

LSIP Sector Skills Needs Report

Microbusinesses in Hampshire and the Solent

Written by Federation of Small Businesses

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1. Executive Summary

Purpose & approach. This report sets out the priority skills needs of microbusinesses (0–9 employees) across Hampshire and the Solent to inform LSIP planning. It triangulates desktop research, an online survey (n=87), two focus groups (in person and online), and two one-to-one interviews with employer micros.

Where we are now. Microbusinesses account for 88–90% of enterprises locally and underpin the region's economy, yet operate in an increasingly complex environment. Persistent skills gaps, time/cost constraints, and weak visibility of relevant provision are constraining productivity and growth.

What the evidence says (headline gaps):

The most common skills gaps are marketing & customer acquisition (40%), financial skills (32%), and digital & AI skills (31% each). Soft skills/work readiness deficits (communication, reliability, initiative) are a consistent employer pain point and feature prominently among the hardest to recruit attributes.

Sector specific needs persist (e.g., CPC/ADR/HIAB in logistics), alongside bid/procurement and export navigation requirements. Generational differences in workplace behaviours and older workers' digital confidence add further pressure to small teams.

Barriers & preferences. The dominant barriers to training are cost (65%), time away from the business (49%), and low awareness (39%). Microbusinesses prefer short, low-cost, online learning with out-of-hours options and value peer learning (81% rate it very/somewhat valuable). Focus group and interview evidence explains why: provision is often too generic/corporate, not sufficiently applied to micro contexts, and hard to navigate.

What we recommend (in brief). Establish a Microbusiness Academy of 45–60 minute, applied modules; provide stage based pathways (solo → first hire → 2–5 employees); roll out a Micro AI Toolkit and automation clinics; deliver sales for founders, finance & pricing, bid/procurement and export micro courses; and stand up a county wide skills hub with a shared directory/calendar, replays, and templates - all monitored via 90 day outcome metrics.

2. Methodology

Desk research approach

A review of existing FSB reports was conducted to identify existing themes and trends. The reports analysed included: Creating Change (Creative Industry); Entrepreneurs, Start-ups and Business Growth; Generation Entrepreneur; Future of the High Street; New Growth (Net Zero); Redefining Intelligence (AI); Scaling up Skills. Small Business Index data from Q1 2024 to Q3 2025 was also reviewed.

Survey Design and Response Rates

Due to the fact that micro business owners wear many hats and are time-poor, the online survey was designed to take only 5 minutes to complete and was shared by email, at networking events and B2B expos. It was described as The 5 Minute Micro Business Skills Challenge, and was rewarded at events with a prize for those who completed. In total 87 microbusinesses completed the survey.

The survey collected data showing business size, what sectors they were in, as well as their skills gaps, how growth was affected, what challenges they faced, and their views on recruitment, training availability and training preferences.

Focus Group Details

Although the intention was to hold Focus Groups in person, micro businesses voiced a preference to participate via an online meeting, to save travel time and cost.

Focus Group 1 at OVIC (in-person) – 3 businesses represented

Focus Group 2 online (Zoom) – 8 businesses represented

Focus groups provided qualitative depth, validating survey trends and explaining causes, contexts and practical needs.

One-to-One interviews

Two one-to-one interviews were conducted with micro businesses that employ staff to further deepen the qualitative insights.

Note on Triangulation of Evidence

Triangulation was achieved by integrating desk research trends, quantified survey responses and qualitative focus group and one to one insights.

3. Sector Overview

Current State of the Sector

Micro businesses continue to anchor local economies across Hampshire and the Solent, representing 88–90% of all enterprises. Despite this dominance, the operating environment has become increasingly complex, with multiple pressures limiting productivity, innovation and growth. Across the survey, interviews and both focus groups, business owners highlighted significant skills shortages, particularly in digital capability, AI literacy, marketing, financial management, and foundational soft skills such as communication, reliability, decision-making and professionalism.

Recruitment difficulties remain severe. Employers reported challenges sourcing truly “work-ready” staff, citing younger applicants’ reluctance to speak on the phone, unprofessional email habits, lack of preparedness for interviews, and fear of face-to-face communication. Interview evidence also highlighted sector-specific gaps, such as logistics candidates lacking essential CPC, ADR and crane qualifications, and older workers finding handheld or digital tools difficult to use. Time and capacity constraints further limit microbusinesses’ ability to engage in professional development or leadership training.

Financial literacy gaps persist, with many owners struggling to manage cash flow, price effectively or assess the impact of new systems or staffing choices. Both focus groups and interviews described microbusiness owners operating in isolation without access to trusted advice, reinforcing the value of peer networks. Businesses also remain underprepared for Net Zero, with widespread confusion around sustainability expectations and carbon accounting.

Overall, the evidence depicts a resilient sector that nonetheless requires clearer pathways, micro-friendly support, and short, practical, context-specific learning to reach its full potential.

