

Good Practice Guide for Employer
Engagement
Draft
March 31st 2006

Contents

Contents	2
Introduction:	3
Definitions:	5
Health Check	6
This guide and the Quality Mark.....	8
1 Prerequisites - Set up and structure of activities	9
2 Prerequisites - Starting relationships with employers	12
3 Responding to employers	21
4 Delivery	24
5 Measuring Quality	27
6 Measuring Success	32
Appendix	35

© CFE 2006

CFE is a public interest company. We work with Government Departments and their agencies to inspire new thinking on policy questions, and then put that thinking into action. We provide an end-to-end service, driving public programmes from aspirations into delivery, and work to foster wider reflection and debate on innovation in the implementation of public policy.

**Produced by the CFE for
Learning Skills Council, 2006**

www.cfe.org.uk

Introduction:

This guide has been produced for use by FE College and learning provider managers to better meet the needs of employers in their world.

Although the guide is titled as a guide to employer engagement, it is most closely focused on training solutions, apprenticeships or 'fee for service' work rather than work experience or day release.

Essentially this guide does not describe what is 'best practice' but suggests 'successful' or 'good' practice that has been used by providers to engage employers.

Providers considering applying for the Quality Mark should find this guide useful for developing approaches to remedying their perceptions of areas for improvement in their organisations.

The suggested use of this guide, therefore, is for providers to create their own strategy and systems that are appropriate to their own setup and unique circumstances, based upon the successful practice of others.

Research has centred around a number of reports on employer engagement good practice, and interviews with leading colleges. These colleges were selected through discussion with the LSC, references in research reports and first hand knowledge of the researchers. A geographical spread was chosen to take into account regional initiatives and quality models.

The Health Check, section 3 below provides a simple tick sheet of activities that a provider should consider undertaking.

Each section contains an indication as to whether it applies to Colleges, other Providers or both and an indication as to which Health Check question it relates (coded HC).

Definitions of Employer Engagement

There are many definitions of employer engagement, colleges and academics have differing views of what exactly it involves. This guide does not seek to create or distil a definition - it takes employer engagement in its widest possible sense.

Employer engagement can include, but is not limited to, activities such as:

Embraced by Quality Mark

- » Providing training
- » Setting up work-based learning
- » Apprenticeships
- » Being involved in an Employer Training Pilot (ETP)/National Employer Training Programme (NETP)/Train to Gain

Outside of Quality Mark

- » Organising work experience for learners
- » Employer sponsorship
- » Engaging employers in curriculum development
- » Mentorship
- » Staff placement/ development outside the institution
- » Providing a business support/ innovation service
- » Being part of an employer learning network
- » Becoming a Centre of Vocational Excellence
- » Coaching
- » Working with other institutions to provide training
- » Creating or leading a network
- » Providing accreditation for employers' training

This guide focuses mainly on the commercial elements of employer engagement, it includes ways of engaging employers in order to fulfil the economic mission created by government and implement programmes such as ETP and NETP/Train to Gain.

Definitions:

Definition used in this guide:

Providers – can be FE colleges or providers.

Faculties – the name given to departments within a college - these are also called schools, academies and departments.

Employers – the group which providers are attempting to engage, also called customers or learners.

Account Managers – also called business managers, these people are given many different names but essentially this describes people who look after a number of a customer accounts and are in regular contact with customers.

Business Unit – the generic name used to describe the central area where employer engagement activities are co-ordinated within a college, these sometimes have separate identity and branding to the rest of the college.

Head of Business Unit – the person who is chiefly responsible for employer engagement activities, this job title varies in different organisations

Training – this refers to all types of training performed by a provider.

Health Check

Check List for Action

1 Prerequisites – Set-up and Structure of Activities

- 1.1 Support from Principal/Managing Director/ CEO?
- 1.2 Appropriate employment contracts?
- 1.3 Helpful organisation structure? Centralised/autonomous/own brand?
- 1.4 Clear process for handling enquiries?
- 1.5 Have resources? Call centre/own trainers/funding?

2 Prerequisites - Starting Relationships with Employers

- 2.1 Use of mail shots? Follow-ups/targeting?
- 2.2 Call centre? Tele-sales professional?
- 2.3 Useful CRM system? Separate or integrated?
- 2.4 Board member contacts? Selection of members?
- 2.5 Network/collaborate with other FE/providers/HE?
- 2.6 Planned networking activities? Chamber/RDA/B Link/networks/
gov't dep'ts?
- 2.7 Brokers developed? Chamber/B Link/banks/accountants/
financial advisers?
- 2.8 Walkabouts of industrial/commercial areas?
- 2.9 Promotion activities? Press/magazines/e-zines/website? Measure
effectiveness?
- 2.10 Sponsoring events? Getting sponsors in?
- 2.11 Newsletter? Brochure?
- 2.12 Holding/hosting events/seminars?
- 2.13 Relationships with TUs?
- 2.14 Get employers to help with course design?
- 2.15 Exploit cross selling opportunities? NVQ Assessors?
- 2.16 Receive early intelligence about the arrival of new companies?
- 2.17 Pay bonuses for leads and sales?
- 2.18 Exploit own supply chain?
- 2.19 Use of surveys?
- 2.20 Appropriate use of non-professional lecturers – industry specialists etc?
- 2.21 Build on faculty relationships with employers?
- 2.22 Account managers?

3 Responding to employers

- 3.1 Use TNAs?
- 3.2 Generalist salespeople used? Account Managers?
- 3.3 Use of non-FE Jargon?
- 3.4 Source/use of/quality of, LMI?
- 3.5 Monitor legislation changes for opportunities?
- 3.6 Pricing? Cost plus/market place?

4 Delivery

- 4.1 Train on own or employers' premises?
- 4.2 Staff contracts flexible? Hours/calendar?
- 4.3 Work with other colleges/providers?
- 4.4 Use of sub-contractors/consultants?
- 4.5 Broker work to other providers? Free/charge?

5 Measuring Quality

- 5.1 Use happy sheets to good effect?
- 5.2 Who are customers?
- 5.3 Survey customers? In the round/sampling/stratifying/focused/
frequency?
- 5.4 Account managers research customer satisfaction?
- 5.5 Use of external assurance? ALI/OFSTED?
- 5.6 Review impact of training on employers' business outcomes?
- 5.7 Regular reviews with customers?
- 5.8 External quality models/ A4BC/Customer First/**em**Skills?
- 5.9 Pre selection of apprentices service?
- 5.10 Clear process for recruiting and monitoring contractors?
Individuals/companies? Qualifications?
- 5.11 Ensure staff skills are up to date?

