



# 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in August 2018. 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 2022-23, the Technical and Vocational Education industry is expected to remain fairly stable, with both marginal expansions and contractions of revenue expected in different years of the period. Overall, industry revenue is forecast to rise at a **compound annual rate of 0.4% over the next five years** (IBISWorld, *Technical & Vocational Education*, March 2018).
- ◆ The CBI/Pearson Education & Skills Survey finds that three quarters of businesses (75%) expect to have more job openings for people with higher-level skills over the coming years while just 2% expect to have fewer. This gives a positive balance of **+74% of businesses expecting to grow their number of higher-skilled employees** (CBI/Pearson, *Helping the UK Thrive, CBI/Pearson Education and Skills Survey 2017*, July 2017) ([tinyurl.com/y7avs73p](http://tinyurl.com/y7avs73p)).
- ◆ In 2015/16, 61.7% of school leavers (those who leave school at the end of the academic year who could be between 16 and 18 and at various stages in their education) from maintained schools obtained **one or more qualifications at SCQF Level 6 or better**. This has increased from 60.2% in 2014/15 (Department for Education, *Education and Training Statistics for the United Kingdom 2017*, November 2017) ([tinyurl.com/y93rfcgy](http://tinyurl.com/y93rfcgy)).
- ◆ Free to download, this report states: 'Manchester ranks at the top of the list in terms of training demand in proportion to its population. London maintains an important position in second place, followed by Birmingham and Nottingham. Edinburgh rounds off the top 5 and is the only city in the top 5 located in Scotland' (Findcourses.co.uk, *UK Training Report: Industry Trends 2016/17*, ([tinyurl.com/ybtqscmb](http://tinyurl.com/ybtqscmb)))
- ◆ 'UK employers are facing a massive skills crisis and are not doing anywhere near enough to overcome it. So says a new CIPD report, 'From 'inadequate' to 'outstanding': making the UK's skills system world class', which claims that the UK is "sleepwalking into a low-value, low-skills economy"' (Developing People Globally (DPG), *Skills crisis worsening as UK training spend falls significantly*, April 2017) ([tinyurl.com/yckkpzzq](http://tinyurl.com/yckkpzzq)).
- ◆ The national organisation for this industry is [Skills Development Scotland](#). Other industry bodies include [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](mailto:info@bgateway.com).

- ◆ **IBISWorld – *Technical & Vocational Education in the UK (March 2018)***. The Technical and Vocational Education industry has been relatively volatile over the past five years as external economic conditions, governmental changes to the educational funding structure and educational legislation have affected performance. Public-sector cuts adversely affected the industry, as most industry operators are not-for-profit organisations that rely on government funding. For example, funding for adult education was cut by approximately 24% in the academic year through 2015-16. This coincided with an estimated 6.9% decline in industry revenue, the steepest year-on-year decline throughout the past five-year period. However, high unemployment in the wake of the economic downturn encouraged many to enter training to improve their competitiveness in the UK job market. This prevented revenue contractions from being too severe.

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

- ◆ **Department for Education, *Education and Training Statistics for the United Kingdom 2017, November 2017*** ([tinyurl.com/y93rfcgy](http://tinyurl.com/y93rfcgy)). In 2016, 44% of the UK working age population had a qualification at NQF level 4 or above. 42% of working age males had a qualification at NQF level 4 or above, compared to 45% of working age females. The percentage of working age population with a qualification at NQF level 4 or above was highest among the 30-39 age group at 53%. The percentage of working age population for England, Wales and Northern Ireland with a qualification at NQF level 4 or above were 44%, 37% and 35% respectively. 47% of working age adults in Scotland had a qualification at SCQF level 7 or better.
- ◆ **Scottish Government, *Learner Journey: Analysis of Scottish education and training provision for 15 to 24 year olds, March 2018*** ([tinyurl.com/yaw5q8ga](http://tinyurl.com/yaw5q8ga)). This report examines several different areas including the latest statistics on school attainment, apprenticeships and college provision in Scotland.
- ◆ **Skills Development Scotland, *Services for Training Providers*** ([tinyurl.com/y756eetw](http://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.
- ◆ **Findcourses.co.uk, *Professional Training News*** ([tinyurl.com/yb8mf72a](http://tinyurl.com/yb8mf72a)). 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](mailto: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](mailto: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](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) 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 Account](#)" 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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**Updated by:** Rebecca

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