Trends, drivers of change (technology, regulation, demographics)

Technology remains the most significant driver of change. Participants frequently described overwhelm, inconsistency and limited relevance in current digital and AI training, which is often designed for larger organisations. Interviews revealed a widening divide between businesses confidently experimenting with automation and AI, and those unsure how to use these tools safely, including examples of inappropriate reliance on AI for tasks such as legal drafting. This reinforces survey findings on the need for practical, applied, micro-specific digital upskilling.

Regulatory pressures are also intensifying. Across the evidence base, businesses expressed concern about the Employment Rights Act changes, HR compliance, procurement reform and export complexity. One-to-one interviewees described a growing fear of litigation that is reshaping hiring behaviours, with some microbusinesses moving away from employees altogether in favour of contractors to reduce risk.

Demographic and generational shifts are further influencing labour supply and workplace culture. Focus groups and interviews strongly reinforced concerns about younger workers’ confidence, initiative, communication skills, and expectations of workplace behaviour. At the same time, disabled founders, women returners and new entrepreneurs face barriers navigating saturated markets and limited support structures. Interview evidence from the telecoms sector also indicated that industry contraction is increasing the need for multi-skilling and adaptability.

Across all three drivers (technology, regulation and demographics), the combined research highlights the need for clear, applied, sector-relevant and micro-friendly guidance that reduces overwhelm and enables confident decision-making.

Workforce Profile

According to Nomis figures, micro businesses (0–9 employees) make up the vast majority of enterprises across the region, with 88% in Hampshire, 90% in Southampton and 88% in Portsmouth and the Isle of Wight. Nationally, three-quarters of businesses are non-employing, and approximately 99,000 Hampshire and Solent residents are self-employed.

Focus group and interview evidence confirm a predominantly sole-trader and micro-team ecosystem, with most businesses operating alone or in teams of two to four people across services, creative industries, construction, retail, heritage, logistics, training, tourism and professional consultancy. This structure results in significant time poverty and difficulties attending longer or daytime training sessions.

Skills demands are shaped by technology adoption (especially AI), new employment regulations, sector-specific compliance requirements, procurement changes, and generational differences in workforce behaviour. Interviews added further examples of sector-specific needs including driver licensing gaps in logistics, multi-skilling in shrinking telecoms teams, and the need for better HR capability in very small teams. Across all evidence, microbusinesses highlighted the growing importance of basic digital tools, secure AI literacy, customer service and communication, sales capability, tender and bid writing, financial skills, and small-team management. Apprenticeships were particularly valued by employers who had engaged with them.

Overall, the triangulated evidence shows a highly diverse, time-poor workforce operating under increasing digital and regulatory pressures, underlining the need for short, flexible, targeted training that reflects the realities of micro-scale operations. Additional interview insights confirm younger workers lack interview readiness, older workers struggle with digital tools, employers face soft-skills gaps, and rising automation increases demand for digital confidence.

4. Findings: Skills Needs Analysis

Evidence from Desk Research

The desktop research consolidates evidence from recent FSB reports to identify the most significant skills gaps facing micro-businesses (0–9 employees) across Hampshire and the Solent. Micro-businesses dominate the regional business landscape - representing 88–90% of enterprises, and face persistent challenges that limit their ability to grow, innovate, and adapt to economic and technological change.

Across all themes, micro-businesses report shortages of skilled staff - particularly digital, technical, and soft skills, combined with restricted access to training, administrative complexity, financial pressures, and limited local support capacity. Many struggle to navigate available programmes and benefit significantly from peer-to-peer learning environments that build confidence and provide practical, relatable examples.

Net Zero and Green Skills gaps include low sustainability literacy, limited carbon-accounting capability (Scope 1–3), and difficulty accessing green retraining. Micro-businesses need clearer guidance, simple tools, funded workshops, modular training, and incentives to adopt green practices.

Scaling-up skills for growth remain constrained by recruitment difficulties, weak basic/soft/technical skills in applicants, and low awareness of apprenticeships and T Levels. Leadership and management skills are underdeveloped, limiting productivity. Micro-friendly short courses, simplified hiring guidance, incentives for first hires, and flexible lifelong learning options are recommended.

Digital and AI skills are among the most urgent gaps. Nearly half of SMEs lack AI knowledge, with micros needing simple, practical entry points. Training must be short, low-cost, and contextualised to real-world business tasks. Policy levers such as tax credits, digital diagnostics, and audit vouchers can support adoption.

On the high street, micro retailers need skills in e-commerce, hybrid sales models, smart technology, and event-led community engagement. Councils also require training to design effective regeneration programmes.

The creative sector dominated by freelancers, faces gaps in finance and tax literacy, resilience, marketing and technology adoption, funding applications, and digital/IP rights management. Flexible training, templates, mentoring, and simplified funding processes are needed.

Young entrepreneurs require stronger enterprise education, financial literacy, digital marketing capability, and access to relatable mentors. Provision is currently uneven, with specific barriers for disabled and ethnic minority founders.

