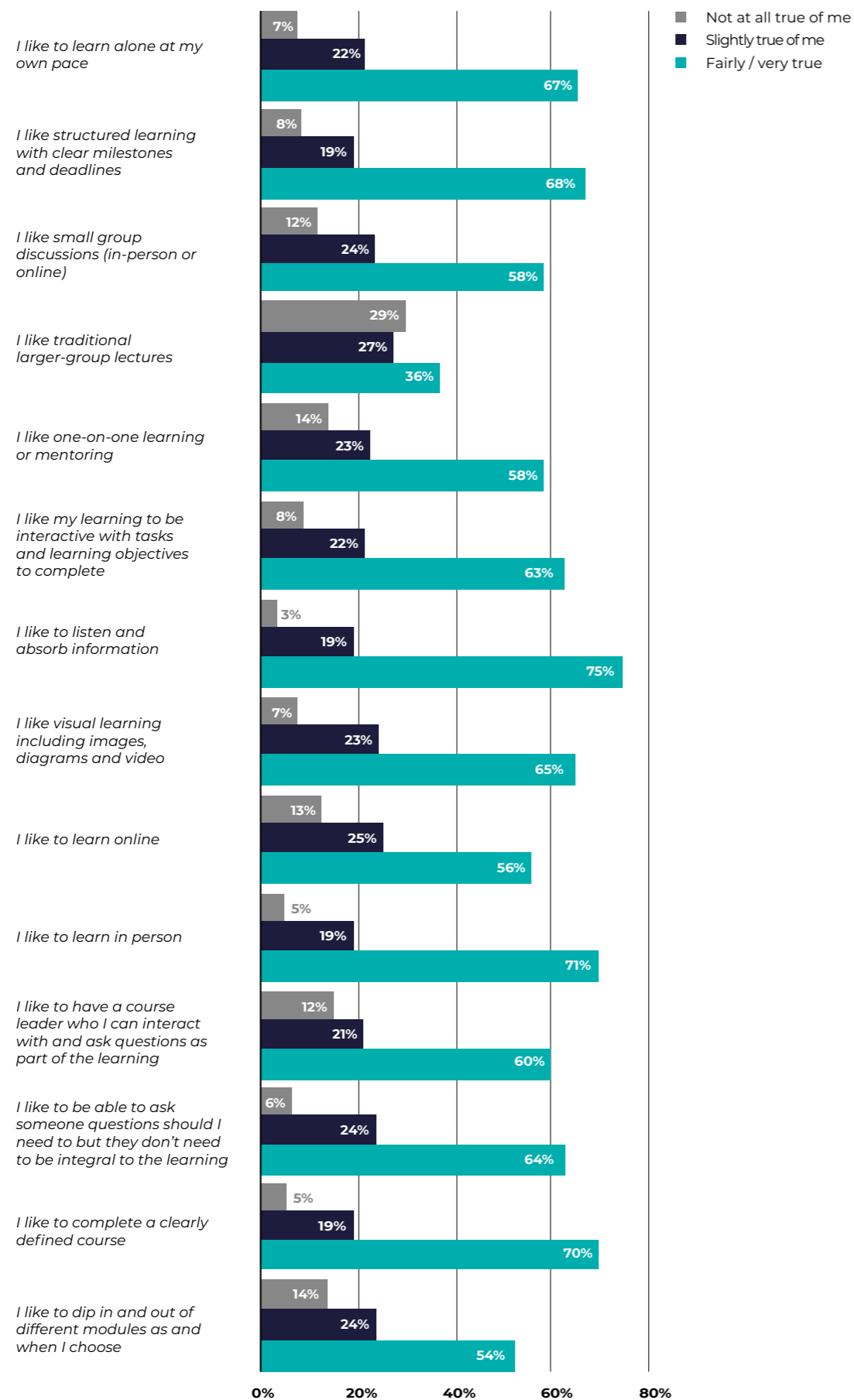
This chimes with the OU's Build the Future Apprenticeship Survey, in which seven in ten SMEs in England said that apprenticeships

and work-based learning would be vital to the recovery of their business post-pandemic.

Flexible providers, such as the OU, are able to utilise blended and online learning which helps apprentices fit their 20 per cent off-the-job learning around the needs of their role and personal commitments, making apprenticeships a great option for busy SMEs.



FIGURE 12 Thinking about your personal learning style, how true of you are the following statements?



Asking leaders about their personal learning styles, three quarters of business leaders (75%) say that it is fairly or very true that they like to listen and absorb information, while 71 per cent opt for in-person learning versus 56 per cent stating they like to learn online. Similarly, 70 per cent like to complete a clearly defined course, while 54 per cent appreciate a dip-in, dip-out more flexible format. Only one third of leaders (36%) would choose traditional larger-group lectures – the weakest learning preference expressed (figure 12).