6 Measuring success

- 6.1 External targets? LSC/RDA etc?
- 6.2 Internal targets? Principal/MD?
- 6.3 Targets for whom? Faculties/business unit/both?
- 6.4 Profitability? Overall/product/faculty etc?
- 6.5 Third party reviews?
- 6.6 Commercial risks taken into account?

This guide and the Quality Mark

This guide can be used by providers in order to develop their organisation in advance of applying for a Quality Mark, below is an indication of how this guide links to specific sections of the Quality Mark. Quality Mark sections are shown across the top, Good Practice Guide Health Check sections are down the vertical axis.

	Prerequi -sites	Respond	Deliver	Measure	Results
1	✓				As the Quality Mark Results section only requires actual results there is no good practice in this guide.
2	✓				
3		✓			
4			✓		
5				✓	
6				✓	

1 Prerequisites - Set up and structure of activities

This section looks at the main overarching aspects of employer engagement. Areas such as senior management involvement, culture and the general approach to engaging employers are covered in this section.

- » An employer focused culture
- » The structure of Employer Engagement Activities
- » Setup and resourcing
- » Reasons for working with employers

An employer focused culture – All Providers

Colleges which are successful in engaging employers have an employer focused culture throughout the college.

A college which had an employer engagement culture, had employer engagement as a thread throughout its corporate plan. Employer engagement was understood, supported and encouraged by the principal and senior managers in the college. A situation was developed where staff were not only aware of the importance of involving employers with the college but actually to meaningfully engage. Essentially employer engagement had an assured status within the overall strategy of the College.

Each faculty was set a basket of targets, each basket contained targets for employer engagement activities. This ensured that the faculties put the necessary focus on work with employers and enriched the culture.

Overall the College had a clear strategic vision and good systems that allowed an employer focused culture to thrive.

The internal structure of employer engagement activities – All Providers (Health Check (HC) 1.1)

Support from the Principal:

One thing that seems to be very clear when beginning employer engagement activities is that the full support of the principal is vital. One college had support to such an extent that the head of the business unit had fortnightly meetings with the principal where problems were discussed and barriers removed. The principal effectively gave the business unit everything it needed to ensure success. Within the college any person or department that was obstructing the business unit was summoned to a meeting with the Principal and problems quickly resolved. An example of the support included fast tracking the college's recruitment system so that the business unit could employ staff quickly.

Colleges only: (HC 1.2)

Some colleges have sought strategic support from the governing body/senior management for employer engagement. Typical help includes allowing staff contracts to be revised in order to be more employer focused and ensuring employer engagement is a constant thread throughout the College strategic plan.

As the head of one business unit described it:

"If you don't have the complete support of your Principal, just give up!"

Internal Structure: (HC 1.3)

There is extremely wide variation between the structures of different providers in terms of employer engagement. Different structures are effective in different areas and different situations.

At one extreme, some colleges have a completely separate unit, branded separately and in a separate building to the main college, they have their own trainers and any requirements that cannot be fulfilled in-house are outsourced to private providers or other colleges. In this model the business unit is operating almost as an independent company or private provider.

At the other extreme one college has a system where all employer engagement is provided by faculties. There is a business unit, but its role is in a supportive and advisory capacity and it is set a negative budget. The central business unit handles calls and enquiries and liaises with customers via central account managers. In its advisory role the business unit assists faculties in engaging employers. Some faculties have a long standing history of this due to their nature eg, engineering and construction. Others have found engaging employers more difficult and they have been encouraged to begin engaging employers by allowing college staff to visit employers' premises in order to update their skills and stay in touch with the changing business climate.

Between the extremes described above there are an almost endless range of possibilities.

Setup and resourcing – Colleges only (HC 1.4)

A typical business development unit has between 5 and 15 employees. Typically they include a head of business unit, marketing person, telesales person, administrator, systems specialist and a number of account managers or business development managers. Depending on the nature of the organisation they may or may not have 'in-house' trainers. Those that directly employ trainers, tend to have between 3 and 10 of them.

In terms of set up funds, many colleges have found that engaging employers is profitable or will be profitable in future. They have used some form of 'development capital' from college funds which has enabled the set up of a business unit or similar.

One organisation raised money to provide its setup and pump priming costs of £1M This was raised broadly from three sources - 40% European funding, 30% RDA and 30% private funding.

Reasons for working with employers – Colleges only

For most colleges serving the needs of students and employers is and always has been the major focus since the college opened. This has often been in the form of activities such as work experience for learners, apprenticeships, day release courses, part time training and adult courses.

Some colleges began engaging employers in a more commercial manner up to twenty years ago but a large proportion of commercially focused engagement has taken place since the start of the Employer Training Pilot in 2002.

Colleges have always been demand led, in the past demand has come from students wishing to attend courses and learn new skills. This demand has been fuelled by the funding attached to training by government. In future demand will also come from employers via the funding attached to NETP/Train to Gain. Colleges and providers will need to alter their focus to meet this latest demand.

2 Prerequisites - Starting relationships with employers

This section focuses on how providers begin relationships with employers and looks at how those relationships are sustained.

Customers are approached and retained through:

- » Mail shots
- » Telephone calls
- » Effective use of a CRM system
- » Word of mouth/ reputation
- » Board members
- » Networks
- » Brokers
- » Door knocking (Walkabouts)
- » Newspaper adverts
- » Sponsorship
- » Newsletters and brochures
- » Events
- » Trade Unions
- » Invitation to help refine or develop provision
- » Cross selling
- » NVQ Assessors
- » Knowledge of part time teachers
- » Lecturers visiting work experience placements
- » Approaching new companies
- » Incentives and bonuses
- » Supply chains and clusters
- » Suppliers
- » Survey of customer needs
- » Using employers to teach

- » Faculty contacts
- » Commercial partnerships
- » Account/ business manager

Mail Shots – All Providers (Health Check 2.1)

Some colleges find a direct blanket approach acts as a good awareness raiser for their provision. Typical activity might include sending out a lot of leaflets to local businesses using a mailing house, one college sends as many as 10,000 per month! The majority of these mail shots are then followed up by a telephone call.

