

Small Business Service

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Richard Lambert
Lambert Review of Business University Collaboration
1 Horse Guards Road
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Dear Mr Lambert

Lambert Review of Business – University Collaboration.

The Small Business Council was interested to learn of your proposed research and is happy to take part in the ensuing consultation. The proposed research project covers an area that is of particular interest, as the SBC believes engaging with employers to consult them on the type of skills set required from graduates is essential.

By examining the dynamics between business and universities, it can best be understand how to fully utilise the knowledge and skills gained at university for the benefit of business.

The council believes that the current supply led education service is not working. This is because courses are created and executed without involvement from industry. What industry needs is for skills provision to be demand led, with industry taking a partnership role in the design and execution of courses. After all they are meant to be one of the beneficiaries of the skills produced.

A demand-led system is particularly important because there is evidence to suggest that training or educating people without reference to business needs will not create high value-added jobs. This is because unless skills are actually used in businesses, there will be little impact on competitiveness, productivity and wages.

A SFEDI (Small Firm's Enterprise Development Initiative) standard could be developed so that formal training providers (such as Further Education providers) can map their provision against the small business criteria of accessibility, quality, relevance, flexibility and speed. This would lead to the redesign of vocational qualifications with an emphasis on work-based skills rather than paper and exams.

Most graduate's knowledge in many areas of their studied subjects tend to be too general for business, therefore, they are not employment ready when leaving University. They become trainees on taking up a post in employment and usually require intensive on the job training. Graduates are generalists and not specialists.

Employers want work ready individuals not those with lots of qualifications but unable to function in the workplace. Most employers value skills, attitude, acumen for the job, and interpersonal/transferable skills over qualifications. Therefore, teaching environments, Universities and Colleges, should endeavour to include some emphasis on urgency of work, standards of products and prioritisation of the workloads in the students training syllabus.

Some of this shortfall in knowledge can be addressed by better and more constructive student placements within industry. A better mechanism for funding such placements needs to be addressed, which would enable smes to participate more fully in such schemes. One idea put forward to help redress the skills gap is the creation of a graduate apprenticeship scheme. Funded by government, such a scheme would enable the smes to be involved in training graduates to the level required by

industry, rather than at present, where businesses have to fund such costly placements and find the students are not able to undertake work at the required level.

I hope this information proves useful and the Council is looking forward to continuing a constructive dialogue with you on this research and look forward to be kept informed of its progress.

Best Wishes

Christine Tarrant

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Annex B

Small Business Council

Background Note

The Small Business Council is an advisory non-departmental Public Body which was set up in May 2000 with the remit to –

- Report to the Secretary of State for Trade and Industry on the needs of existing and potential small businesses in order to increase their opportunities for success and growth;
- Advise the Chief Executive of the Small Business Service;
- Advise and report on the effects on such businesses of the activities and potential activities of government including the Small Business Service itself.

William Sargent is the chairman, his role has will be enhanced from April 2002 when he will become the 'independent voice for small firms' in Whitehall. This involves providing advice and comment on Government Policy as it concerns small businesses, particularly looking into regulations that impact significantly on small firms. The new role will include regular attendance at the Ministerial Panel on regulatory accountability and William Sargent will continue to have access to the Prime Minister.

There are 23 Council members. One member is an academic the remainder are active entrepreneurs with practical experience of running a small business. The posts are part-time and take in excess of 2 days per month. The members receive no remuneration.

The Small Business Council produces an annual report, the details can be found on the Small business Service website at www.sbs.gov.uk/sbc. The annual report has just been published