Half of leaders (51%) would like to complete a professional or technical training course during the working day, while two in five (40%) are happy with evenings and one in five (20%) like weekends, with some leaders selecting more than one preference. There is a significant inclination from women and younger leaders (aged 18-34) for evenings, suggesting a desire for greater flexibility among these groups.

PREFERRED FORMATS FOR TRAINING

When asked about the most beneficial training for themselves, business leaders prioritised online dip-in dip-out (29%), online regular learning (24%) and a mix of in-person and online (21%). The most useful training for their employees follows a similar pattern, but on-the-job is much more popular at 21 per cent. Younger leaders

(18-34) are most receptive to training generally and more likely to opt for online formats, with a preference for regular learning with peer and tutor interaction at 44 per cent compared to dip-in dip-out at 34 per cent. Female leaders are more interested in tutor support for online learning (30%) versus 22 per cent of male leaders.

According to business leaders, there are still barriers to finding training, with the search being described as too time consuming (28%), training being too expensive (22%) and learning opportunities lacking relevance to the business or sector (18%) being the greatest obstacles. While three in 10 male leaders (30%) feel time is a barrier, only two in 10 (22%) of female leaders agree. Other challenges perceived by leaders include training being too rigid in format (12%), not practical enough (11%) or not knowing where to look to find it (11%). However, one in four (25%) leaders don't encounter any challenges when finding training.



Skills for the future.



When looking to the future and the importance of successfully adopting technology as a key driver of firm-level productivity, it's clear that digital skills have a central role to play.

75%

of business leaders agree that everyone will need to have an understanding or knowledge of digital technologies in the future.

In fact, three quarters of business leaders (75%) agree that everyone will need to have an understanding or knowledge of digital technologies in the future. In addition, 72 per cent think that workers need to become more agile so that they can change roles as new technology develops and 70 per cent believe that workers will need to retrain

regularly to keep their skills up-to-date. At a business level, two thirds of leaders (67%) agree that employers will have to change the way they think about training and skills development, while 65 per cent think that digital technology and automation offers an opportunity for organisations to become more profitable.

This is positive and encouraging news when considering the vital role of digital skills and embracing technology in the SME space. However, only 57 per cent of business leaders think that embracing new technology is essential for their organisation to survive and 16 per cent disagree with this statement. Moreover, in the context of the last 15 months and an intense increase in the use of digital tools across the economy, it's surprising that 43 per cent of business leaders either disagree or don't know whether they agree that embracing technology is essential for their survival. This suggests that there is still a way to go to educate and engage business leaders on the potential value of technology and its role in a dynamic and ever-changing environment.

In addition, with the vast majority of business leaders who adopted new technology since Covid-19 or accelerated its implementation saying that they plan to continue using it at the same level going forward, it's likely that customer expectations have also changed irrevocably when it comes to the use of digital tools in business settings. With this in mind, businesses need to stay on the digital path, or at least retain hybrid ways of working, if they wish to keep both customers and employees who have come to expect the flexibility and ease that technology can bring.

The findings in this report have shown that digital skills are at the heart of successful technology adoption. But more than that, leadership and management

skills also play a crucial, and currently undervalued role, in the ability of businesses to realise all the potential benefits of digital adoption. In a digital age, to be a good leader you need to be confident in seeing the value of technology, purchasing it, implementing it and continuing to evolve it in ways that benefit your business. Additionally, to be confident in these areas of technology adoption, you need to be equipped or know how to fully equip your team with the right skills. In other words, the digital skills of business leaders and their employees are only as good as the ability to embrace and embed them across the organisation.





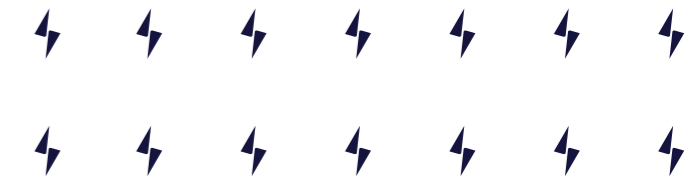
Recommendations.

Successful technology adoption and developing the skills of business leaders is of high importance when seeking to boost firm-level productivity.

This survey has shown that while many business leaders recognise the value of skills and the role they play in effectively embracing digital tools, there is still more to do.

So, what is it that business leaders and the business support and skills ecosystem need to do to increase take-up and success?

