

# Skills for Logistics

2009 -2012

A summary of the Business Plan



## **Executive Summary: our strategy for progress and the story so far**

In this executive summary, we explain how we will continue to:

- A. Consolidate and build on our successes and learning from the past five years
- B. Build on the momentum generated since April 2008
- C. Build our future through this Business Plan

### **A. *Building on our successes***

#### **Delivering the SSC Core Remit**

Our 2009-12 Business Plan (the Plan), explains how our mission and our core remit as an SSC will be delivered through four strategic goals which are:

- To increase demand for and investment in training
- To develop relevant and fit for purpose skills development solutions.
- To be a credible and respected voice in the sector on skills development and related policy issues.
- To be regarded by employers and stakeholders as a high performing Sector Skills Council.

#### **A sector-led approach**

The 2009 - 2012 Plan rolls forward by a year the 2008-11 business plan. Our proposal to maintain our strategic direction was validated through a wide consultation of one hundred and fifty employers, public sector partners, employer and learner stakeholders and SfL staff.

The consultation confirmed that logistics employers want UK-wide solutions in order to allow them to offer consistent UK-wide distributed operations. They and we endorse the home nations' demands for responsiveness to their public policies. Our Plan therefore reconciles both perspectives via our unifying mission, vision, goals and objectives for the UK, underpinned by agreed discrete operational plans to meet the priorities for each nation.

#### **Understanding employer needs and innovating to overcome infrastructural barriers**

Since 2007 much of our effort has focused on collaborating with employers to overcome barriers to engagement in skills development caused by the legacy skills infrastructure for the logistics sector. By 2010, the Plan's mid-point, we expect to have reached a tipping point in these infrastructure reform programmes:

## Qualifications

Our reform programme integrating logistics qualifications within the Qualifications and Credit Framework is on schedule for completion by 2010. The robustness of these reforms are assured by employers engaged in our *Supply Chain Employer Forums* who will enable us to deliver tailored solutions to be marketed through employer and learner representative bodies.

## The Training Delivery Infrastructure

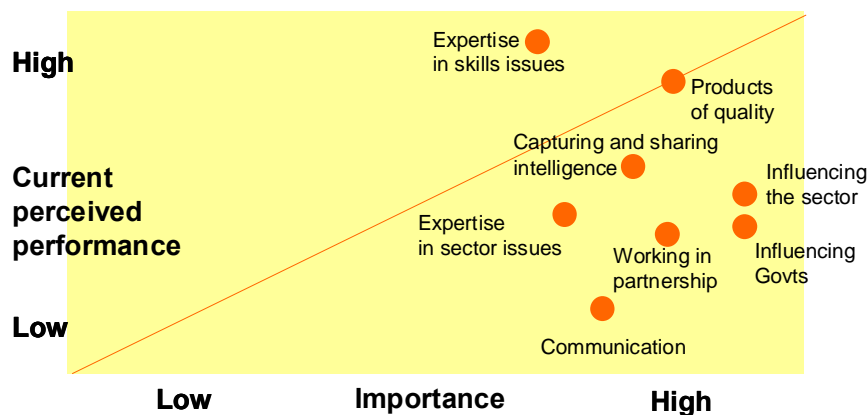
Our programme to roll out the regional hub and spoke training delivery system across England is running slightly ahead of schedule. To achieve full fitness for purpose we need a National Skills Academy at the hub. We will submit a bid to the Learning and Skills Council in quarter one of 2009/10. A successful outcome will enable the best possible England-wide delivery infrastructure to be in place for September 2010. We have delivered an effective and well regarded Training Quality Standard which will underpin the reformed training delivery infrastructure. We plan to apply what we learn in advancing academies and standards in England so that appropriate systems can be evolved for Scotland, Northern Ireland and Wales, shaped to the conditions of each nation. We are collaborating with key partners to achieve fitting solutions during the life of the Plan.

## **B Building on the momentum since Spring 2008**

### The performance improvement trajectory of Skills for Logistics

The strategic review commissioned by the SfL Board in early 2008 highlighted the changes to capability SfL would need to achieve to transform to a high-performing SSC. These were represented in the model below.

The gaps SfL must close



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To achieve that outcome we have significantly changed our structure and the constitution of our workforce, and achieved enhanced cross-team working, which has led to marked progress.

