

BRIEFING

HOW LARGE BUSINESSES CAN SUPPORT SMES WITH DIGITAL SKILLS

This briefing contains insights from a roundtable webinar with Business in the Community (BITC) members discussing how larger businesses can support smaller businesses around digital skills.

Context

Economies are now reliant on safe and reliable connectivity. The internet enables collaboration, connects businesses to customers and employees, and generates growth. Unsurprisingly, over 9 in 10 enterprises in Europe make use of a fixed broadband connection to access the internet.ⁱ

However, this means that digital skills are increasingly viewed as essential for most businesses. A report from the [Learning and Work Institute](#) found that 92% of businesses believe having a basic level of digital skills is important for their employees and 82% of vacancies ask for digital skills.ⁱⁱ

Unfortunately, there is a gap between the UK's digital skills and the skills required by businesses – 81% of UK managing directors say a lack of digital skills is negatively affecting their company.ⁱⁱⁱ

Studies have shown that skills gap issues are even more acute for SMEs because they face several obstacles to investing in their workplace, including:

- a lack of information about training options

- access to economies of scale
- failure to access training that is flexible to their needs.^{iv}

INSIGHTS FROM OUR GUEST SPEAKERS

Lloyd's Banking Group (LBG), Jemma Waters, Head of Digital Impact & Inclusion

With a clear purpose statement to make Britain prosper while being as inclusive as possible, LBG is focusing on supporting the small business community. LBG understands that by supporting the development of digital skills and capabilities of small businesses, it will help them to achieve their current business objectives, including growth, managing cost efficiency and implementing innovation.

However, LBG's research has evidenced that a lack of confidence in the digital space and a lack of trusted providers are some of the key challenges that small businesses are facing.



LBG has taken action to obtain a deep understanding of the behaviours, trends, challenges and skills gaps in the digital space by:

- developing a [Digital Skill Index](#),^v that looked at 25,000 small (and micro) businesses
- surveying around 3000 businesses
- conducting joint research with partners such as [Small Business Britain](#).

Although digital behaviour has increased and changed in the last years, for example, through mobile online banking and online sales platforms, the current economic environment is halting, or even reversing, the progress that has been made.

LBG is taking action to deliver solutions with a multi-channel approach by:

- constantly updating their insights for the best understanding to meet businesses' needs
- creating spaces for small businesses to connect with each other with a regional approach
- offering free and trusted information through [Lloyds Bank Academy](#)
- hosting immersive training events with expert speakers
- working in partnerships with organisations and local authorities.

Small Business Britain, Michelle Ovens CBE, Founder

[Small Business Britain](#) is a small business community with multiple campaigns to promote inclusivity and sustainability, as well as providing direct support to hundreds of small businesses in the UK. This substantial work involves supporting the development of the digital skills that small businesses need.

The development of digital skills has changed dramatically over the last three years due to the Covid-19 pandemic. The speed at which customer behaviour developed during this time unlocked the use of different digital platforms and data,

providing new business opportunities for small businesses.

However, the new challenges posed by the cost-of-living crisis are halting the progress made so far. Small businesses require support to switch mindsets, build confidence and access the right resources. Acknowledging the need to upskill their digital capabilities will be the first step for many small businesses; this is followed by having a better understanding of how the support offered by trusted organisations can help them to address their needs in a balanced way. For example, online marketing and social media use need to be blended with the equally as important topics like cyber security, risk and financial management.

Tyro Studios, Yvonne Aboagye, Entrepreneur

[Tyro Studios](#) is defined by the concept of offering a multipurpose space and events in an inclusive way that strengthens the community through learning and creativity in Shipley, West Yorkshire,

For Tyro, developing its online presence and using digital marketing to attract people to live events has contributed to most of its growth. In-house digital knowledge helped with this significantly, but more of these capabilities are necessary to further grow the business.

As a small business, Tyro faced challenges such as time constraints: it is not only about developing multiple digital skills like social media marketing and Search Engine Optimisation (SEO) but also taking time to locate the right trusted resources.

Additionally, it can be challenging to find the right support. Existing support might not be well-signposted, and as there are diverse gaps in digital ability and no small business is the same, some available support might be too basic, whereas more advanced support is often unavailable.

From Tyro's perspective, small organisations can benefit from larger businesses providing good signposting, clarity of requirements, digital mentors, offers of secondment opportunities and extending their in-house training to SMEs.

TOP TIPS FOR LARGE BUSINESSES

Help build SMEs' confidence and trust: these factors will be crucial to make a difference and increase uptake of the already existing and new resources and programmes.

Recognise the power of peer learning: learning from other SMEs will help to create consistent knowledge throughout the sector. Large businesses using their physical and online spaces and brand power can make this happen.

Broaden the knowledge scope: although obvious income generating skills such as digital marketing can be the most attractive, other skills and capabilities, such as embedding good cyber security, are equally as necessary to succeed. Link essential skills into all your training and resources.

Take a personal approach: small businesses are run by people, not departments. Tailor communication channels, adapt language and hold direct conversations when possible.

Make training and mentoring free and accessible: extend free internal training to SMEs and, whenever possible, provide digital mentoring that

is flexible in timings around the availability of SMEs.

Make bitesize the norm: offer short training or courses that only require small investments of time and money to increase engagement and reduce the risk perception. This could be the first step to providing deeper support to SMEs further down the line.

FURTHER INFORMATION

Businesses can also signpost to the following organisations who can provide expert advice and guidance to small businesses on how to develop their digital skills:

- [NatWest Accelerator Programme](#)
- [Digital skills training courses | Lloyds Bank Academy](#)
- [Digital Boost](#)
- [Small Business Britain](#)

You can also read the briefings from our previous roundtables for further ways to support SMEs:

- [Large businesses supporting SMEs taking climate action](#)
- [Large businesses supporting wellbeing in their supply chain](#)
- [How large businesses can support SMEs with cyber security.](#)

ENDNOTES

ⁱ The Telegraph (2019), *The connections driving business*, available at: <https://www.telegraph.co.uk/business/future-technologies/connectivity-technology/>

- ⁱⁱ Learning & Work Institute (2021), *Disconnected? Exploring the digital skills gap*, available at: <https://learningandwork.org.uk/resources/research-and-reports/disconnected-exploring-the-digital-skills-gap/>
- ⁱⁱⁱ UK Tech News (2022), *81% of UK bosses say digital skills gap is hurting business*, available at: <https://www.uktech.news/growth-strategy/digital-skills-gap-hurting-business-20221005>
- ^{iv} techUK (2021), *techUK calls for SME Digital Skills Tax Credit to boost productivity*, available at: <https://www.techuk.org/resource/techuk-calls-for-sme-digital-skills-tax-credit-to-boost-productivity.html>
- ^v Lloyd's (2022) *2022 Consumer Digital Index*, available at: [UK Consumer Digital Index 2022 | Lloyds Bank](#)