EIGHT STEPS FOR BUSINESS LEADERS



01

Examine the biggest business challenges and consider the value of technology

By identifying the problem that needs to be solved and using this information to select the right technology and partner to provide the solution, success is more likely. It is also important to explore the value digital tools can offer. For example, technology has a crucial role to play in improving productivity. Be the Business Digital was set up with this in mind, demonstrating detailed use cases of five digital technologies – CRM, cloud accounting, HR software, ERP and E-commerce.

02

Reflect on past technology adoption to identify areas where additional skills are needed

If not 100 per cent successful previously when bringing technology or digital tools into the business, it's important to examine what caused any failure or challenges so that it can be remedied. For example, was it a lack of technical skills, an inability to effectively engage employees or the wrong choice of digital tools? By answering this question, it's possible to upskill accordingly and increase the chances of success next time.

03

Make a plan for you and your team to improve, and set a budget if needed

Once areas for upskilling and individual training needs have been identified, put a plan in place to deliver on these requirements over a defined time period. If money is required for learning and development opportunities, prioritise setting funds aside as part of the budget process.

04

Identify what's causing time pressure to enable opportunities for development

If setting aside time for learning and development within your organisation or investing time to bring teams up to speed on new technology is a problem, focus on what's causing that pressure and identify ways to free up capacity to allow for training time.

05

Adopt an attitude of continuous learning

With the world changing at a rapid pace and unforeseen events altering the way both the economy and society operates, it's important to be resilient and agile. By creating a culture of continuous learning at all levels, a willingness to adapt and grow is more likely to flourish within the organisation.

06

Embrace a digital culture

It's not enough to adopt technology once. Putting in place a continuous improvement plan, which adapts to the needs of the business across both technology use and skills ensures that a digital-first approach becomes part of the DNA of the business.