Wider entrepreneurship/start-up needs include digital adoption, tailored growth training, inclusive support for under-represented founders, and strengthened vocational pathways, particularly in construction trades.

Cross-cutting priorities include digital transformation, financial capability, leadership skills, green skills, inclusive pathways, and local delivery capacity. The report emphasises that peer communities are essential: micro-businesses learn best through small cohorts, mentoring, and shared problem-solving.

Overall, addressing these skills gaps requires practical tools (diagnostics, vouchers, micro-credentials), targeted policy levers, flexible training delivery, and embedded peer learning across all programmes.

Survey Results – Quantitative Highlights (n=87):

Business profile

Fig 1 – Business size

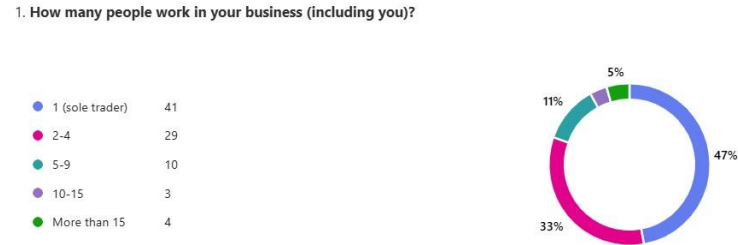


Fig 2 – Sectors Represented

2. Which sector best describes your business?

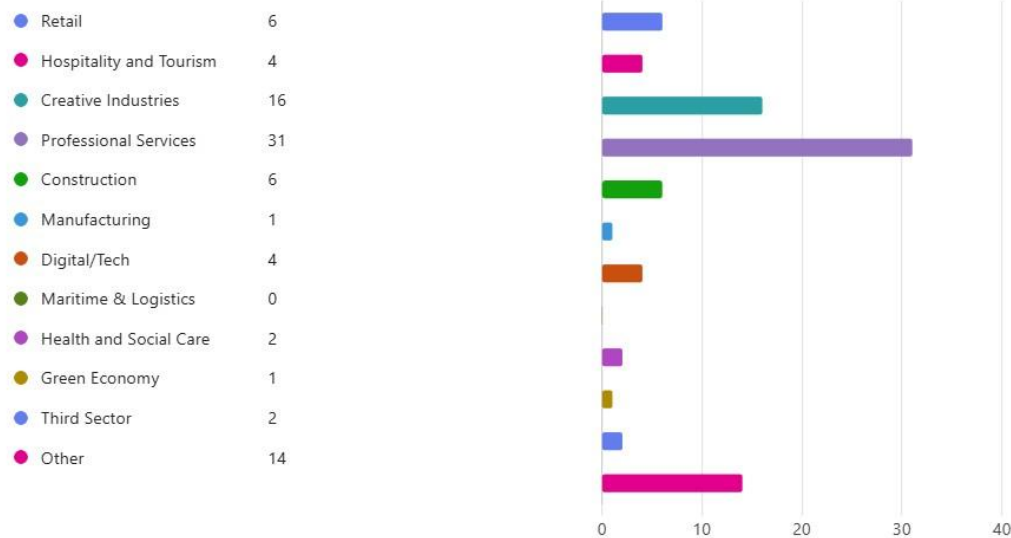


Fig 3 - Skills gaps affecting businesses (multi-select; n=85 respondents answered this question)

4. Which skills gaps are affecting your business? (Select all that apply)

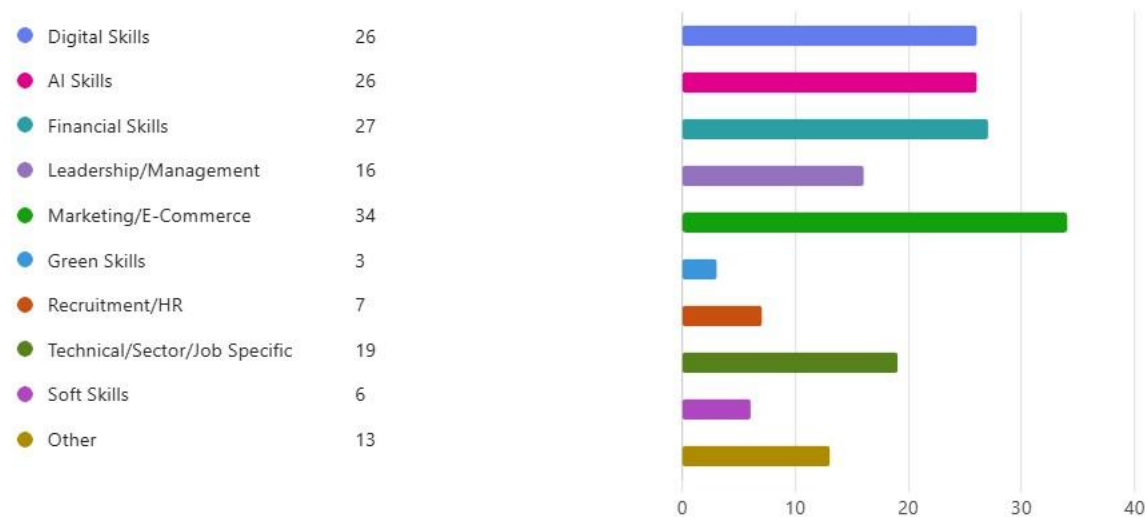


Fig 4 - Impact of skills gaps on growth (n=87)

