



Market Report

A Snapshot of your Market Sector

Training Provider

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 **September 2021**. 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:

- ◆ Over the five years through 2025-26, industry revenue is anticipated to increase at a compound annual rate of **8.5% to reach £5.7 billion**. The COVID-19 (coronavirus) pandemic is anticipated to hasten the adoption of online education and training as social distancing measures remain in place. Despite the government's best efforts, rising unemployment is anticipated to drive enrolment in online courses in the short term. Additionally, lockdown has normalised the use of technology and individuals have become accustomed to a new mode of learning. (IBISWorld, *Online Education & Training in the UK*, Feb 2021).
- ◆ The soft skills training market will register a **CAGR of over 11%** during the forecast period. The rise in collaborative learning methods to be one of the major factors that will have a positive impact on the growth of this market. (Technavio, *Soft Skills Training Market by End-user and Geography Forecast and Analysis, 2020-2024*).
- ◆ Industry revenue is anticipated to rise at a compound annual rate of **0.7% over the five years through 2025-26 to reach £862.1 million**. The COVID-19 (coronavirus) pandemic is expected to put pressure on the UK government to reduce training budgets after spending billions on stimulating the economy. However, Budget 2021 outlined a further £126 million in funding for the government's traineeship scheme, which could enable 40,000 more traineeships, while cash incentives for employers that take on apprentices was increased to £3,000 each, regardless of age. (IBISWorld, *Technical & Vocational Education in the UK*, March 2021).
- ◆ With a number of vendors offering solutions for specific requirements such as problem-solving, behaviour developing skills, and various other non-conventional IT skills, the market appears to be highly fragmented and specialized. Additionally, the market will also witness the emergence of niche corporate training companies that cater only to specific industries. This will intensify the level of competition among the market players and will induce vendors to innovate their offerings and learning models. (Technavio, *Soft Skills Training Market in Europe, 2017-2021*)
- ◆ The national organisation for 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.

- ◆ **IBISWorld - Online Education & Training in the UK (February 2021).** A rising number of students has also supported demand from the educational market. In the current year, revenue is expected to increase by 13.1%, largely due to the outbreak of the COVID-19 (coronavirus), as businesses and academic institutions are expected to look for alternative methods of education to continue training and teaching while social distancing measures are in place. In 2020-21, the average industry profit margin is expected to be 16.2%.
- ◆ **Technavio - Soft Skills Training Market by End-user and Geography Forecast and Analysis (2020-2024).** 44% of the market's growth will originate from North America during the forecast period. The US and Canada are the key markets for soft skills training in North America. Market growth in this region will be faster than the growth of the market in Europe, MEA, and South America.
- ◆ **IBISWorld - Technical & Vocational Education in the UK (March 2021).** The COVID-19 (coronavirus) pandemic is expected to put pressure on the UK government to reduce training budgets after spending billions on stimulating the economy. However, Budget 2021 outlined a further £126 million in funding for the government's traineeship scheme, which could enable 40,000 more traineeships, while cash incentives for employers that take on apprentices was increased to £3,000 each, regardless of age.

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

- ◆ **Education and Training Statistics for the United Kingdom 2020.** The percentage of 16-24 year-olds not in education, employment or training (NEET) in the UK was 11.0% from July-September 2020, down from 11.2% in the previous quarter and 11.6% in the same quarter last year. (<https://tinyurl.com/3bf3d83w>).
- ◆ **Skills Development Scotland, Services for Training Providers** (tinyurl.com/y756eetw). 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/yx9w29nt). 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/yb8mf72a). You may find this website useful for the latest trends and analysis.

Disclaimer: This report has been updated on 21st September 2021 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



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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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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.
- ◆ [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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