07

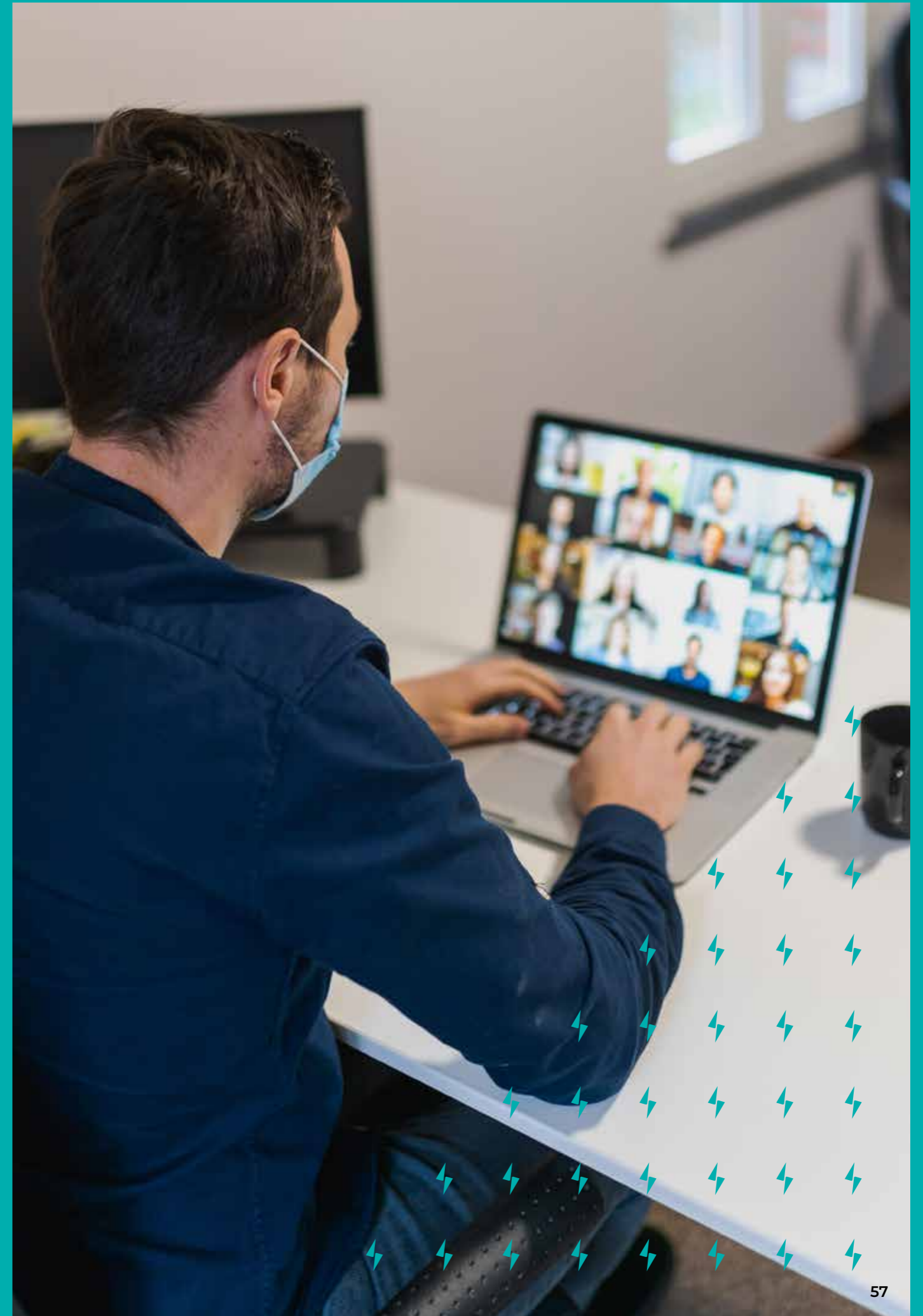
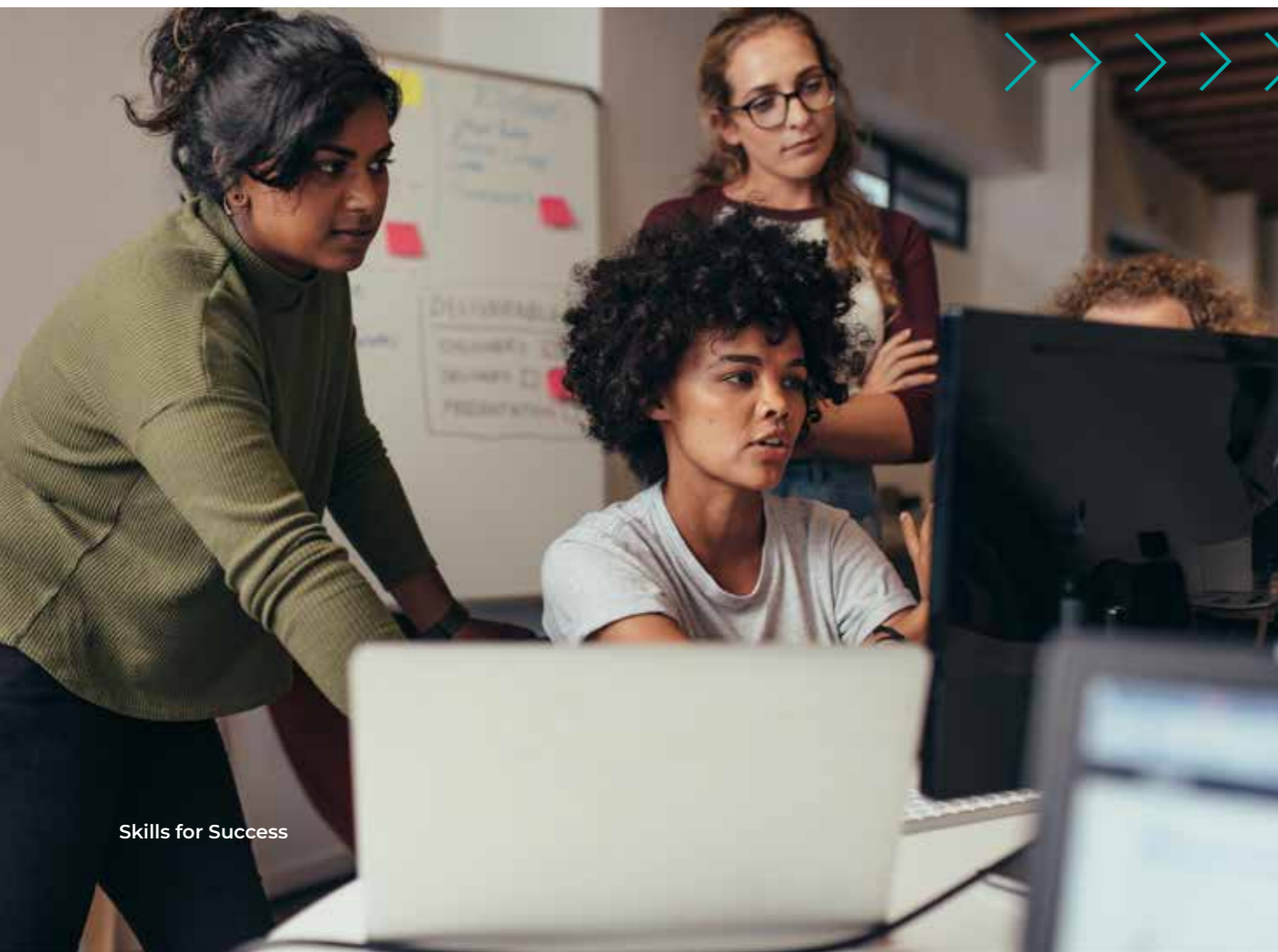
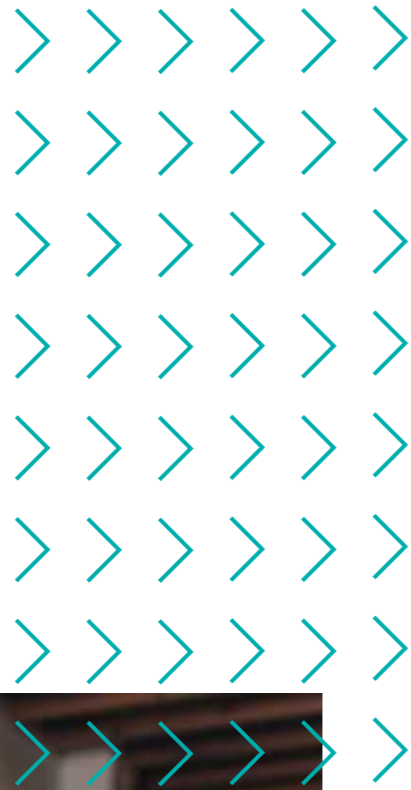
Recognise the importance of a varied skillset