Other colleges prefer a more targeted approach, their view being that 'blanket mail shots are bin shots'. A typical mailing campaign might include targeting a sector of the local economy, using SIC codes to identify the target market. A targeted mail shot is then sent, this would include information on provision specific to the chosen target and might also include a hard hitting fact or statistic. This mail shot is then followed up with a telephone call.

Telephone calls – All Providers (HC 2.2)

Colleges tend to vary with regard to their telemarketing activities. The approach is generally in line with the marketing strategy employed. As with most good practice in this guide all of these approaches should be seen as an alternative approach to an activity rather than a comprehensive decision on which practice is the best.

At one extreme some colleges have found the creation of a telesales call centre a beneficial way of approaching customers. One college currently has a call centre of four people, which is rapidly expanding into a new room with capacity for twenty four people! They follow up blanket mail shots in order to sell training to businesses. In the last year they made over 30,000 contacts with potential customers (a contact being that the telesales professional spoke to the appropriate person in the business). The results of these calls were then tracked using a bespoke Customer Relationship Management system.

One provider has a flexible call centre with capacity for up to 60 staff. The number of calling staff vary depending on the projects/contracts the provider is currently undergoing. The provider has a rigorous approach to staff training ensuring that internal and external training systems are fulfilling the needs of sales staff. There is also a mentoring and buddy system in place so that new employees receive support from more experienced staff.

Other colleges have found that using the services of one telesales professional is adequate for their needs, this person is based in a normal office rather than a call centre. Often the telesales person will have other roles such as general admin and they may have received customer service in addition to sales training. Colleges using only one telesales professional tend to use a more targeted approach to telemarketing, one example is a college who target twenty employers in the same sector, at one time with a targeted mail shot, this is then followed up by a telephone call. The conversion rate between calls made and companies taking up provision is thought to be higher using this method.

Many colleges have an account manager/ business manager system. These people hold a portfolio of customers or have a specialist area. These people are also involved in selling in many instances and are able to provide an on going point of contact for the customer giving a more personal touch.

Effective use of a CRM system – Colleges only (HC 2.3)

The Customer Relationship Management systems used by providers tend to vary quite widely.

Some providers have bought standard, off the peg software. The systems used include Goldmine, ACT, Microsoft CRM, Access and Achiever.

Colleges have generally found linking a CRM system with the standard learner tracking EBS system difficult. Some colleges have achieved this integration. One approach is to use Microsoft Access to provide a 'front end' interface to the other database systems used by the college. This way they are able to draw upon information held in EBS and the Goldmine CRM and apprentice database in order to perform various tasks, searches and reports on data gathered from all three. This has enabled a very powerful system where it is possible to match the academic qualifications of a potential apprentices (from EBS) to the type of apprenticeship they would like to undertake (from the apprentice database) to employers who request an apprentice with those qualifications and aspirations.

Another college has managed to condense and integrate their databases by using a bespoke database system developed especially for colleges called Exchange CRM.

The best use of a CRM system is when all staff are trained and encouraged to always use the system. In a College this would include lecturing staff visiting students on work placements and those responsible for arranging apprenticeships. The effective use of this system on an organisation wide basis is very important to its overall success.

Word of mouth/ reputation – All Providers

This is a highly effective method of marketing to customers, and in one organisation is the main vehicle for attracting new and repeat business.

Reputation has often been generated through long term relationships with large companies. Quality of service and provision has been the major driver behind the growth and standing of the reputation.

Board members – All Providers (HC 2.4)

Involving employers in the activities of a college or training provider can also be an effective method of attracting customers and ensuring a customer focus to all activities.

Some organisations have actively involved employers by inviting representatives of local large or blue chip companies to form a board or steering group for the Business Development Unit. Others have included local regeneration company, University and LSC representatives. This is found to be effective because it not only obtains the views of some of the larger employers in the local area but also allows the use of employer logos on marketing material and makes the employers tremendous advocates for the college or provider.

Networks – All Providers (HC 2.5/ 2.6)

Networks are hugely important in attracting customers and raising awareness of provision.

All colleges use networks as a method of reaching potential customers. Face to face networking takes place by being involved with the local chambers of commerce, the regional development agency, the local urban regeneration company, linking with the LSC Head of Brokerage, business link, the local enterprise programme, government departments, workforce development networks, the management development network, employer networks and local sector networks.

Networking with brokers is also important; a broker in this instance is defined as anyone who might refer a customer to a training provider. Colleges have linked with accountants, banking business advisers and financial advisers.

In some areas business unit managers from different colleges have a regular meeting to discuss problems and areas of mutual interest. This collaborative working has been beneficial to all colleges that attend. The formation of one of these groups has been completely organic, based on some initial meetings between colleges who were looking to work together. The collaboration has grown and is now a bi monthly meeting that incorporates all colleges in the county.

One provider found networking to be so important that it represents 40% of the chief executive, business development director and marketing managers' time.

Brokers – All Providers (HC 2.7)

A number of colleges have found brokers useful in raising awareness of their offerings. In particular Business Link and Chamber Link brokers have been engaged. The new (2006) Skills Brokers and the requirements of NETP/Train to Gain make the nurturing of Brokers even more important.

A provider made the point that referring customers to other providers requires care as there is an implied endorsement about the quality of the provision that is going to be provided. Their solution to this was to contact the employer after the work was completed to confirm that it was satisfactory.

Door knocking (Walkabouts) – All Providers (HC 2.8)

Walkabouts were only found one college and are a direct marketing approach adopted from the recruitment industry. Account managers and the head of a business unit drive to an industrial estate and walk from company to company. They try to engage the receptionist/ front of house person in light conversation and ask for the name of the appropriate contact for training to be written on a business card or compliments slip. The contact is then followed up by a phone call. This approach allows for a very personal contact to be made because the call is made by the person who approached the company who will have knowledge of the location, premises and even some of the staff of the company.

This approach has been found to be an effective method of approaching potential customers.

Newspaper adverts – All Providers (HC 2.9)

Some Colleges have used newspaper adverts and adverts in other media such as trade magazines. This has had little or no effect on raising awareness or generating business.

Sponsorship – All Providers (HC 2.10)

The sponsoring of events which will be attended by appropriate business people is a strategy which has been employed successfully by a number of colleges.

