



Market Report

A Snapshot of your Market Sector

Training Provider

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Training Provider** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **August 2023**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Training Provider market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Technical and Vocational Education revenue is anticipated to **grow at a compound annual rate of 1.7% to £1.1 billion over the five years** through 2027-28; the average **profit margin is forecast to sit at 4.1%**. Demand for advanced digital skills continues to rise; a WorldSkills survey revealed that 60% of businesses expect their reliance on advanced digital skills to increase in the next five years. The high unemployment rate in 2022-23 has boosted introductory job-seeking and employability courses. (IBISWorld, *Technical & Vocational Education in the UK*, March 2023).
- ◆ Over the five years through 2027-28, industry **revenue is forecast to increase** at a compound annual rate of **2.9% to reach £4.7 billion**. The number of UK 16- to 18-year-olds participating in full-time education is growing, with record university applications. The growing skills gap will sustain demand as online platforms adapt to the changing job market and provide employees with the skills needed for work. The rise of free educational content through social media platforms like YouTube and LinkedIn will constrain future growth. The average industry **margin is expected to increase** over the coming five years, reaching **17.9%** in 2027-28. (IBISWorld, *Online Education & Training in the UK*, March 2023).
- ◆ The **global IT training market was valued at \$30,386.35 million in 2022** and is **estimated to grow to \$42,430.46 million in 2027**. This will create an incremental growth opportunity worth \$12,044.11 million between 2022 and 2027, which translates to around 40% of the market size in 2022. With limited growth opportunities, gaining market share from competition will be an important lever to drive growth for market participants. (Technavio, *Global IT Training Market, 2023-2027*).
- ◆ The global **soft skills training market was valued at \$34.84 billion in 2022** and is **estimated to grow to \$154.06 billion in 2027**. Large enterprises have begun using predictive analytics to assess workforce trends and identify patterns in areas such as employee performance, turnover, and workforce planning. Accordingly, these enterprises prioritize non-technical training programs based on their strategic impact on the company. (Technavio, *Global Soft Skills Training Market, 2023-2027*).
- ◆ The national organisation for this industry is [Skills Development Scotland](#). Other industry bodies include the [Learning and Work Institute](#), [Chartered Institute of Professional Development](#), [Scottish Training Federation](#), the [Association of Employment and Learning Providers](#) and the [Learning & Performance Institute](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Statista – Technology & Telecommunications (July 2023)**. According to surveys by CEBR & Office for National Statistics (UK) the employment benefits from providing work Essential Digital Skills (EDS) to unemployed individuals in the United Kingdom is expected to amount to over £5billion by 2030.
- ◆ **IBISWorld – Online Education & Training in the UK (March 2023)**. Demand for LMS platforms may peak over the summer months as institutions get ready for the academic year to start in September. Equally, demand for online tutoring and e-textbooks may rise in the spring months just before exam periods. Although online education and training has increased in popularity due to its cost-effectiveness and advantage of flexibility, online educational and training platforms and courses are limited by the lack of face-to-face communication, which many individuals consider an essential component to making education effective. Course quality and provider reputation are key factors driving industry demand. Course demand will be strongly influenced by the provider's credentials, making course accreditation and effective partnerships important in drawing enrolments.
- ◆ **Technavio – Global Corporate Training Market (2022-2026)**. The global corporate training market is expected to grow at a rapid rate, owing to the increased adoption of online learning globally. Many vendors offer technologically advanced corporate training solutions that include various aspects of gamification, implementation of visual technologies, and the use of a blended learning format. Employees are increasingly opting for online courses, with vendors such as Skillsoft Ltd. continuously providing online training courses. Technical training was the largest segment of the market in 2021 and will continue to be the largest segment of the market in 2026, growing slower than the overall market (8.77%).

There are also a number of online resources you may find helpful:

- ◆ **Skills Development Scotland, Services for Training Providers** (tinyurl.com/98rua4vz). This page contains many helpful resources for training providers such as information on the employability fund, quality assurance and equality and diversity.
- ◆ **Education & Training Foundation** (tinyurl.com/5fmzvxyd). This foundation is a government-backed body for the Further Education and Training Sector. They provide support to teachers and trainers as well as professional development. The website also has a research section that has published reports on a wide range of subjects within the industry.
- ◆ **Findcourses.co.uk, Professional Training News** (tinyurl.com/2p9dhtvz). You may find this website useful for the latest trends and analysis.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing. Publications are also available at [Statistics and Research](#).
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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