Business leaders understandably recognise the value of digital skills, particularly in the context of getting tech adoption right. However, it's crucial to also invest in leadership and management skills to bring employees along on the digital journey and recognise when to delegate to more technically minded teams.

08

Ask for help if you need it, and learn from other business leaders who have made the leap

Business support and advice on digital adoption and training is widely available for free to small- and medium-sized businesses. Be the Business offers a wide range of resources, tools and advice to help leaders overcome challenges, as well as many real-life stories of others who have been in a similar position and succeeded.



TEN STEPS FOR THE LEARNING AND BUSINESS SUPPORT ECOSYSTEM

01

Continue to make the case for digital skills

While awareness of digital tools is relatively high among SME audiences, it's important to increase the depth of understanding of the technologies and, importantly, the value they can bring to businesses that adopt and implement them effectively.

02

Ensure learning opportunities are open to all and targeted

The diversity and inclusion challenges in the technology space have been widely documented, with leaders of different genders, ethnic backgrounds and geographies often facing additional barriers to developing their digital skills. This points to the need for more accessible, inclusive and tailored support for individuals who may face additional structural barriers to adopting technology.

03

Frame the training offer according to what business leaders are looking for

Not all business leaders know the exact technology solution or course name that they're looking for. Often, they'll think about their immediate need. For example, how do I manage my customers, improve staff retention or grow my business? Support and training providers should consider this during the learning design process and when promoting their offerings to ensure it appeals to SME leaders with a range of requirements.

07

Give business leaders a platform

Peer-to-peer best practice, experience sharing and mentoring enables business leaders to really understand what's involved in technology adoption and digital upskilling. Providing a platform to those who have been on the journey will help bring the learning to life.

08

Be agile and linked-up with other stakeholders

The response to the Covid-19 pandemic demonstrated that more flexible and joined-up approaches to training are required so that providers can respond quickly to urgent skills needs and opportunities in the market in line with government policy.

04

Consider every stage of the technology adoption journey when designing digital training

Businesses will require support at different stages of the technology adoption pathway and designing training in line with these stages can help leaders with key considerations at each point. It also reflects the importance of a broad and holistic approach to digital adoption that stretches beyond purchase and implementation to encourage greater levels of success.

05

Offer flexible models of training

Individuals learn in different ways, business circumstances vary, and prior levels of qualification differ. Offering a variety of formats and training lengths is key. Flexible and sometimes shorter models of training can appeal to SME leaders seeking to fit it around on-the-job responsibilities. However, for significant organisational skills gaps, longer-form structured learning may be more appropriate. The survey has also shown variation between age groups, suggesting tailored support targeted according to age would be valuable.

06

Provide a range of price-points

Cost of training will always be a barrier for some, so offering different entry points will open the training ecosystem to a wider pool of businesses. Governments also have a role to play in overcoming barriers to learning centred around cost. It's essential that the UK Government's new Help to Grow Digital scheme responds to this.

09

Look at skills through a recruitment and retention lens

There are significant challenges around recruiting for specific digital skillsets. Structures and programmes targeting SMEs should encourage leaders to take a longer-term view when considering talent acquisition and development, with a greater emphasis on recruiting based on aptitude, attitude and potential rather than existing skills.

