1 Report Summary

1.1 Rational

In order to stay competitive in the European and Global markets, European SMEs need to keep up with the latest technologies and working methods for production and organisation.

The current boom of internet and other electronic networks and 'information highways' should facilitate an optimal framework for information distribution and training in new working methods, supporting IT tools and other technological developments for SME managers and employees.

However, if we look at 'Teletraining' initiatives offered on the market, their use by SMEs is disappointingly low, and in many cases the offer does not match with the specific SME demand.

## 1.2 Objectives and focus points of the Teleman/SME study

The main objective of the Teleman/study was to evaluate market opportunities and user-requirements for establishing a European wide infrastructure for telematics-based teaching and training for SME managers.

The study aimed to:

- Determine user requirements of the contents and format of different Tele-training and service scenarios ('packages') for Management of SMEs (usability, cost effectiveness, learning approach and implementation models, user and market acceptance and potential);
- Determine technical limitations and functional-system requirements related to the different Tele-training and service scenarios ('packages') for Management of SMEs (technological appropriateness versus learning approach, cost effectiveness)

1.3 Field work Methodology

The Teleman/SME study was carried out in two phases.
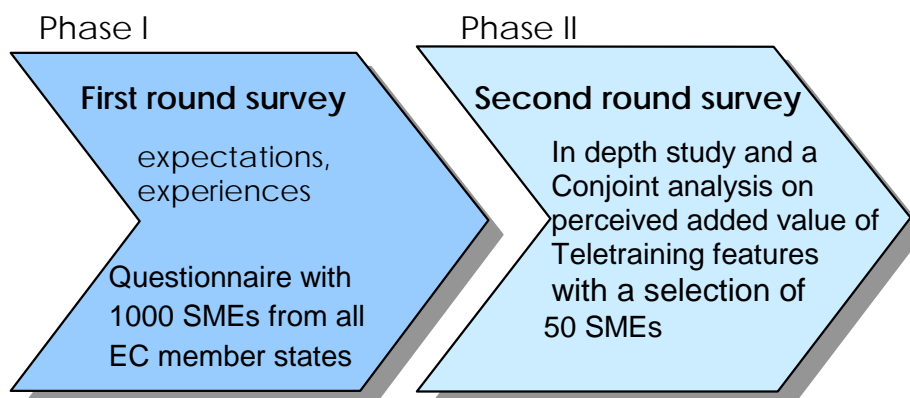
In the first (main) phase a telephone inquiry with 1000 SMEs from all European Union member states was carried out. It was aimed to determine current- and expected future trends for training activities, objectives and subjects of European SMEs. Furthermore, to know their experiences with Distance learning and to detect their expectations and preferences for different (tele) training characteristics for an 'ideal' training course.

In the second phase a conjoint analysis was carried out with a selection of 50 companies from the first phase survey. The conjoint analysis comprised of the comparison of 25 different teletraining scenarios composed of 6 different features. It was aimed to determine the added value perceived by the interviewed for each of the features. Furthermore, a short questionnaire was conducted with the SMEs in order to obtain further information for the analysis of the results of the first phase survey.

Additionally the conjoint analysis and a short questionnaire was carried out with 10 experts in (Tele)training, aiming to compare the vision of the 'offer' with 'demand'.

2   First phase survey results

The results from the 1st phase survey show that though 20% of the companies do not assign any resources to training, 50% of the companies dedicate on average 4 training days- and the resting 30% do even spend up to 7 training days per employee per year.