Events that have been sponsored include, DTI business breakfasts (allowing the college to present to over 800 local employers), Chamber of Commerce events, a CIM event and one college has even sponsored a local beer festival to raise awareness of their products.

Newsletters and brochures – All Providers (HC 2.11)

A regular newsletter is a key feature in attracting and retaining employers, for some colleges. This is distributed on a monthly or bimonthly basis and contains features such as success stories, news and information on the latest provision, innovative ways in which employers are developing staff and complimentary comments from customers.

An employer engagement brochure is another strategy that is used although they can often become outdated very quickly. One college decided that to get around this by having a glossy pocketed folder produced which does not go out of date, into this, up to date course guides and flyers are placed.

Events – All Providers (HC 2.12)

In addition to sponsorship of events some organisations organise their own events to which employers are invited.

An annual apprentice awards evening is a feature at some colleges. Included in this award is the prize for 'best employer' which raises a bit of friendly rivalry between local employers. The main aim of the evening is to award and celebrate the success of apprentices but by inviting employers it raises the profile of apprenticeships and in turn the demand for apprentices from the local business community. One college found that representatives were attending their award ceremony from businesses that did not have apprentices. Once a company takes an apprentice it presents an opportunity to cross sell other provision.

One college has arranged a number of free seminars for local businesses on issues that address a business need such as the Disability Discrimination Act, Health and Safety Law or the Data Protection Act. They have found that by inviting local businesses to college premises for a free event which helps their business is attractive. This in turn allows the College an opportunity to raise awareness of their provision and capture contact names and numbers from businesses for further selling opportunities.

Another approach was to invite the local Inland Revenue to run a seminar on Online Tax Returns, the obvious draw for employers was that this could save them money. The seminar was held at college Premises and it

provided not only a link with a government agency but a delegation of local employers, who became more aware of the college and its products.

Trade Unions – Colleges only (HC 2.13)

It has been found that a 'back door' route for approaching employers is through trade unions. Colleges have joined the local Trade Union Learning Network and found this an alternative means of reaching some employers.

Invitation to help refine or develop provision – All Providers (HC 2.14)

A number of providers have found engaging employers in the development of provision an invaluable source of up to date information and ideas. It also ensures that provision is relevant and required by employers. A fairly major additional benefit is that providers have been able to use the logos of the companies involved in developing the provision. It also makes employers advocate the provider as they feel a sense of ownership toward the provision.

Cross selling – All Providers (HC 2.15)

The use of cross selling techniques have been a very important tool in marketing and promotion of provision.

There are two major areas through which cross selling takes place, one is by working with companies who have previously taken provision funded through the ETP pilot. These companies are approached through a soft 'we want to work with you', approach in order to raise their awareness and sell more provision. The selling is often performed through account managers who provide a personal touch. Colleges have found it easy to recruit new customers through the ETP pilot due to the funding attached. Once a customer is aware of the college, its quality and service they are more inclined to engage further.

The other main area is through apprenticeships, companies who take apprentices have been approached by colleges, again using a personal approach, to make them aware of other available provision. One college found this approach particularly successful, a company who initially wanted to employ one apprentice, eventually bought health and safety, team leadership, administration, warehouse distribution, ESOL and French training.

NVQ Assessors – All Providers (HC 2.15)

One college found it productive to exploit the relationship between NVQ assessors and employers. The college assessors were making regular links with a wide range of employers whilst in the process of assessing NVQ students. It was seen as a major opportunity to use this relationship in order to promote the offerings of the college especially in terms of apprenticeships and ETP.

Knowledge of part time teachers – All Providers (HC 2.15)

Colleges can gain a great deal of employer information from their part time teaching staff. Often these people are employed elsewhere in addition to the College. An effective College system should systematically tap this resource and find ways of exploiting the data.

Visiting work experience placements – College only (HC 2.15)

College staff regularly visit employers' premises to check on the progress of work experience students. This interaction can provide the College with a wealth of information on the employer, their business and their training needs if it is harvested effectively.

Approaching new companies – All Providers (HC 2.16)

In this instance a new company is one that has recently formed or is new to the area. One college found it useful to receive regular updates to the Yellow Pages directory. This provided a regular source of new companies to whom they could target marketing materials.

Another approach was to discover large companies who were about to locate in the area through the local urban regeneration company and the Chambers of Commerce. This provided a further avenue through which to attract business.

Incentives and bonuses – All Providers (HC 2.17)

A few colleges have an incentive or bonus scheme to encourage employees to meet employer engagement targets.

One college has team bonuses, this means the entire team must achieve all of its targets in order that anyone on that team receives the bonus. The targets which the team must meet include areas such as learner numbers, quality of provision and financial aspects. The typical bonus is around £300 per year.

Another college put in place an incentive scheme for consultants and sub contractors to develop further business, they are paid £50 for successfully recruiting a new company to take up college provision.

Supply Chains and clusters – All Providers (HC 2.18)

A college has a recruitment agency which is encouraging its own supply chain.

Providers can exploit the supply chains of larger customers. With the support of the customer which can be a very powerful way of approaching new companies. Some colleges have found that large employers are even willing to broker provision to their supply chain which has been very valuable.

Suppliers – All Providers (HC 2.18)

One college has found that the way to begin relationships with employers is by approaching the suppliers of the college in order to establish their training needs. It is in the interest of the supplier to at least listen to the offer from the college because they are after all a customer. The college found that it had bought products and services from over 650 companies, many of them local. This has proved a more fruitful approach than cold calling.

Survey of customer needs – All Providers (HC 2.19)

Although a very simple concept, it has been found to be highly beneficial to establish customers' needs. One method of doing this is through a customer needs survey. One organisation found that this focused their employer engagement activities in a way that gained respect from employers and boosted the number of employers engaged. Creating a demand lead approach is essential.

One provider stated that it is absolutely crucial to identify what an employer wants and the way to do this is simply ask them.

Using employers to teach – All Providers (HC 2.20)

One college has found it beneficial to use employers as trainers in certain specialist areas to add credibility.

Faculty contacts – Colleges only (HC 2.21)

The ways in which colleges structure their Employer Engagement activities vary tremendously. The business unit is often to a greater or lesser extent separated from the faculties. Some colleges have found it highly valuable to forge strong links with faculties, not only to avoid conflict and duplication when dealing with employers but also to sell further provision to employers with whom the faculties have been engaging.