10

Expand access to impartial advice and support

Business leaders are looking for support, but many don't know where to turn for free and impartial advice to help them on their journey. In addition to expanding the offering across the UK, increasing signposting across the technology and skills ecosystem will help SME leaders make the tough decisions.



AN ETHOS OF DEVELOPMENT AND UPSKILLING

Olamalu was set up by Kate Berman and her husband in 2009. Olamalu helps organisations to work through better use of technology – it helps build websites, intranets, apps and aims to solve digital business challenges.

The Oxfordshire-based duo set up the company in the aftermath of the financial crash, at a time when opportunities for younger people were scarce. This was the driver for Kate and her husband to get involved in apprenticeship programmes and dedicate resources to upskilling employees.

In the wake of Covid-19, Olamalu had to pivot to remote working

and provide clients end-to-end experience entirely online. This also required secure remote access and overall better technological infrastructure.

“Our business is based in a more rural area, and it can be challenging to find qualified software developers. By developing our own, we are able to build the specific skillset that we need in an affordable way.”

Olamalu currently has three highly skilled degree apprentices studying with The Open University and is about to hire a fourth one. The Digital and Technology Solutions Professional Degree Apprenticeship programme is funded by a levy transfer from Pearson, and allows Olamalu to continue business growth at a challenging time.

Working with apprentices provides stability to the business as they stay with the business for several years which allows them to learn and earn money at the same time. The benefits are clear for both sides.

“The apprentices are ready to get stuck in and it’s been rewarding to see them grow. Following their study days, the apprentices come back and share with us what they have learned – it’s a fantastic experience.”

Following such a turbulent year, Kate is exploring the hybrid working and the leadership skills that the company requires. Speaking of development, Kate said: “It’s sometimes a challenge to make the time for leadership training but we encourage it and continue to invest in it.”



Kate Berman
 Director at Olamalu Web Technologies

About Be the Business.

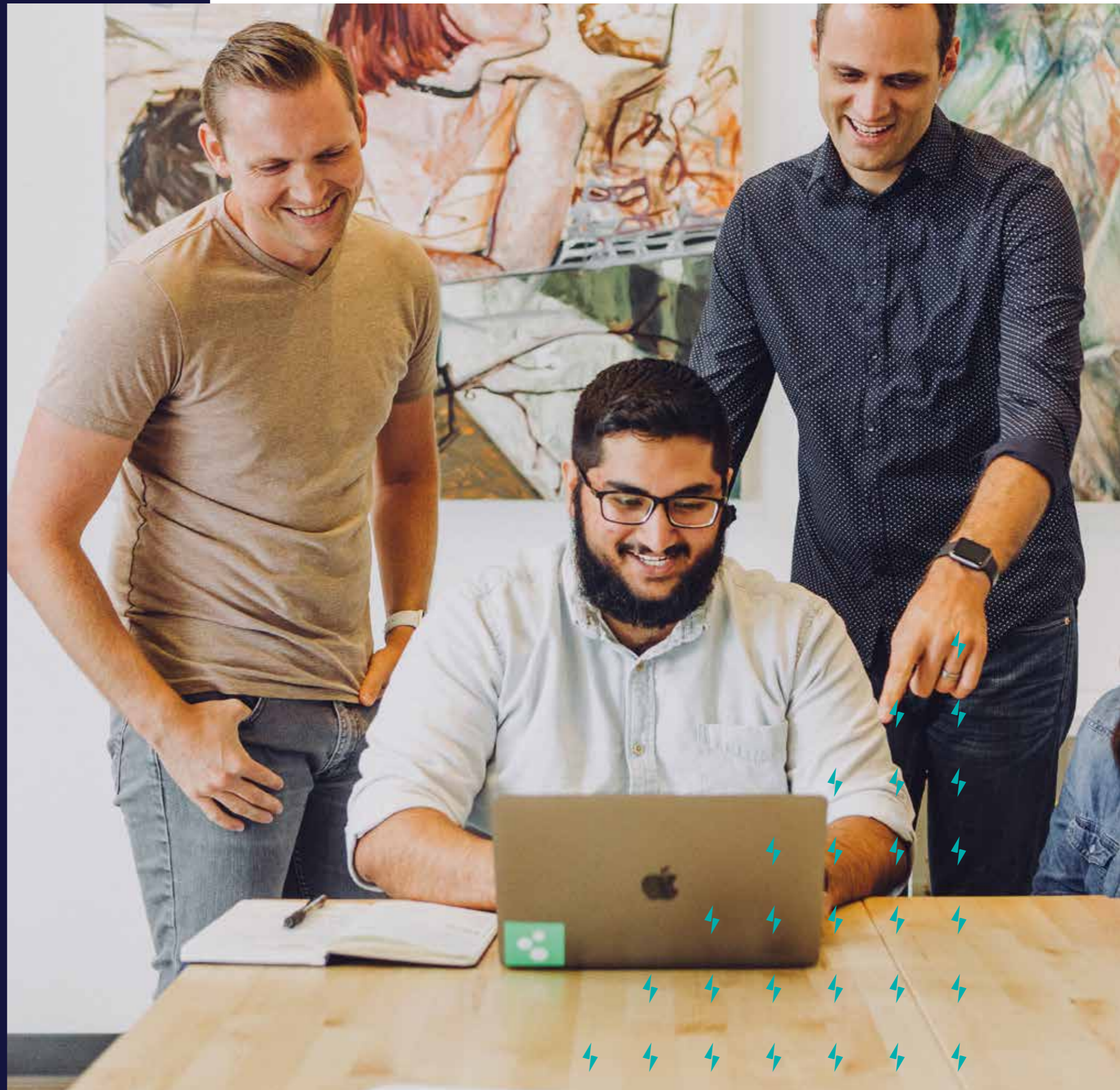
Be the Business is an independent charity chaired by Sir Charlie Mayfield, led by Chief Executive Anthony Impey and backed by some of the UK's leading businesses, with the aim of closing the UK's productivity gap.