5. How significantly do skills gaps impact your business's ability to grow?



Fig 6 - Main barriers to accessing training (multi-select; n=87)

6. What are the main barriers that prevent you from accessing training or support? (Select all that apply)

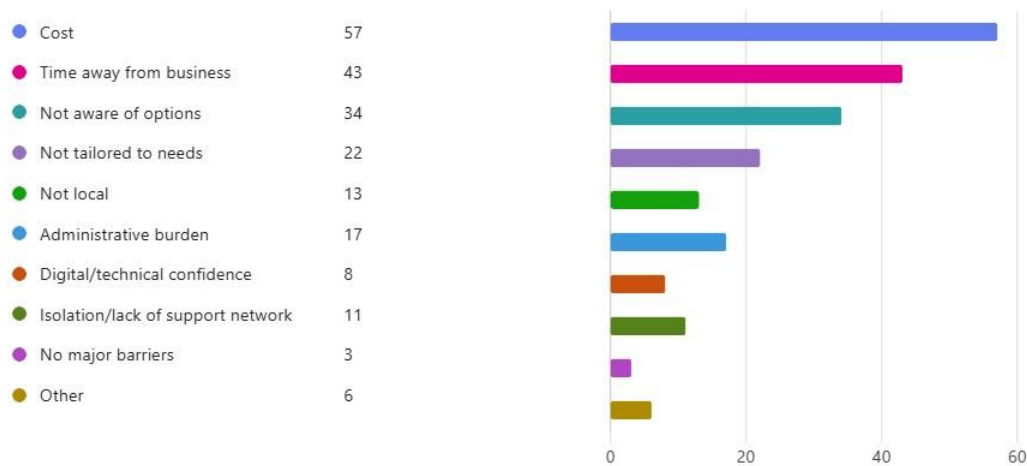


Fig 7 - Accessibility of current training (n=85)

8. Are current training options accessible to you?



Fig 8 - What would make training more accessible? (multi-select; n=86)

9. What would make training more accessible? (select all that apply)

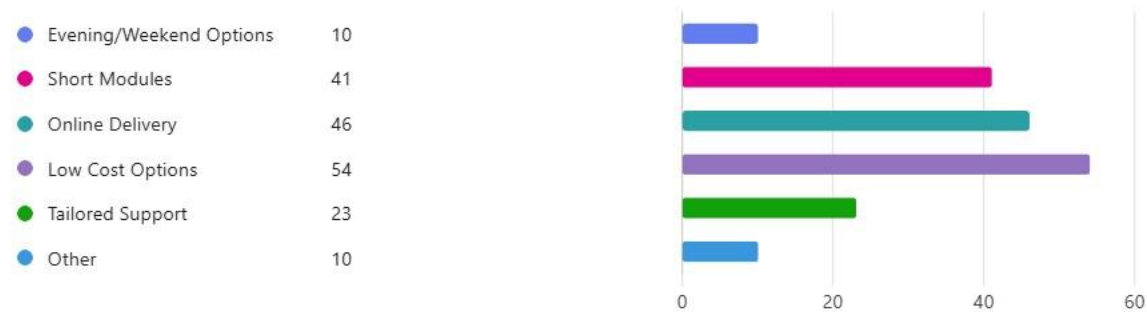


Fig 9 - Skills hardest to find when recruiting (multi-select; n=71)