### **Reinforcing our employer-led approach through effective engagement**

Since 2007, there has been an increase by 73% in the number of qualifications achieved in the sector. Our 2014 target stretches for a 400% increase on 2007. During each year of this plan we will make progress towards that ambition by becoming increasingly influential and employer-led.

With 196,000 companies in the logistics sector across the UK, employer engagement and getting solutions to market remains a significant challenge. In January 2009 we began codifying employers in the sector according to the *quality* of our engagement with them. This system allows us to carefully target individual organisations and tailor our engagement with them. It also provides the basis on which to manage the performance of our communications, marketing and field teams by closely directing their engagement activity.

The accrual of these more focused relationships over time will increase attention to and investment in development, leading to improvements in the sector's skills base.

Our consultation confirmed the vital importance of Trade Associations, Trades Unions and Professional Institutes as intermediaries in developing skills solutions and providing helpful routes to market for them. A majority of respondents demonstrated their commitment to collaborating actively as intermediaries by committing to MOUs. Ten memoranda are being finalised currently: seven with direct sector-based Trade Associations, two with leading Trades Unions and one with a Professional Institute.

These MOUs are the 'strategic glue' for collaboration through partnership working through annual operational plans focused on deliverables. Through this approach participating Trade Associations will actively tailor qualifications and programmes to satisfy the discrete requirements of their members. These will often carry their brands but be stamped by our authority and credibility. Every one of these organisations is expressing the clear need for sector-wide consistency to enable transferability of skills and employees across the industry.

### **Understanding and supporting employers through the recession and beyond**

As a business to business function, logistics reflects trading conditions in the economy as a whole. Some companies serving relatively unaffected sectors will continue to trade well. But, we are witnessing a shake out amongst smaller companies which will continue, whilst larger companies with diversified portfolios may be more adaptive to economic shifts.

To pre-empt risks of a severe downturn in investment in skills training during year one of the Plan, we will raise awareness of the interdependencies between achieving the operational efficiency for survival during the recession, the business benefits from skills development and from increasing environmental sustainability. We will achieve

this by highlighting the causal links between skills development and *Freight Best Practice*, the Westminster Department for Transport's flagship environmental sustainability programme,

This will result in us changing the headline message from *Skills Pay* to *Skills for Survival*. Here the messages for us are also clear: simplify our services, streamline processes for employer access to training, de-mystify funding regimes, make qualification processes transparent and promote *Stairway Interactive* as the best means to achieve economical and effective training administration.

## **C Building our future – headlines of the 2009-2012 Plan**

The Professional Development Stairway remains pivotal in our offer to the logistics sector representing a single integrated framework for career planning, competency framework for professional development and management qualifications, programmes, and policy making. The Plan builds on that framework to develop a series of solutions specific to the sector that will leverage effectively off the reformed skills infrastructure..

### **Extracting best value for the sector from the improved infrastructure**

Having invested in qualification and training supply reform, we will ensure that effective programmes are in place and communicated to employers across the sector. Further, through validation and evaluation we will systematically capture employer feedback to shape future reforms.

At the start of the plan period, we are actively pursuing branded qualifications with five major Trade Associations across the sector and we expect that number to increase during the course of the plan.

The same ambition underpins our focus on sector apprenticeships. Since 2007, we have generated marked employer interest in apprenticeships. Our five existing frameworks have seen a 25% increase in apprentice starts since 2007 (against our target of 15%).

With a number of employers we are actively investigating the business case for a *Logistics Apprenticeship* to achieve competence across a wider spectrum of logistics roles. This has only been achievable in a funded framework since qualifications reform and will form an important pathway through the Professional Development Stairway.

### **Specific solutions for the logistics sector**

#### *Addressing the image of the sector*

It is generally accepted that the logistics sector fails to present an attractive public image. In the past prospective employees have not been helped to understand what the sector does, what roles are available, or what a diverse range of excellent career opportunities it can offer.

Since 2006, we have managed a successful employer funded programme for Schools and Information, Advice and Guidance (IAG) services around the UK. Recently the project was renamed *Delivering Your Future*. The Chartered Institute of Logistics and Transport (CILT) also runs a complementary Schools Programme and there are *ad hoc* employer-led initiatives run throughout the UK. To achieve coherence across these initiatives under a unifying brand, SfL has convened a sector-wide industry group that will transform the image of the sector during the life of the Plan.

