

2014 Salford Business School
Year of the SME Celebrating the **creative**
ingenuity of our SMEs



The guilty secret of the digital skills gap in UK

The Centre for Digital Business, based at Salford Business School, works closely with SMEs and is aware of the growing digital challenges that business people confront, from how they might aggregate customers' social data, to advice on developing a digital strategy. The School recently achieved Small Business Charter Silver Award status, demonstrating the volume and variety of SME partnerships that as a Centre we collaborate with.

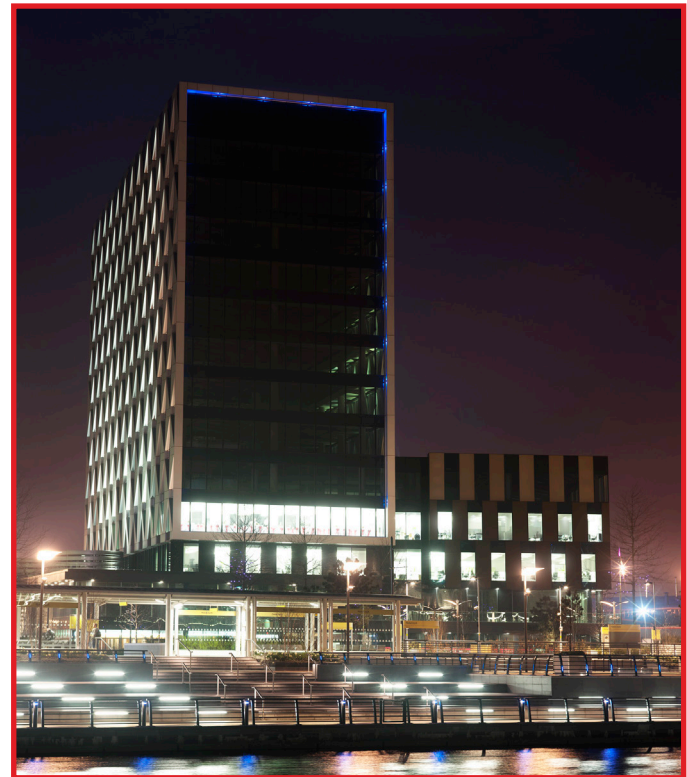
The Federation of Small Businesses recently reported that SMEs accounted for 99.9% of all private sector business in the UK, employing 14.4 million people, and had a combined turnover of £1.606 billion. It would be a fair assumption to make that SME owners collectively make a crucial contribution to the UK's economy.

However, there appears to be a guilty secret. A recent study by digitalskills.com revealed that one in three SMEs don't have a website. Of course there will be businesses that choose not to, but that is still a staggering number of businesses that for some reason do not have a web presence. Another shocking finding is that two thirds of SMEs

do not market or sell online. So why is this? What has happened?

Looking back at the 1990s, the web offered businesses and customers opportunities beyond their wildest dreams. There was optimism as the dark cloud of the early '90s recession slowly dissolved. Ubiquitous technologies were going to alter how we worked, how we played and physical places would be replaced by virtual spaces.

But what did this mean for businesses? This 'neweconomy', where the power balance was redistributed amongst customers, suppliers and businesses, gave them equal opportunities in the market place, from the large corporations to the local SMEs. Surely a website was your global shop window, an alternative channel to millions of new customers? There was a major misconception at that time that digital technologies did not need to form part of the business strategy or inform innovative business models, but those who were successful had the skills or bought the skills to exploit technologies to their advantage. Some, like Amazon, had the foresight (but more importantly the investment) to realign their vision.



The University of Salford's presence in Europe's largest digital cluster – MediaCityUK

This misconception continues twenty years on; we have all witnessed poor websites; out-dated statuses on Facebook; Twitter feeds featuring a handful of tweets; incongruous QR codes found in strange places; and ineffectual apps. Behind these social media dalliances are business owners wiping their brows because they still just don't get it! They're not active Luddites but more technophobes - technology has advanced so quickly that some SME owners quite simply have been left behind or have jumped unwittingly on the bandwagon, unsure of how to manage their social presence or digital technologies.

This lack of digital engagement has had a value attached by digitalskills.com. If all UK SMEs marketed and sold online as well as via traditional methods, turnover could be boosted by £18.8 billion. And it's not all about selling - if SMEs digitised their back office, a 20% estimated saving could be made.

So how can the digital skills gap be bridged? Businesses can buy in the expertise, they can recruit or they can grow those skills in-house. This all depends upon the health of the company.

However, there are other options. The Centre for Digital Business advises, consults and works with SMEs through Knowledge Transfer Partnerships (KTPs) and is currently collaborating with Salford City Council and their GO ON Salford initiative. GO ON is a national campaign that aims to inspire and support digital champions to share their skills with individuals and SMEs.

The Centre for Digital Business also hosts social media boot camps, free digital skills MOOCs and leads projects such as a Passport to Trade 2.0 that provide free online training material for European SMEs. The Centre members are internationally-recognised researchers for high quality, relevant and accessible research that is applied in 'real' business settings.

If you are interested in working with Salford Business School, please visit www.salford.ac.uk/business-school



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