7. Which skills are hardest to find when recruiting? (Select all that apply)

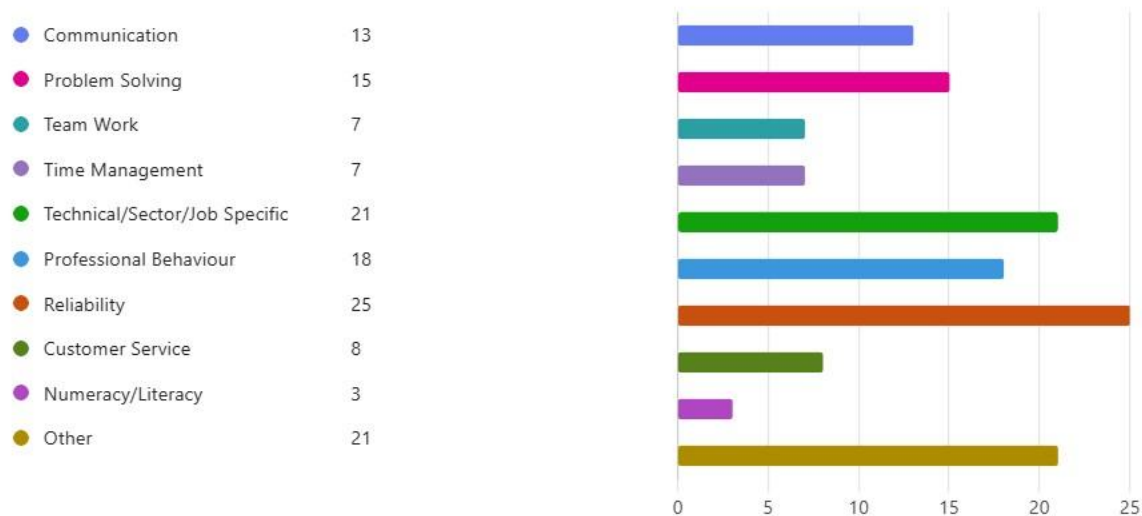


Fig 10 - Training undertaken in the last 12 months (n=86)

10. Have you or a member of your team done any training in the last 12 months? If yes, please specify the type/topic of training



Fig 11 - Value of peer learning (n=86)

12. How valuable would it be for you to learn alongside other micro-business owners facing similar challenges?



Focus Group Insights - Qualitative Themes

1. Current Skills Gaps

- Strong need for AI understanding and safe, practical usage.
- Major gaps in marketing, visibility and customer acquisition.
- Significant financial literacy gaps around pricing, cashflow and planning.
- Weaknesses in communication and professional behaviours, including email tone and phone confidence.
- Missing human skills such as confidence, listening, decision-making and cultural awareness.
- Technical and sector-specific skills also lacking in several industries.

2. Future Skills Needs

- AI literacy seen as essential across all sectors.
- Growing need for adaptability, multi-skilling and continuous learning.
- Rising value of human-centred skills as automation increases.
- Strong demand for sales and customer-acquisition capability.
- Increasing need for digital tools proficiency, including automation.

3. Recruitment Challenges & Workforce Behaviour

- Employers struggle with reliability and work ethic, especially among younger workers.
- Noticeable generational differences in communication and expectations.
- Limited initiative and accountability; staff often wait for instruction.
- Difficulty recruiting for customer-facing roles requiring confidence and professionalism.

4. Barriers to Training & Skills Development

- Cost is the most common barrier.
- Time away from the business is a major constraint, particularly for sole traders.
- Training provision feels fragmented and difficult to navigate.
- Perception of a “postcode lottery” where support varies by area.
- Many feel training is not relevant to microbusiness realities.

5. Mismatch Between Training Provision & Microbusiness Needs

- Training is often designed for larger organisations and lacks micro-specific examples.
- Owners want short, actionable sessions they can apply immediately.
- Strong preference for sector-specific and B2B/B2C-specific content.
- Training can feel overly theoretical rather than practical.
- Participants want structured learning pathways to reduce overwhelm.

6. Microbusiness Conditions & Capacity Constraints

- Owners juggle multiple roles, leading to acute time poverty.
- Many experience isolation, particularly sole traders.
- Unpredictable workloads make long or daytime training unworkable.
- Interest in training that supports efficiency, automation and cost-saving.

7. Preferred Learning Formats

- Preference for short modules, online delivery and low-cost options.
- Strong appetite for peer-to-peer learning and shared problem-solving.
- Desire for mixed models: live sessions plus recordings for flexibility.

8. Business Support Needs

- Need for a central, curated, trusted platform that consolidates opportunities.
- Desire for practical templates, tools and resources designed for micros.
- Interest in stage-based guidance (e.g., sole trader → first hire → managing a small team).

One to One Interview Perspectives

1. Current Skills Gaps

- Significant gaps in soft skills: initiative, decision-making, accountability, professionalism and reliability.
- Younger applicants struggle with phone communication and face-to-face interaction.
- Older workers often lack digital confidence and struggle with handheld devices and automated systems.
- Low levels of commercial awareness, particularly in small teams where staff must understand the whole business.
- Candidates frequently arrive unprepared for interviews or lack basic workplace behaviours.

2. Future Skills Needs

- Growing importance of digital and automation-related skills (e.g., handheld scanners, logistics automation).
- AI literacy needed across roles to ensure safe, effective, informed use of tools.
- Increasing requirement for multi-skilling, especially in sectors facing contraction or reduced staffing levels.
- Greater need for confidence, initiative and proactive problem-solving as workplaces evolve.

3. Recruitment Challenges & Workforce Behaviour

- Difficulty recruiting candidates with required sector-specific qualifications (CPC, ADR, crane/HIAB).
- Younger applicants prefer text-based communication, making recruitment slower and less effective.
- Staff often escalate routine tasks to managers instead of taking ownership.
- Applicants show inconsistent professionalism, with some unable to articulate basic motivations or work history.
- Employers experience challenges with punctuality, reliability, and engagement among new recruits.