Be the Business is building a movement of large and small businesses that want to improve their performance and share their experiences to help others do the same.

Be the Business works in collaboration with the business community, universities, memberships bodies, local and regional government to build a more productive economy driven by great business leadership. We do this by providing practical tools, inspiration and

free resources for small- and medium-sized businesses to identify opportunities for improvement and develop proven approaches.

Be the Business adopts an evidence-based and data-driven approach to ensure our programmes and interventions have a measurable impact and quantifiable benefit to the businesses that participate and the broader economy and society.



These programmes include:

ADVISORY BOARDS

Our highly acclaimed advisory board programme was set up to support and empower small businesses to become even more successful. Working with partners across the country, the Be the Business Advisory Board initiative brings small groups of senior leaders together to offer external ideas and perspectives to the thinking of ambitious small businesses. Participants benefit, over the course of 12 months, from their guidance on finance, marketing, operations, HR, or other specialisms.

Learn more [here](#)



BE THE BUSINESS DIGITAL

Be the Business Digital is a free, online platform with a range of resources to equip business leaders with the confidence and knowledge to adopt the technology that their business needs. It is a one-stop shop with explainers, interactive guides, and action plans, alongside case studies of other businesses that have seen the benefits technology can bring.

The platform has been built with leaders in mind, providing free, independent advice, based on extensive consultation with over a hundred businesses. It cuts through the jargon to provide actionable advice for common technology problems that businesses are likely to face.

Learn more [here](#)

PRODUCTIVITY THROUGH PEOPLE

Productivity through People is a 10-month programme delivered through leading business schools at Aston University, the University of Bath, Lancaster University, and the University of Strathclyde. The programme provides business leaders with access to the latest techniques, thinking and research to drive real business change through their employees. The programme provides a unique SME educational experience, which blends academic rigour, learning and input from industry leaders, and peer-to-peer support to enhance the leadership and management capability within firms.

Previous participants have been able to use the skills they gained to refine their approach, engage their team and drive growth. Productivity through People combines the latest academic research from experts in the field, and the opportunity to discuss current business problems with peers and gain access to world-class organisations that have transformed their workplaces, including Rolls-Royce and BAE Systems.

Learn more [here](#)

MENTORING FOR GROWTH

Since 2018, we have been positively impacting the UK economy's productivity by carefully matching Mentors from leading firms with SME leaders to help accelerate their growth and competitiveness. Backed by UK government and supported by leading businesses, the free programme is structured to give ongoing support and advice to participants to ensure successful outcomes.

The Mentor provides practical guidance to help the business leaders make strategic decisions and manage the challenges they face. They meet for regular conversations over a 12-month or 12-week period to discuss critical business issues including improving employee engagement, overcoming growing pains or streamlining business operations.

Learn more [here](#)

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FIND OUT MORE

 www.bethebusiness.com
 [linkedin.com/company/bethebusiness/](https://www.linkedin.com/company/bethebusiness/)

Developing the skills for success with The Open University.

The OU has a rich heritage of providing flexible learning to employers, from free bitesized courses, to postgraduate qualifications.

UNDERGRADUATE AND POSTGRADUATE PROGRAMMES

The OU has over 480 modules available and employees can work towards a huge range of undergraduate and postgraduate qualifications. The benefit of the OU model is that study can be delivered on a modular basis. Learners can start with a certificate or diploma of higher education and work towards a degree over a period of time.