Frequency Internal Training

Frequency External training
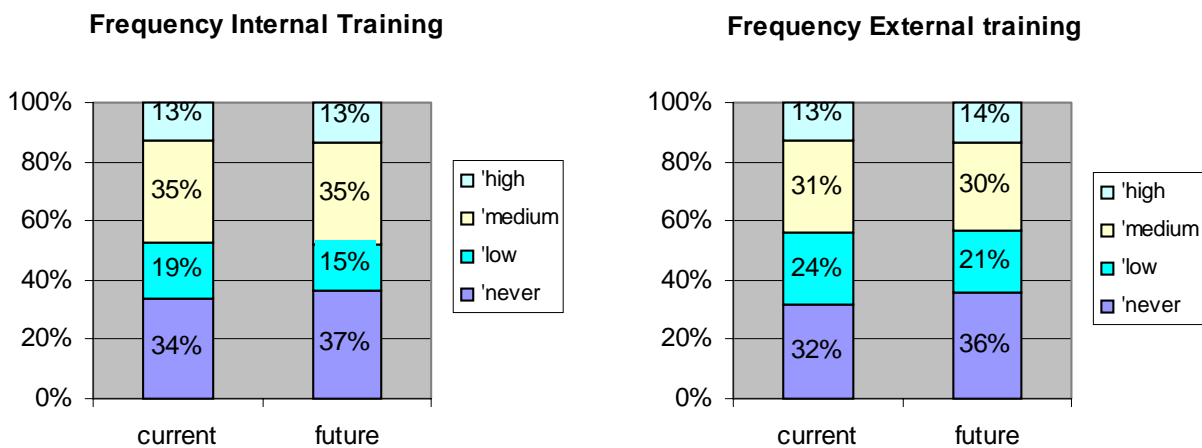
Most important subjects to be trained seem to be in technical, management and specially marketing areas.
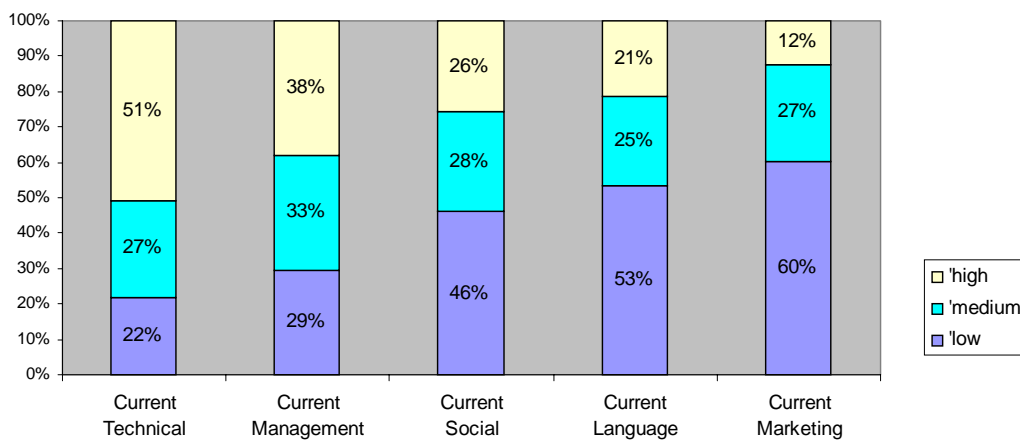
This clearly shows that SMEs do have an interest for training, however obstacles like lack of time, training quality and specially match with the specific needs leads in many cases to poor training activities at European SMEs.

Distance learning could be a solution offering flexibility in time and place, however from the fact that only 11% of the sample did have experience with DL, its adoption is very poor

Frequency Distance Learning
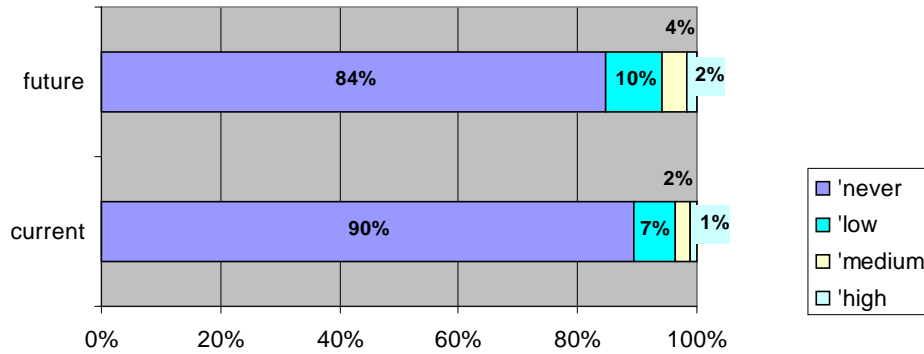
Most important reasons for none experience are that there is no need felt for Distance Learning, which is assumed to be related to other reasons like a very low training quality perception, a lack of an adequate offer of training tools, and a lack of awareness of the advantages DL could offer.