4. Barriers to Training & Skills Development

- Cost of training and certifications is a major barrier, even when training is “funded” (because time away is costly).
- Time pressure prevents staff and business owners from committing to lengthy courses.
- Fear of getting things wrong (HR, legal compliance, AI usage) discourages participation in new learning.
- Limited awareness or understanding of which training is actually relevant or high-quality.

5. Mismatch Between Training Provision & Microbusiness Needs

- Training programmes are often designed for large organisations, not small teams requiring cross-functional skills.
- Long courses (e.g., 60-hour programmes) are unrealistic and difficult for micros to accommodate.
- Some mandatory modules in funded programmes are irrelevant to job roles.
- Training can be overly academic and not sufficiently focused on real-world microbusiness scenarios.
- Lack of practical guidance on communication, commercial judgement, and micro-team dynamics.

6. Microbusiness Conditions & Capacity Constraints

- Business owners often manage every aspect of the business, leading to overload.
- Staff absence due to training increases pressure on owners, who must cover all roles.
- Many microbusiness owners feel emotionally and operationally isolated.
- Limited HR, admin or operational support creates vulnerability when issues arise.

7. Preferred Learning Formats

- Preference for short, focused, practical training with clear outcomes.
- Bite-sized modules that can be applied immediately to the business.
- Training scheduled outside core business hours to reduce operational impact.
- Desire for content tailored to microbusiness realities rather than corporate case studies.

8. Business Support Needs

- Sector-specific guidance, especially where regulatory or qualification requirements are complex (e.g., logistics, telecoms).
- Simple, actionable tools and templates for HR, compliance, and communication.
- Clarity and reassurance around legal obligations and employment law changes.
- Support with building commercially-aware, autonomous, staff who can work independently.
- A need for structured development pathways for both business owners and staff.

Emerging and future skills needs

Digital, AI & Automation

- Practical digital tool proficiency (core software, handheld devices, e-commerce platforms, automation tools).
- Foundational AI literacy for everyday tasks: prompting, verification, tone, accuracy, data hygiene.
- Ability to integrate automation into workflows (operations, logistics, marketing, scheduling).
- Confidence to adopt and experiment with emerging technologies without fear of “getting it wrong.”

Sales, Marketing & Customer Acquisition

- Practical sales skills for founders and small teams, with emphasis on conversion not visibility.
- Stronger digital marketing capability: SEO, content strategy, analytics, and hybrid online/offline models.
- Skills to navigate saturated markets and differentiate effectively, especially for service-based micros.
- Customer-service and relationship-building skills for both face-to-face and digital channels.

Financial Capability

- Cash-flow management, pricing strategy, budgeting, and understanding margins.
- Financial planning for growth, including investment decisions and assessing ROI on new tools/systems.
- Improved tax literacy (including Making Tax Digital) and understanding financial obligations as the business grows.

Work-readiness, Communication & Human Skills

- Professional behaviours: reliability, punctuality, accountability and initiative.
- Communication skills for email, phone, and customer interaction — especially for younger workers.
- Confidence, problem-solving, and decision-making skills across all age groups.
- Cultural awareness, adaptability and resilience in fast-changing environments.

Leadership, Management & People Skills for Micros

- First-hire readiness and early-stage people management (setting expectations, probation, feedback).
- Micro-team leadership: delegation, boundaries, conflict management, performance conversations.
- Commercial awareness for all team members working in small, multi-role environments.
- Understanding employment rights and compliance obligations at micro scale.

Sector-Specific & Technical Skills

- Logistics: CPC, ADR, HIAB/crane operation, digital logistics systems.
- Creative industries: digital/IP rights, funding applications, portfolio/brand development.
- Retail: e-commerce, hybrid selling, community-based engagement, inventory systems.
- Construction & trades: vocational pathways, compliance, and specialist certifications.
- Professional services: bid/tender writing, contract literacy, data security.

Procurement, Bidding & Exporting

- Skills to create successful bids and navigate procurement frameworks (public and private).
- Understanding export rules, documentation, tariffs and troubleshooting of international shipping.
- Ability to self-audit processes for compliance and supply-chain readiness.

Net Zero, Sustainability & Green Skills

- Basic sustainability literacy and understanding of carbon reduction principles.
- Simple carbon-accounting capability (Scope 1–3) using accessible tools.
- Awareness of green innovation opportunities and incentives relevant to microbusinesses.
- Sector-specific green skills for construction, retail, logistics and creative industries.

Entrepreneurship & Startup Skills

- Enterprise education (particularly for younger founders): business models, financial literacy, digital marketing.
- Growth skills for under-represented founders: accessible pathways, mentoring, and inclusive training routes.
- Confidence to scale operations, hire staff, and build repeatable systems.

Learning Capabilities & Meta-Skills

- Ability to learn independently via bite-sized, modular, self-paced formats.
- Confidence navigating support ecosystems without overwhelm.
- Peer-learning skills: collaboration, shared problem-solving, and mutual accountability.