An example of this would be a situation where a faculty such as engineering or construction with a long standing relationship with businesses allows an account manager from the business unit to visit a customer's premises in order to raise their awareness of further provision.

Commercial partnerships – All Providers

One college had a partnership with the local branch of PC World which allowed them to put fliers into the boxes of new computers offering PC training at the college.

Account/ business manager – All Providers (HC 2.22)

Many colleges have an account manager or business development manager structure. This is where a number of people typically between 1 and 10 are employed solely by the business unit to develop relationships and sell provision to businesses. The aim is to have staff that truly understand employers and understand their businesses.

In many colleges these people do not have FE College or even education backgrounds. They are from backgrounds such as the medical profession, Royal Mail, care, travel industry, sales, marketing, construction, engineering, print and IT. It has been found that employing people with very diverse, non FE backgrounds is well received by businesses.

In one college a team of 10 consultants is used to manage the large apprenticeship programme (around 800 apprentices). Since the advent of ETP they have been promoting ETP provision in addition to apprenticeships, cross selling with the large number of companies that take apprentices.

3 Responding to employers

The way in which providers determine their customers' requirements is crucial to ensure the correct training is given and further business is generated. The structure of pricing and details of pricing policies are also contained within this section.

Ways in which providers can determine an employer's requirements:

- » Training Needs Analysis (TNA)
- » Relationship with account manager
- » Labour Market Information
- » Local trends
- » Legislative Changes

Pricing structures include the following:

- » Rigid, fixed cost pricing
- » Simple, cost plus pricing
- » Introductory pricing
- » Customer specific pricing
- » Market led pricing
- » Price discretion

Training Needs Analysis (TNA) – All Providers (Health Check 3.1)

One college has trained its account managers, using an external training company, so they can carry out a TNA on employers. This involves asking the correct questions of companies rather than immediately trying to sell. The questions aim to find out where the skill needs lie and where the company perceives its skill needs to be.

Relationship with account manager – All Providers (HC 3.2/3.3)

The relationship between a business and its account manager is very important, in many colleges this is the primary mechanism for linking with companies. A strong relationship not only provides opportunities to sell products to meet a known demand but also can sort out problems quickly and satisfactorily. This relationship also allows an account manager, often a specialist in a certain field to elicit a customer's training needs from discussions about their current issues and problems.

To avoid the specialist language of education, account managers often talk about things that are important to the customer such as their businesses

profitability, manageability and bottom line. They offer the company a *solution service*, stressing the things that are important to the business.

Some colleges have found it beneficial to contact their biggest customers on a weekly-basis - this can be for business purposes or just for an informal conversation and to provide a personal contact to show the customer is valued.

Labour Market Information (LMI) – All Providers (HC 3.4)

Some colleges use LMI data, some of which is provided by the LSC. One college uses it to target marketing campaigns. Another found regional priority information useful in planning provision. Experian is a popular choice as a source of company information and LMI data.

One provider designs its operational provision around sector needs. It gathers a large quantity of information from a range of sources including LSC data, Job Centre Plus data, Regional Economic data and RDA data.

Many colleges find LMI data of limited use in predicting or determining employers' needs. Some cite the fact that it is quickly out of date, while others feel they cannot forecast the training market for employers and should focus their energies on responding quickly to need rather than trying to predict it with data.

Local trends – All Providers (HC 3.4)

An effective approach to expanding employer engagement activities is to look at local trends in terms of which companies are requesting what training. Once the requests have been fulfilled and the business is satisfied, some colleges have found it beneficial to target similar businesses in the area (by SIC code) to promote the same training. In some cases the name of the business who first took the training is used, with permission, in the promotion of that training to similar companies. This is especially useful if they are a recognised local employer.

Legislative Changes – All Providers (HC 3.5)

Some colleges have found that paying close attention and responding to legislative changes has been effective. The security, health care, gas and construction industries have all undergone major legislative changes recently which have made certain training mandatory. By being the first provider to market and promote this training the college are able to take advantage of initial high demand.

Rigid, fixed cost pricing – All Providers (HC 3.6)

One provider found that a rigid charging structure was well received by their customers. The price of £450 per day has been set, this is a fixed price and remains the same whether a company sends fifteen people for health and safety training, or two people to understand how to set up a complex piece of machinery. The provider sometimes has to make an additional charge to cover the set up and materials of a bespoke course.

This approach has been found to be very well received by both large organisations and SMEs. Businesses find it very helpful to have a transparent cost for training, it makes the planning of their training activities and managing their training budget very simple.

Simple, cost plus pricing – All Providers (HC 3.6)

Many colleges price their courses on the basis of 'cost plus' pricing. This involves calculating their costs including their overhead and then adding a certain percentage for profit. A typical example of this is a college that aims for a 40% margin on full cost work. Another simply doubles the cost price, 100% margin. Other colleges tend to aim for a range of margin between 10% and 30% depending on the provision and the customer.

Introductory pricing – All Providers (HC 3.6)

A number of colleges have found it effective to introduce their quality and value to customers by offering reduced price provision. Some colleges offer initial training at a loss in order to satisfy the customer about their quality.

One college even offers free training as a means of attracting large organisations. Once the standard and quality of training is established through free training, companies are interested in further, reasonably priced full cost provision.

Customer specific pricing– All Providers (HC 3.6)

Some colleges base the pricing of provision on the nature of the customer requesting it. The price can vary depending on the size of the company, the type of provision, the number of employees who will undergo the training and whether the college is trying to develop better relations with the customer.

Market led pricing – All Providers (HC 3.6)

Some colleges look at the market price of provision and charge a similar amount. This allows them to be profitable but still competitive and use the college identity as a symbol of reliability.

One college has taken an aggressive stance towards pricing of provision and has undertaken local market research of private provision to ensure that the college is always the cheapest. This is allowing them to raise the profile of the college, attract more business and still make a surplus.

Price discretion – All Providers (HC 3.6)

Providers need to ensure that employers are not likely to receive fee reduction from one department or site compared with another. This would be confusing and annoying for employers and it would make the provider not appear to have a joined up approach.

Providers generally avoid this by having a single business unit or department that deals with proposals and pricing. As one unit has control over what prices are given to employers they can ensure consistency.