Experience DL - Sectors
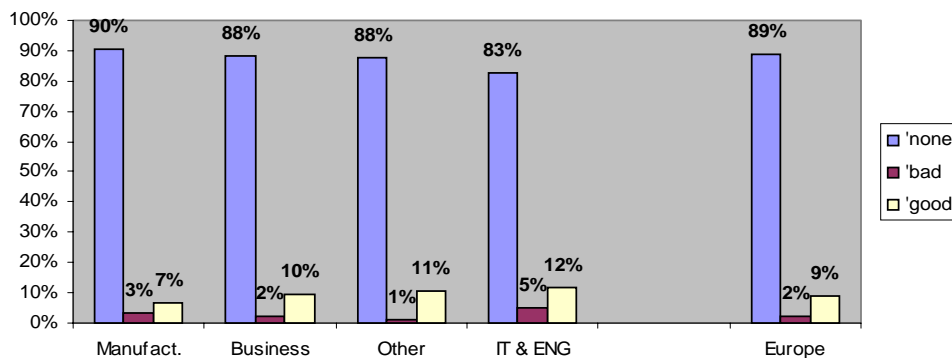
Furthermore, if we look at the preferences for the 'ideal' training course, it results that preferences for traditional attendant courses seem to be dominant. Flexibility in time and place are preferred however, 'partly presence', 'group learning', tailor made courses, and even 'home work, tests and exams' show to be of equal, if not more, importance. This indicates that flexibility in time and place are not the (only) key success factors for Distance learning.
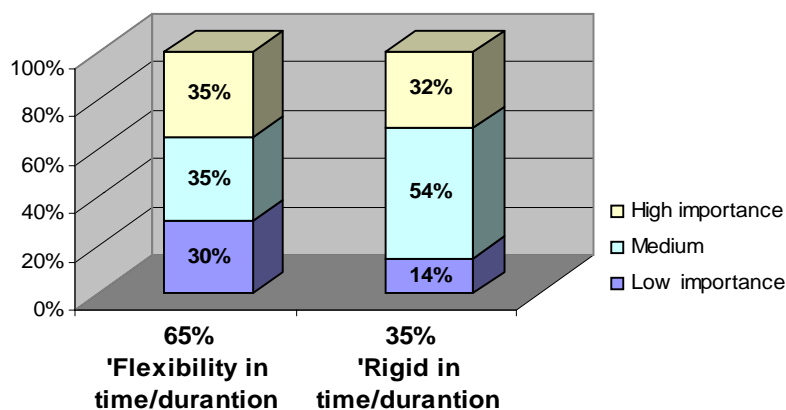
The survey addressed SMEs with a size from 10 to 250 employees, excluding 'micro enterprises (< 10 employees). Micro enterprises were excluded considering the fact that the study focused on Teletraining in management (methods, tools and skills), which is mostly of interest for companies starting with a size from > 10 employees. Moreover the mayor part of Micro enterprises are 'one man' enterprises[1].
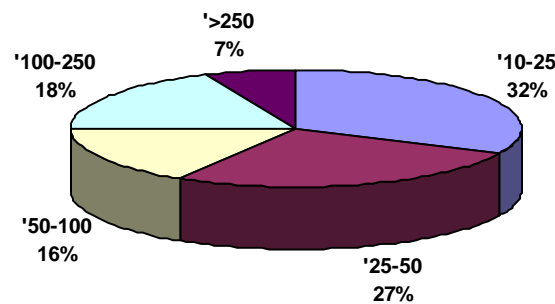

Regarding the position/function of the persons interviewed at the SMEs, for companies with a size between 10 to 50 employees the general management was contacted, and for companies with a size between 51 to 250 employees the human resource department was contacted.

3   Second phase survey results

From the questionnaires with both the SMEs and the experts, the aforementioned findings of the first phase survey were confirmed further indicating the need for personal contact and attention to specific needs of the participants.