5. Key Skills Gaps & Priorities

1. Critical Shortages

- Strongest shortages are in marketing and customer acquisition, particularly converting visibility into sales.
- Financial management (pricing, cash-flow planning, budgeting, understanding margins) remains a significant gap across all evidence sources.
- Digital and AI skills are lacking at a practical, everyday level, including basic digital tools, safe AI use, and automation readiness.
- Employers consistently report gaps in professional communication, reliability, initiative, problem-solving, and other essential soft skills.
- Certain sectors have specific qualification shortages, such as CPC, ADR and HIAB/crane certification in logistics.
- Additional shortages include procurement and bid-writing skills, and confidence navigating export processes.

2. Skills in Demand Now

- High demand for practical sales and marketing capability, especially for sole founders responsible for business development.
- Need for everyday AI competence (prompting, verification, tone, accuracy) to improve productivity safely and effectively.
- Businesses require immediate improvements in financial fluency, including better understanding of cash flow, forecasting and cost control.
- HR and compliance skills for very small teams are increasingly important, particularly handling expectations, documentation and basic employment processes.
- Demand for procurement/bid-writing skills, enabling microbusinesses to access more contracts.
- Need for export literacy, including tariffs, documentation, and troubleshooting international shipping issues.

3. Anticipated Future Needs

- AI and automation will become foundational skills across all roles, requiring owners and staff to understand safe and responsible use.
- Increased need for multi-skilling, particularly in sectors experiencing consolidation or reduced workforces.
- Growing emphasis on leadership and people management at micro scale, as more solo founders move into first hires and small teams – particularly in light of changes to Employment Law from the Employment Rights Bill.
- Digital tool proficiency will be essential for logistics, retail, consultancy and training businesses adapting to automation.
- Rising expectations around sustainability and carbon reporting, even though current microbusiness demand for green skills remains uneven.

4. Cross-Cutting Themes

- Digital and AI capability underpins nearly all skills priorities and is essential for productivity, customer acquisition, communication and compliance.
- Leadership and human skills - professional communication, confidence, teamwork, initiative remain fundamental for small teams and customer-facing roles.
- Finance and commercial awareness cut across all sectors, influencing pricing, growth planning and resilience.
- Sustainability and Net Zero appear in the desktop research as growing priorities and will require simple tools and guidance for micros in the future.
- Inclusion and accessibility: microbusinesses need short, low-cost, online, flexible training designed around real constraints (time, workload, digital confidence).
- Navigation and awareness: demand for a clear, trusted, single entry point for information, skills pathways and support to reduce overwhelm and postcode variation.

6. Recommendations

1. Practical actions for employers, training providers, and policy makers

Employers (microbusiness owners/managers)

- Adopt short, applied learning: 45–60-minute sessions with clear takeaways; use replays and one-page tools to minimise time away from the business.
- Embed everyday AI and simple automations into routine workflows (email drafting, task scheduling, templates, basic data checks).
- Run a weekly sales rhythm (pipeline review, offers, follow-ups) focused on conversion, not just visibility.
- Use micro-team HR essentials: clear expectations, probation plans, feedback check-ins, and basic documentation.
- Build a small peer circle or join a cohort for accountability and shared problem-solving.

Training providers (FE/HE, private providers, Growth Hubs, membership bodies)

- Launch a Microbusiness Academy of 45–60-minute applied modules with recordings and toolkits (sales & customer acquisition, pricing & cash-flow levers, everyday AI, core digital tools, small-team HR).
- Offer stage-based pathways (solo → first hire → 2–5 → established micro) with B2B/B2C and sector-specific variants (retail, logistics, creative, professional services).
- Provide a Micro-AI Toolkit (use-cases, prompts, verification checklists, tone guidance) and automation clinics (simple workflow builds; handheld adoption in logistics).
- Deliver procurement/bid-writing micro-courses and export troubleshooting clinics.
- Co-design outcome-based micro-credentials and convert theory into scenario-based exercises.

Policy makers & partners (LSIP partners, councils, Combined Authorities, LEPs/Boards)

- Stand up a county-wide skills hub: a single, trusted platform with a shared calendar, searchable replays, and practical templates (HR packs, pricing sheets, bid/export checklists).
- Tackle postcode disparities via a baseline county offer and coordinated promotion.
- Where feasible, shift funding from time-based hours to outcome-based micro-credentials; use light-touch diagnostics/audit vouchers to target support.
- For logistics (and other licence-constrained sectors), signpost CPC/ADR/HIAB routes and explore partial subsidies or staged vouchers to offset fees and time away.

2. Short-term vs long-term priorities

Short term (6 months)

- Launch the hub (beta) and shared county calendar.
- Pilot 6–8 evening modules (AI basics, sales-for-founders, pricing & cash-flow, bid-writing, professional communication).
- Publish micro-team HR templates (expectations, probation, feedback guides).
- Add on-demand replays and one-page tools for every module.