Another way of tackling this problem is to have a corporate price list which is available to all departments and sites through a CRM system or similar. This provides the main 'list price' from which a bespoke price can be derived depending on the nature of the requirement.

4 Delivery

This section looks at the way in which providers provide training, it covers:

- » Training at an employer's premises
- » Training on providers' premises
- » Local delivery centres
- » Faculty staff
- » In house trainers
- » Working with other colleges
- » External consultants
- » Sub contracting
- » Brokerage

Training at an employer's premises – All Providers (HC 4.1)

Training at an employer's premises is by far the most popular vehicle for delivering training. The majority of colleges have found that this is what employers want. The opportunity for staff to receive training on the employer's premises, so they can continue with their normal working day during the time where training is not taking place, is attractive.

Some business units have staff that are not on the standard college contract so that they are able to work at times to fit in with employers' requirements. This has been found to be a tremendous draw when attracting new business.

Training on providers' premises – All Providers (HC 4.1)

In a small number of cases employers prefer training to be carried out at the providers' premises. The argument in this case, is that colleges find that employers like to be well treated, that employees feel more valued if they are able to leave the employer's site and are trained in a location with good facilities and a good lunch.

Local delivery centres – Colleges only

Local delivery centres enable Colleges to have a more localised focus when addressing employers' needs.

One College has forged a partnership with a large employer to operate their national training centre. The centre is based within a few miles of College premises and is staffed by 10 full time employees of the College. The centre is purpose built and its location is ideally suited to the industry it serves. The centre would not operate effectively if based on college premises.

Faculty staff – Colleges only (HC 4.2)

Some colleges have a system whereby the central business unit fields calls and enquiries from employers. They then pass the enquiry to faculties, who decide whether they have the skills and capacity to fulfil the need. If the reply is negative, then the business unit sub contracts to fulfil the requirement. Many colleges have found that a culture change is required to enable lecturers to respond to the demanding requirements of employers.

In other colleges the system is different, the Principal of the college has altered the basket of targets for faculties, so that they include targets for employer engagement. This forces the faculties to think more strategically and work with their business unit. The process is often helped by various freedoms that are afforded to faculties so that they can develop an innovative system for engaging employers. For example faculties are allowed to manage staff contracts so that instead of a standard 800 timetabled teaching hours per year contract, they can timetable any number they wish. For example a full time member of staff on a 400 hour contract would make up the rest of their teaching hours through employer engagement activities. Some colleges have completely changed staff contract so that they work a 46 week 'standard' year rather than academic years. The basis for this change is that businesses are open all year round and do not wish to work to the academic timetable.

Colleges have also found that providing employer engagement experiences keeps faculty staff up to date with the world of business.

However, one college found that employers preferred to work with 'trainers' rather than with 'lecturers'. This showed the college that cultural differences exist between employers and the college. It also made it clear that employers were keen to avoid FE jargon. These needed to be addressed in order to be effectively responding to employers.

In house trainers – Colleges only

There are various different ways in which colleges source trainers to fulfil provision. One method is for the business unit to have its own in house trainers. One business unit has seven trainers who are employed and managed by the business unit. They are all on contracts which allow for working outside normal business hours, giving flexibility in their working hours to suit employers. This central management and flexible working does allow the business unit to hand pick its own trainers and ensure they are the most suitable people to engage employers. This approach does also bring liabilities, if there is not enough work coming into the business unit then trainers will still have to be paid. Depending on the college set up, this funding may have to come from another area.

Working with other colleges – Colleges only (HC 4.3)

Colleges have found it beneficial to join forces in order to fulfil an employer's requirements. An example of this was when a large company with multiple sites in the same area requested a substantial quantity of training. The college felt unable to respond alone so took a lead role in inviting other colleges to carry out sections of the requirement depending on their strengths.

External consultants – All Providers (HC 4.4)

Consultants provide a vital means of fulfilling employers' requirements and are used by many colleges. Although relatively expensive, they can provide training in specialist areas to fill gaps in provider provision.

Normally the consultant will use the branding of the provider when carrying out training. This gives the obvious advantages of the college reputation being boosted by quality training from the consultant and it constrains the consultant from developing further business for themselves.

Some providers have sought to constrain consultants from developing further business for themselves through the use of contracts. Others have simply preferred to rely on trust, citing the fact that they would not work with the consultant again if this trust was betrayed.

One college commented "*Businesses like to work with consultants.*" This emphasises the fact that employers prefer to work with people who do not use 'specialist' educational language.

Sub contracting – All Providers (HC 4.4)

Most providers do sub contract some training to other companies, in order to fulfil employers' requirements. This often occurs when an employer asks for training that cannot be performed by the college or when the college do not have capacity to fulfil an employer's requirements.

At most colleges the contractor will use the branding of the College, this is because the company contacted the college initially so they would be expecting a college trainer to carry out the provision.

One college took the decision to joint badge provision. The reasoning behind this was that in some industries the private provider is more highly regarded than the college. This allowed the college to raise its own profile by using the branding of a recognised private brand. This relationship is very closely monitored to ensure the joint badging is fair and equitable. Small details are monitored for example letters are checked to ensure the logos are of an equal size.

Brokerage – All Providers (HC 4.5)

One provider does not carry out any training, they simply broker provision between employers and private providers. They provide this service free of charge to private providers in order to maintain impartiality. Employers are charged an annual fee of around £330 but this varies according to the size of the employer. By operating in this way they are providing a valuable business service that is valued by employers. The provider quality assures the provision it brokers through service level agreements.

5 Measuring Quality

Providers' quality assure their provision through a variety of methods which include:

- » Surveys of learners (happy sheets)
- » Surveys of Employers
- » Strong relationships with employers
- » ALI/OFSTED
- » Impact on employers
- » QA systems
- » Medium and Long term reviews
- » Quality models
- » Pre selection of apprentices
- » Selection of consultants and contractors
- » Ensuring staff have up to date skills and sector knowledge

Surveys of learners – All Providers (Health Check 5.1/ 5.2)

A common form of quality assurance, which almost all providers perform, is the standard course review or happy sheet as it is sometimes known. This provides a college with initial feedback about the provision. Sometimes these forms are created by the business unit, other colleges choose to use the standard college review form and systems for this purpose.