Graph 1: Relative Importance

---
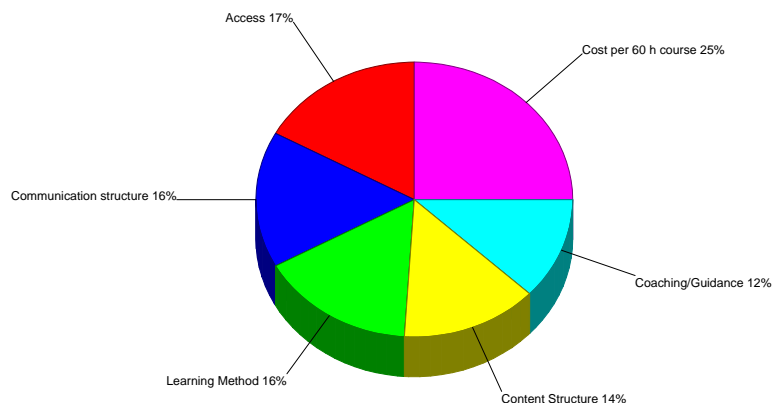
[1] Enterprises in Europe, 4th report (EUROSTAT, 1996)

From the conjoint analysis it further resulted that a main concern of the SME's is the price of these new technologies, which becomes the more critical, the more the new learning methods are only an electronic reflection of traditional training materials and methods.

Graph 1: Cost per 60 h course/Access
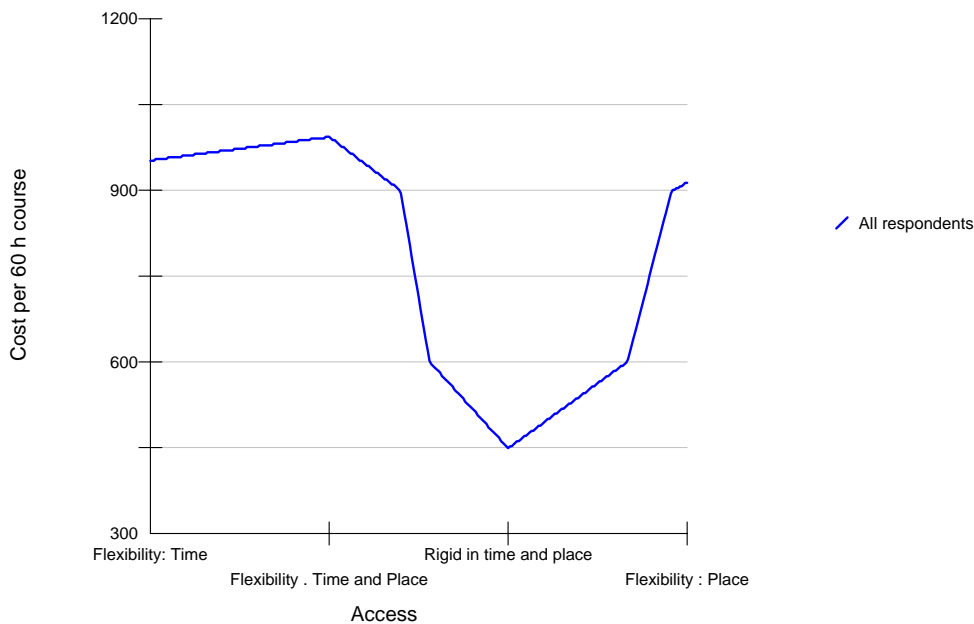
Final conclusion and recommendations

The final conclusion drawn from the 1st and 2nd phase survey are that an potential market exists for Teletraining courses. However, an important effort should be put into matching the training courses offered with the specific demand of the SMEs.

Current Teletraining activities are too technology driven and should change their focus to a 'Market Pull' approach, clearly determining specific training needs of their SME clients.

Considering the 'hidden' (implied) needs which could be derived from the preferences for the characteristics of a training course, a new training form is proposed, integrating perceived strong points of both Distance- and Traditional attendant training courses.

The framework initially defined to analyse (Tele) training scenarios was used to further describe the 'ingredients' for the 'optimal' training package/scenario. These 'ingredients' – read 'features' – should provide the reader with a reference model to analyse its own (tele) training activities and inspire for improvements.