### *Stairway Interactive*

We have developed *Stairway Interactive* a web-based management and career planning tool. We will pilot *Stairway Interactive* during the first quarter of the first year of the Plan on 11,000 employees in diverse companies including Royal Mail, Office Depot, Brakes (food distributors) and Maxims Logistics, an SME haulier.

We will evaluate the pilots to establish the benefits achieved by participating companies by its use and the relative costs.

Our research indicates a significant barrier exists to engagement in discretionary training by small employers who lack dedicated resources for establishing and managing training programmes. We will therefore apply what we learn from the pilots to develop, during the first plan year a common user version of *Stairway Interactive* scalable to SME training programmes.

### *Aligning mandatory and discretionary training*

The logistics industry faces a major challenge from September 2009 when the European Driver Training Directive comes into UK law. This will require each professional driver to hold a *Driver Certificate of Professional Competence (DCPC)* and undergo five days of training every five years. We estimate this will mean an additional 500,000 training days per year split pro-rata across the four nations.

To meet the quality requirement for this periodic training we worked in partnership with the Learning and Skills Council to develop core knowledge modules for the Driving Goods Vehicle NVQ. The modular training will be delivered by providers through our English regional 'hub and spoke' delivery system. Substantive improvements in driver performance intended by the Directive will be realised by the SfL-designed driver training programme and our system for training delivery. Together they represent a significant step to achieving closer alignment between mandatory and discretionary vocational training and addressing skills training through a coherent system.

To reinforce this alignment, we intend to pilot and examine the potential offered by *Stairway Interactive* as part of a wider management service to support the administration of the Driver CPC for SMEs. This will serve also to reduce resistance to engagement in discretionary training into the future.

### *Exploiting Intelligence to become an authoritative voice on skills in logistics*

During year one of the Plan our newly appointed Head of Intelligence will increase the value gained from our LMI by shifting our focus from research to better intelligence-led interventions, knowledge management and evaluation. The shift will involve combining quantitative research with qualitative information derived from systematic employer consultation in each supply chain and sub-sector

Membership of our Employer Forums continues to grow and we anticipate will reach 1000 by the end of the plan period. There will be a consistent process for formally consulting employers in the nations and regions. Quarterly consultations will gain information and data from participating employers on emerging skill-shortages, vacancies and training take-up, as well as capturing individual employer views on current skills issues. We will also have separate data from formal evaluation processes completed on our programmes. The outputs from these different sources will be processed, analysed and interpreted then configured in intelligence reports. The reports will inform policy makers, employer and learner stakeholders in each of the four nations.

Informed by sector intelligence, we will also pursue continuous dialogue with the training supply industry ensuring programmes are grounded in real employer needs and national/regional requirements.

### **Continuous improvement and becoming a high performing SSC**

We are on a determined trajectory of improvement in line with what the UKCES characterises as a well run SSCq. The 2009-2012 planning period opens with SfL in a qualitatively improved place to one year ago, and focused on continuous improvement.

Following the strategic review commissioned by the Board in early 2008, we comprehensively restructured the organisation around core business processes, revamped the senior leadership team, delegated decision-making appropriately to small, increasingly agile cross-functional teams, and we are building the core capabilities and competence to lead and respond to employer demand.

We have a shared commitment to our purpose and performance. Everybody understands their contribution to the mission. Appropriately for a Sector Skills Council, we are now properly concerned with organisational and individual learning to close our own skills gaps and build business capabilities.

This Plan is not our relicensing submission. It sets out how we intend to implement our ambitions for achieving shifts in the sector beyond relicensing.

We believe we are strongly positioned to press ahead, to achieve high performing SSC status and that this Plan is the road map to deliver us there.

## SfL: Our Mission and Vision

The Skills for Logistics **Mission** is:

**We will enable employers in the logistics sector to gain competitive advantage by developing workforce skills.**

We will deliver this mission by building effective working relationships across the sector with employers, and, importantly, employer and learner stakeholders.

Achieving the Mission will enable our **Vision** for:

***A productive efficient UK Logistics sector adding value to the industries and customers it serves, and enhancing the competitive advantage of the UK and home nations in the global economy.***

We will deliver the Mission and Vision through four strategic goals:

- Goal 1: To increase demand for and investment in training.
- Goal 2: To develop relevant and fit for purpose skills development solutions.
- Goal 3: To be a credible and respected voice in the sector on skills development and related policy issues.
- Goal 4: To be regarded by employers and stakeholders as a High Performing Sector Skills Council.