Surveys of Employers – All Providers (HC 5.3)

A key check on the quality of provision is to contact employers regarding particular provision, this is more common when multiple employees of the same company have been trained. The contact with the employer is sometimes through questionnaire but more often by telephone via the account manager or telesales professional. Providers have found that employers are more likely to express their true feelings about provision than employees, who can be constrained by the feeling of not wanting to upset or offend the college or trainer.

Some colleges perform an annual employer survey, this is a way of capturing the thoughts of customers that they are currently engaging, in addition to any employers they have engaged in the past. The survey includes questions on their perceptions of the college, future needs and general satisfaction. This provides a useful insight into why some employers are no longer engaged with the college. A key problem for many providers is deciding on what score they regard as good. For example if an employer states that they are satisfied with the provider or rates them as 7 out of 10 is this to be considered good or just ok.

Providers find that analysing the data over a number of years can provide useful trend information, especially if the same survey is administered each time. From the trends they can establish whether the opinion of employers is more or less positive over time. The data can also be analysed to see if improvements to the providers operation, for example the introduction of a CRM system, has resulted in increased customer satisfaction.

Colleges have found that commissioning a specialist national survey company, such as QDP Services, to contact all the employers they are currently engaging has been a highly beneficial exercise. Many providers use such services to elicit views on how well they are doing and how it could improve. This is often an annual survey and improvements made following the previous year's results are fed back to employers. The survey companies may also provide surveys for other colleges, enabling a useful benchmarking service.

Strong relationships with employers – All Providers (HC 5.4)

Colleges find that strong relationships with employers provide a good quality feed back on how well provision has fulfilled the aims of training and addressed the business need. Often this relationship is built and maintained by account managers who remain in regular contact with employers. Colleges have found that this provides a better grasp on the businesses needs and a clear perspective on the business view of college provision. They have also found that this approach allows account managers to discover and resolve problems immediately.

One college has a policy of setting up regular reviews when they engage a new employer. If there are more than ten learners these are monthly, face to face discussions with the employer and a progress report is written. If fewer than ten learners, an assessment is performed and shared with the employer.

ALI/OFSTED – All Providers who are subject to ALI/OFSTED (HC 5.5)

The Adult Learning Inspectorate (ALI) and the Office for Standards in Education (OFSTED) provides an external quality assurance mechanism. Many colleges have found that within the ALI/OFSTED delegation that visits, there is an inspector with an employer engagement focus. The results of these inspections have been useful in improving activities.

One college was asked to choose ten companies that they had engaged for the inspector to telephone in order that their views on the college could be captured. The college picked a random list of companies for the inspector to call, rather than a list of the 'best', so that it would give an balanced view of activities. The college felt they could learn more from a balanced view of their activities than a biased one. In the event, one of the companies made some negative comments about the college which acted as a learning point.

A number of providers employ ALI inspectors to continuously ensure quality. One provider uses part time ALI inspectors to provide regular internal feedback on provision in the form of mock ALI inspections. This ensures that provision is consistently and permanently up to standard.

Impact on employers – College only (HC 5.6)

Some colleges measure the impact of training on employers, this is often performed when a delegation of learners come from the same organisation. Sometimes targets or objectives are set in advance, which the training aims to cover in order to fulfil a need. The employer is then contacted at set periods after the training to see how this need has been met.

QA systems – All Providers

Most providers have their own quality assurance systems for rating and reviewing provision. These systems often also apply to employer engagement activities.

One college has a system of internal reviews. Faculties take it in turns to carry out a thorough peer review. They will look at MIS, recruitment and retention, they will also talk to learners and academic staff, a list of strengths and areas for improvement is created. This provides feedback from a 'critical friend' and has been found to be constructive and helpful to business units.

Medium and long term reviews – All Providers (HC 5.7)

Many colleges carry out medium and long term reviews with employers, the length of time defined as medium is typically three month, a length of six months or more is generally considered long term. These reviews are sometimes completed through questionnaire but more often than not through personal contact by telephone.

These reviews show whether training has been effective over a longer period and also allows employers to suggest what elements were missing from the training which could be included to improve future provision.

Quality Models – All Providers (HC 5.8)

A number of providers have already begun to use quality models for working with business. Notable amongst these are regional models developed, or being developed, by the South East (Action for Business Colleges (A4BC)), Yorkshire & London (Customer First) and East Midlands (EMSkills). They are different in their content and range of criteria addressed but all are reported to be useful. The LSC is currently (2006) engaged in developing a national Quality Mark. It is likely that it will include some of the features of these three models and have a heavy emphasis on the achievement of quantified results.

Pre selection of apprentices – All Providers (HC 5.9)

Some providers offer a preselection process for apprentices. This provides a service for businesses because it dramatically reduces the time and expense of recruiting.

One provider has been preselecting apprentices for many years and has become the preferred supplier of apprentices for many local companies. They have perfected their screening processes to such an extent that only two potential apprentices are sent to each employer for interview.

One college has developed an apprentice matching system, this takes employers requirements for apprentices and then matches it to the apprentices available on the system. It gives a level of compatibility, almost like a dating agency. The college also screens apprentices using aptitude and attitude tests. Using this method the college has grown its apprenticeship work at the expense of private companies.

Selection of consultants and contractors – All Providers (HC 5.10)

There is a lot of variety between the ways in which external consultants and contractors are selected. When previously unknown companies are recruited, the quality assurance mechanisms used by colleges vary but contain similar elements.

Some organisations prefer to work only with people and organisations with whom they have a long standing history or relationship. Often this relationship has been built before the business unit was formed and dates back to faculty contacts or similar. Relationships are also built from contacts formed in former roles of business unit staff. Many colleges go on recommendation from a 'trusted friend' when looking for a new delivery partner.

One college asks for references and will then often ask the new provider to undergo a trial. The trial usually consists of asking the trainer to provide a small piece of provision to a customer and the results are closely monitored. Often the provision is overseen by someone from the college and the opinions of learners closely monitored.

Some colleges have an internal recruitment policy for contractors which have been developed during activities prior to the business unit. Typically these policies include short listing candidates, followed by panel review and reference checks.

Another recruitment policy includes an interview followed by a role play delivery, any providers that pass this stage are subjected to further checks on real delivery to provide further quality assurance. A quality auditor then reviews every full time delivery partner and around 50% of part timers annually to ensure quality is maintained. The quality co-ordinator is an ALI inspector.