Open qualifications

Our Open qualifications offer a high level of flexibility and customisation for employers and learners, making them perfect for evolving and agile businesses.

→ **BA/BSc Open**
Undergraduate-level study, with hundreds of modules to choose from

→ **MA/MSc Open**
Postgraduate-level study with a wide range of module choices

[Learn more here](#)

Other undergraduate programmes include:

- BSc (Honours) Computing and IT
- BSc (Honours) Cyber Security
- BSc (Honours) Data Science
- BA (Honours) Business Management

Other postgraduate programmes include:

- MBA Technology Management
- MSc Technology Management
- MSc in Cyber Security
- MSc in Computing



DEGREE APPRENTICESHIPS

Since 2016, the OU has offered higher and degree-level apprenticeships. In England, these are available in nursing, social work, policing, digital, management and leadership and are available to employers whether or not they pay the apprenticeship levy. In Scotland and Wales, fully funded digital apprenticeships are available (see below). The OU is now England's largest provider of degree apprenticeships, based on 2019/20 starts.

[Learn more here](#)

Apprenticeship programmes include:

- Senior Leader Apprenticeship (England-only)
- Chartered Manager Degree Apprenticeship (England-only)
- Digital and Technology Solutions Professional Degree Apprenticeship (England-only)
- Graduate Apprenticeships in Scotland
 - BSc (Honours) Cyber Security
 - BSc (Honours) IT Software Development
 - MSc in Cyber Security
- Degree Apprenticeships in Wales
 - Applied Software Engineering Degree Apprenticeship programme



MICROCREDENTIALS

Microcredentials are designed specifically to enhance professional skills, knowledge and experience in a particular subject area or capability. They are short, taking only 10-12 weeks to complete, with academic credit awarded on completion. The OU delivers microcredentials through its FutureLearn partner platform.

Courses include:

- Agile Leadership and Management
- AWS: Solutions Architect
- Cisco: DevOps using DevNet
- Cyber Security Operations (Cisco)
- Management of Change: Organisation Development and Design
- Management of Uncertainty: Leadership, Decisions and Action

[Learn more here](#)

FREE LEARNING FROM OPENLEARN

The OU has a wide range of free courses and resources on its free learning website, OpenLearn. These courses give a taster to OU learning and digital badges are awarded for many.

Courses include:

- An Introduction to computational thinking
- An Introduction to Cyber Security: Stay Safe Online
- An Introduction to software development
- An introduction to web applications architecture
- Computers and computer systems
- Data and processes computing
- Discovering management
- Information Security
- Introducing computing and IT
- ICT Systems
- IT: Device to device communication
- IT: e-government
- IT: Information
- IT: Technology news
- Leadership and followership
- Learning from major cyber security incidents
- Linear programming – the basic ideas
- Management: perspective and practice
- Managing virtual project teams
- Network security
- Software and the law
- Software development for enterprise systems
- Successful IT systems
- Technology evaluation
- Technology, innovation and management

[Learn more here](#)

OpenLearn also has a [hub](#) to support SMEs



About The Open University.

For over 50 years, The Open University (OU) has led the way in innovative distance-learning.

The University has a proven track record and rich heritage of providing workplace education solutions for employers across a range of sectors, which help employees fulfil their potential.

Specialising in developing high-quality learning materials, based on rigorous research and industry insight, the OU combines academic excellence with technological expertise to deliver flexible work-based learning. We have a range of options to suit individual requirements including apprenticeships, short courses, microcredentials, vocational qualifications and undergraduate and postgraduate programmes.

The OU's flexible and adaptable approach enables consistent educational programmes to be delivered at scale, across geographically dispersed workforces. Through minimising the time needed in the classroom, the OU's blended delivery model is shaped around the needs of the employer and the role and responsibilities of the learner. This gives employees new skills and knowledge they can apply

immediately to the workplace – increasing engagement and maximising return on investment.

This is why more than 2,400 employers, including IBM, Travis Perkins and the NHS, regularly choose the OU's learning solutions to develop their workforces. An impressive 75 per cent of FTSE 100 companies have sponsored their staff on OU courses and over 160 local councils and more than 430 healthcare providers choose the OU to deliver learning to employees.

Since 2016, the OU has offered higher and degree apprenticeships to help organisations grow their own talent. In England, the OU offers programmes in healthcare, policing, social work, digital, management and leadership. In Wales, the OU offers degree apprenticeships and in Scotland, graduate apprenticeships.

Whether you're looking to develop new or current employees, contact the OU today to find out how flexible learning can work for your organisation.

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