

Article

# Skills Development for Small Businesses

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*Please note this content was curated for SME businesses in the UK*

## ESG Small Businesses

### Environmental

Limit your carbon footprint, reduce waste and become the sustainable business your customers want to see.

### Social

Engage with your local community and improve colleagues' wellbeing to be a valued and responsible business in your sector.

### Governance

Work transparently and ensure legal compliance to improve decision-making, reduce risk, and attract customers, suppliers and investors.

Small businesses (0-49 employees) make up 99.2% of the total business population in the UK, **(1)** and more than one-fifth of small businesses regard skills gap as a factor hampering growth. **(2)** However, just 14% of UK businesses with 10 or fewer employees have a skills plan in place, and most do not see the many benefits that a skills plan can bring. **(3)**

So why does skills development often feel like an activity reserved for medium or large organisations? Upskilling could help companies of all sizes become more resilient, competitive and prepared for the future. And there are plenty of free and affordable ways to get started.

In this article, we:

- Consider the types of skills your business could benefit from
- Outline four reasons why upskilling could be good for your business
- List six practical and affordable steps to get you started

## What could skills development look like for my business?

The types of skills you and your staff could benefit from will vary from business to business and sector to sector. For example, cafes will likely benefit from staff trained in food preparation, and builders might want to invest in construction training and educating workers on particular materials and processes. There are also some opportunities for learning and development that apply across many businesses, such as financial management, marketing, customer service or project management.

Whatever your business, you will likely be able to identify a few areas to prioritise – whether that's developing your own skills or those of your staff.

## The business case for upskilling

There are many great arguments for upskilling as a small business. Here, we look at four key reasons why skills development could be relevant for you.

### 1. Boost retention and staff satisfaction

Research shows that staff are likelier to stay with employers who invest in their professional growth.**(4)** And with more confident, satisfied staff and lower employee turnover, you have a better chance of building a happy, productive working environment – and save on costly recruitment processes.

### 2. Improve your adaptability

Today's small business landscape is increasingly volatile. The global pandemic forced many businesses to increase their online offer, rapidly

advancing technologies, such as Chat GPT, are changing how we communicate, and customers are constantly adapting to external events, such as the cost-of-living crisis and climate emergency. By investing in skills, you can better equip your staff to meet the challenges of today and tomorrow. Better skilled people will likely be more prepared to take the initiative, pivot and adjust to ensure your business doesn't lose out. **(5)**

### **3. Create a competitive advantage**

Developing skills helps your staff take more responsibility, learn more about your industry, and stay ahead regarding new products, techniques and trends. **(6)** All of these benefits could improve customer satisfaction and loyalty, giving your business a competitive edge in your marketplace.

### **4. Help you achieve long term outperformance**

With happier, more empowered staff, a more adaptable business, and an advantage over your competition, your business is likely to be in it for the long term. Investing in skills development could make you more resilient and provide peace of mind that your company has what it takes to endure well into the future.

## **Getting started with skills development**

The good news is that skills development doesn't need to come with an expensive price tag. Many opportunities for upskilling come with no cost attached, and there are plenty of affordable options too. Here, we've chosen seven good places to start.

### **1. Conduct a simple skills audit**

Take time to assess the current capabilities and gaps among your staff. You could use free tools like [Google Forms](#) to run quick surveys or have one-to-one conversations to hear firsthand where people feel they could improve. By establishing where skills need to be upgraded, you can embark on your programmes with confidence that you are making the right strategic improvements to your business.

### **2. Take advantage of free and low-cost online learning**

Platforms such as [Future Learn](#) and [Coursera](#) offer extensive ranges of free or affordable courses. You might also want to check out the UK government's [Skills For Life](#) programme, which provides funded training options for small businesses, including digital skills boot camps, essential management courses, and technical certifications. Increasingly, these courses will include [options for learning about how AI can help colleagues work more efficiently](#).

### **3. Encourage peer learning and mentorship**

Have you made the most of the current learning opportunities among your staff? You might consider setting up informal 'skill swaps', where people can learn from each other for free. Peer learning and mentorship can be a great way not only for staff to learn while also

feeling valued for their knowledge and experience.

#### 4. Consider wider support networks

You could invite people from your wider network to come and share industry insights and experiences. Also, bodies such as the [Institute of Directors](#), your local [Chamber of Commerce](#), [Growth Hubs](#), and universities often run free workshops, training and webinars. The [Local Skills Improvement Plan](#) helps put employers at the heart of skills development. And don't forget apprenticeships, which provide subsidised opportunities for small businesses to grow and upskill their teams.

#### 5. Invest in yourself

Remember that learning new skills could improve you as a business owner – whether you're a solo entrepreneur or have a small team. Even blocking out an hour or two a week for your own professional development could soon see you reaping the rewards. You might want to consider YouTube tutorials and [LinkedIn learning](#), or check out this [list of podcasts for small business owners](#).

#### 6. Build a learning culture

You can encourage a learning culture by recognising when you or members of staff have acquired new skills, celebrating achievements and encouraging people to share the new things they have learned. Embed skills development in the fabric of your business, not just as an one-off training, making learning part and parcel of your day-to-day business.

**Approached in the right way, skills development can be an accessible, affordable strategy for any size of business. Most importantly, upskilling can deliver a whole host of personal, professional and business benefits – often with relatively little investment of time and money. Why not pick one of the tips above and get started today?**

1 FSB: <https://www.fsb.org.uk/media-centre/uk-small-business-statistics>

2 FSB: <https://www.fsb.org.uk/media-centre/press-release/skills-gap-is-stifling-our-growth-ambitions-and-leaving-us-at-a-standstill-say-s-MCFXDQJZPGDJCNFCE65L3UA3V7HI>

3 British Chambers: [https://www.britishchambers.org.uk/wp-content/uploads/2024/06/The\\_Open\\_University\\_Business\\_Barometer\\_2024.pdf](https://www.britishchambers.org.uk/wp-content/uploads/2024/06/The_Open_University_Business_Barometer_2024.pdf)

4 British Business Bank: <https://www.british-business-bank.co.uk/business-guidance/guidance-articles/staffing/employee-training-how-it-can-help-your-business>

5 LinkedIn: <https://www.linkedin.com/pulse/building-resilience-small-business-strategies-adapting-rami-levin-z836e/>

6 Appogee Hr: <https://www.appogeehr.com/blog/7-reasons-small-business-upskill-employees>

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