Other colleges have a very rigorous checking procedure for consultants and contractors including CVs, references, panel interviews, role plays and random spot checks to ensure quality.

One college has advertised for delivery partners, they placed an advertisement in the local newspaper and received over 100 responses from both local and national organisations. A chosen 20 were asked to attend a presentation on the standards and ethos of the college and were then asked to apply to be a recommended trainer.

In order to work for some colleges a teaching qualification is required, in others it is not. One provider does encourage staff to become qualified to FE into 3 or 4 standards but there does not seem to be a firm rule on this issue. It tends to be a policy decision within each college. Some colleges prefer the security of a teaching certificate others prefer to rely on the talent of the trainer. If a teaching certificate is not required then providers must ensure that their QA systems are significantly robust to ensure quality.

When quality assuring new contractors and consultants there is a big issue around who is quality assured. Is it the contractor 'Joe Bloggs Training Ltd'

or the individual trainer 'James Smith'? There are positives and negatives of each approach. When assuring the individual trainer, it does provide assurance that the individual is working to the required standard but takes more time and effort to quality assure all individuals that may be working for the college. Conversely, to quality assure the company is quicker and easier but there may be weaker trainers working for the company who will work under the 'badge' of the college and may not be of the required standard. The key then is to deal with providers who can assure the quality of their people.

***Ensuring staff have up to date skills and sector knowledge –
Colleges only (HC 5.11)***

An important part of quality assurance is to ensure that staff have up to date skills and sector knowledge.

Colleges do this in a variety of ways, in one college each faculty is set a target to ensure staff are engaging with employers. The staff may be required to complete a secondment or industrial placement with an employer to ensure their skills and experience remain consistent with industry standards. Other staff may be required to forge links with the Sector Skills Council or Councils appropriate to their subject. In other situations staff, normally teaching 14-19 year old students are required to provide training for employers. This is another method of ensuring skills are up to date and consistent with the expectations of employers.

6 Measuring Success

The success of employer engagement activities can and should be measured in different ways. By looking at a variety of measures providers are able to gauge their relative success and identify areas for improvement.

- » Target setting
- » Profitability of employer engagement activities
- » Financial measures
- » Independent review
- » Measuring risk

Target setting – Colleges only (HC 6.1/6.2/6.3)

Business Units

Many colleges are set targets by the Principal and senior management-team, it is often the responsibility of the business unit to achieve these. Targets can be on a number of measures but typically include learner numbers, employers engaged (have bought training or taken apprentices), apprentices placed, financial indicators, proposal conversion rates, extension sales, new customers recruited, retention of customers, completion of training, achievements, customer satisfaction, partnerships and quality assurance. The most successful outcome is achieved when a basket of targets are set.

Often business unit targets are split between the account managers within the business unit but it is still the responsibility of the business unit as a whole to achieve the targets.

Colleges have found that the targets set in the first few years of operation were too easy to achieve so have set a more stretching target in the following years.

Faculties

Colleges that are structured so that the faculties perform employer engagement activities take a slightly different approach to targets. Some faculties are set targets which include learner numbers from 16-19 students, financial and employer engagement targets. This forces the faculties to engage employers and work with their business unit to help achieve this. The targets vary depending on the current level of employer engagement that each faculty has reached. For example a faculty that has never engaged employers before may be asked to develop an opportunity so that all members of staff experience some work with a local employer in their field or link with their SSC. The targets will continue to increase as faculties become more experienced with engaging employers.

Some colleges have set aggressive targets, an aim to treble turnover or apprentice numbers in three years is not uncommon. Having a target that stretches the organisation has made colleges think more carefully and

innovatively about their approaches. However, this can also be demotivating if the targets are perceived to be unreachable.

Overall, the most effective means of ensuring employer engagement through targets, is to set a basket of targets. If targets are only set for the number of employers engaged then providers may focus solely on provision that has a high turnover of learners such as health and safety training. Similarly, if targets are only set for new customers engaged, the provider may focus too much attention on attracting new customers at the expense of existing customers.

Profitability of employer engagement activities – All Providers (HC 6.4)

An obvious measure of the success of any business venture is the financial results.

The financial success of employer engagement varies, but colleges generally find it worthwhile even if it does not yet make a contribution or profit. Often colleges have found that some employer engagement activities are not yet profitable but they have persevered because they see this as an area that will develop in the future and will provide a steady income. Other colleges take a more stringent approach deciding that they will only engage employers if it makes a contribution to the college (covers overheads and makes a profit).

Financial measures – All Providers (HC 6.4)

The main financial measure of success is, overall, are the employer engagement activities profitable or at least contributing to fixed costs?

Other measures include looking at the profitability of each individual activity to ensure that work takes place to improve loss making areas where necessary.

Independent review – Colleges only (HC 6.5)

A few providers have undergone an independent review as a means of quality assuring their entire employer engagement operation.

One example of this involved a review costing just under £10k, the provider paid for this from their own funds and viewed it as an essential business 'health check'. They had then reserved a similar sum of money for implementing the recommendations of the review.

Another underwent an independent review which produced a useful SWOT analysis, the main lessons from this were:

- » CoVEs give opportunities for cross selling
- » Exploit strengths, such as strong links with certain industries
- » Look for local opportunities
- » Good premises encourage employers
- » Exploit a database of quality names
- » Create a unique offering that is not easy to duplicate

- » Avoid being over reliant on public funding or a single customer who provides a large proportion of total revenue

Measuring risk – All Providers (HC 6.6)

Providers need to be aware of risks in all aspects of their work. This is especially important when accessing government funding.

Providers have found that a frustrating situation can arise when accessing government funding to run a major training programme, for example ETP. If the provider is successful, and provision is successfully promoted to many employers, then funding may be cut back or stopped altogether because the pot of money is of a finite size. This poses a problem to providers who have invested money in the infrastructure and human resources to carry out that provision. The risk of a financial loss to the provider is possible.

Good practice is to assess for risk and approach risks rationally preparing for failure.

Appendix

The following providers took part in the development of this guide:

- » A4E
- » City College Brighton and Hove
- » Derby College
- » Humberside Engineering Training Association (HETA)
- » Lambeth College
- » Leicester College
- » Loughborough College
- » Mersey Maritime
- » Newcastle College
- » Oldham College
- » Peterborough Regional College
- » Preston College
- » Warwickshire College