

## Sector Specific, Demand Driven Training Products: Innovations to Enterprise Development

### Context

In 2004, SMEDSEP undertook studies focused on the Tourism and IT subsectors in Negros Occidental and Cebu respectively, to identify specific workforce related problems and design strategic and meaningful programs to address them. The study revealed the human resource related requirements of the Small and Medium Enterprises (SME) and pointed to the inability of local training providers to fulfill specific SME needs for retooling and providing specialized skills to employed workers.

The results of the study also reinforced the need for an innovative program that would shift the practice from a supply driven, subsidized delivery of training services. The study established the need for demand driven training programs that meet the needs of the market, increase SME competitiveness and generate employment in the Visayas.

SMEDSEP partners, the Department of Trade and Industry (DTI), Technical Education and Skills Development Authority (TESDA) and the German Technical Cooperation (GTZ), worked together in designing a program in select pilot areas.

### Problem

Small and medium enterprises (SME) in subsectors with high growth potential such as Negros Occidental's Tourism and Cebu's IT industries, have commonly faced difficulty in finding suitable skills training programs for their workers and sourcing adequately trained skilled workers from the local labor markets.

### Solution

Develop and market **Sector Specific Demand Driven Training Products (SSDDTP)** in collaboration with partner training providers.

### Approach

**Sector Specific Demand Driven Training Products (SSDDTP): Meeting SME Demands**

SSDDTP development entails five stages as described below

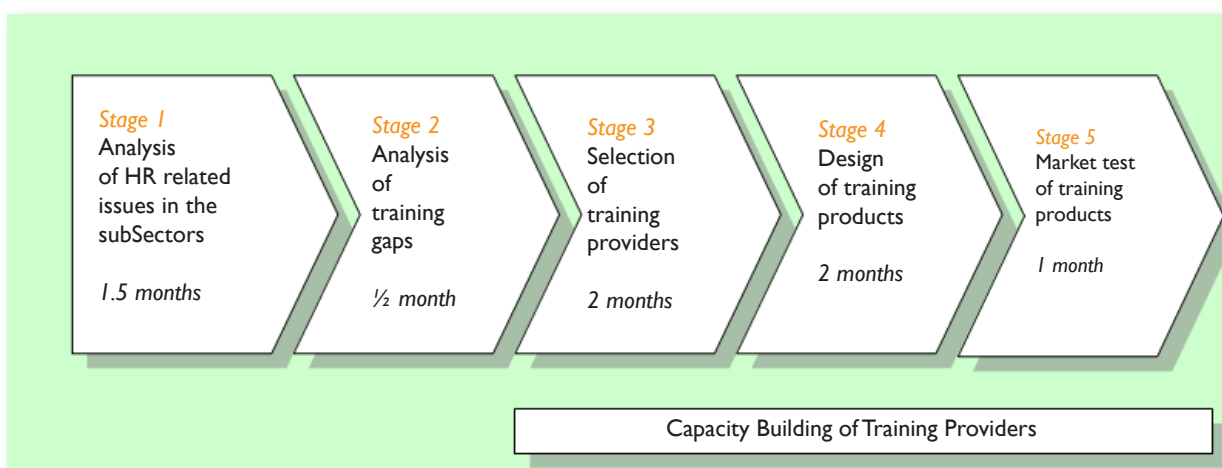


Figure 1: SSDDTP Development Stages and Timeline

The first two stages of SSDDTP development include the conduct of the TESDA Provincial Skills Priority Survey once every three years or an equivalent tool in DTI. This survey collects information on sector specific skills demands and training gaps. These results are updated annually through a conduct of focus group discussions among key stakeholders.

In Stage 3, the facilitating agency initiates the selection of training providers that will be assisted technically in SSDDTP development using a preselected criteria.

Stage 4 entails learning sessions coordinated by the facilitating agency between the new training provider selected (Learning Innovator) and the SMEDSEP Phase I assisted training provider (Coach Innovator). In designing new SSDDTP, the capacity development activities include peer-to-peer learning, training workshops, study visits, and training of trainers.

The final SSDDTP development stage (Stage 5) of marketing and testing the developed training product is actively pursued by the Learning Innovator with coaching and technical advice from the facilitating agency and the Coach Innovator.

The parallel effort to build capacities of training providers, undertaken continuously throughout Stage 3 to Stage 5, proved to be essential to SSDDTP development success.



Tourism stakeholders in Negros Occidental deliberate on the initial findings of the Subsector Analysis that was conducted in September 2004. Human resource related issues such as SME skills requirements in the subsector were covered in the study.

Completing the SSDDTP development stages is carried out in approximately 20 month period.

## Key Results

The full development of sector specific demand driven training products and the buy in of target SMEs and job seeking individuals on commercially transacted basis were the two milestones achieved in the last six months, which resulted in the following

- anecdotal evidence from at least one ICT training provider has shown that SME patronage of its SMEDSEP supported course has risen from 27 for the whole of 2005 to 55 for the first six months of 2006 representing a 104 percent rise in SME demand for this course alone
- among the unemployed individuals, this same ICT training provider's course has already achieved, for the first semester of 2006, a 15 percent increase in demand from the total figure in 2005.
- impacts relative to employment in and training benefits to SME will be available only by end of 2006.

## Success Factors

- systematic identification of SME needs
- provision of a market platform that facilitates the direct linkage of providers to identified SME needs
- natural tendency of SSDDTP to select the most entrepreneurial training providers with growth spirit

### CASE: Interface Computer College

SMEDSEP training provider partner, Interface Computer College, has confirmed the need of IT enabled service enterprises in Cebu for Computer Aided Design and Drafting (CADD) operators through the ICT subsector analysis conducted by the Program in the province in 2004. They then proceeded to validating their CADD course with industry using the focus group discussion approach espoused by this good practice. The feedback they got from CADD practitioners were used to enhance their CADD module offering to be more attuned with the needs of their target clientele.