Medium term (6-18 months)

- Scale the Microbusiness Academy and expand sector-specific tracks (retail, logistics, creative, professional services).
- Roll out the Micro-AI Toolkit and automation clinics; include handheld adoption support in logistics/field roles.
- Stand up export/procurement helplines and regular “fix-it” clinics.
- Form stage-based peer cohorts for accountability and progression.
- Agree and pilot outcome-based micro-credentials with FE/HE partners.

Longer term (12–18 months+)

- Embed the hub as the go-to entry point; refresh pathways by stage and by market (B2B/B2C).
- Extend voucher/diagnostic schemes for targeted adoption (AI, finance, bids/exports).
- Publish annual impact reports and case studies; iterate content using learner analytics and employer feedback.

3. Suggestions for monitoring and evaluation

KPIs & success metrics

- Outputs: number of sessions, attendance, % evening/out-of-hours, replay views, geographic coverage, sector mix.
- 90-day outcomes (by participant/business):
 - Time saved (hours via AI/automation/templates).
 - Sales impact (new leads, conversion rate, average order value).
 - Financial movement (pricing changes, margin improvement, cash-flow stability).
 - Procurement/exports (bids submitted/success rate; export issues resolved, shipping cycle time).
 - People metrics (first hires made, probation completions, reduced escalation of routine tasks).
- Quality & relevance: learner satisfaction (CSAT), Net Promoter Score (NPS), and perceived relevance segmented by stage (solo/first-hire/2–5), market (B2B/B2C), sector, and delivery mode.

4. Data collection & evidence

- Baseline → 30/60/90-day pulse checks for all cohorts (quick surveys, mini dashboards).
- Learning analytics from the hub (module completion, replay minutes, tool downloads).
- Case studies documenting tangible practice change (e.g., a pricing tweak improving margin, a bid win, or an hours-saved automation).
- Equity monitoring: track uptake by district/sector to identify gaps and adjust outreach.
- Continuous improvement loop: quarterly review with employers and providers to refine modules, pathways, and the hub user experience.

7. Conclusion

Summary of the Most Important Points

Microbusinesses across Hampshire and the Solent form the backbone of the local economy, yet they face a consistent and interconnected set of skills challenges. Evidence from the desktop research, survey, focus groups and one-to-one interviews reveals:

- **Critical skills gaps** in marketing and customer acquisition, financial capability, digital fundamentals, AI literacy, and soft skills such as communication, reliability, and initiative.
- **Sector-specific shortages**, particularly in logistics qualifications (CPC, ADR, HIAB), tender/bid-writing capability, and export understanding.
- **Work-readiness issues**, especially among younger applicants, coupled with older workers' variable digital confidence. Employers across all sectors report difficulty finding candidates who can communicate well, take initiative, and work independently.
- **Barriers to accessing training** are dominated by cost, time away from the business, and low awareness, reinforcing the need for short, flexible, online learning tailored to microbusiness realities.
- **Preferred learning formats** are clear: concise sessions, practical tools, relatable examples, out-of-hours access, and peer-to-peer learning environments that reduce isolation and build confidence.
- **Future skills needs** centre on secure AI adoption, multi-skilling, micro-team leadership, financial resilience, sustainability literacy, and the capability to operate in increasingly automated, regulated, and competitive markets.
- Across all data sources, businesses emphasise a need for micro-specific pathways, clearer navigation of support, and simple, actionable resources that translate learning into immediate operational improvements.

Together, the evidence paints a picture of capable, resilient microbusinesses held back not by lack of ambition but by skills gaps, time constraints, and fragmented support. Addressing these challenges requires targeted, practical, and accessible solutions tailored to the specific realities of micro-scale operations.

Call to Action

To unlock the growth, productivity, and competitiveness of microbusinesses in Hampshire and the Solent, LSIP partners should now:

- **Deliver a micro-specific skills offer**, built around short, practical, digital-first modules that reflect how microbusinesses genuinely learn and operate.
- **Establish a single county-wide skills hub** that removes the “postcode lottery,” simplifies navigation, and provides templates, recordings, and stage-based pathways
- **Embed an AI Toolkit and automation support**, enabling owners and small teams to safely adopt time-saving technologies and improve productivity.
- **Prioritise commercial capability**, including sales-for-founders, pricing, customer acquisition, bids/procurement, and export troubleshooting.

- **Strengthen people management support** for first hires and micro-teams, helping owners set expectations, manage performance, and navigate employment rights confidently.
- **Invest in outcome-based micro-credentials** and expand access to subsidised or flexible training that aligns with microbusiness needs.
- **Measure impact at 90 days**, focusing on tangible improvements - time saved, leads generated, bids submitted, margins strengthened, export issues resolved, and confidence increased.

By taking coordinated, practical action, LSIP partners can create a coherent, equitable, and high-impact skills ecosystem that allows microbusinesses not only to meet today's challenges but to thrive in the future economy.

8. Appendices

Appendix A. Survey Questionnaire

Appendix B. Focus Group Reports

Appendix C. Survey Data

Appendix D. Source document for Desktop Research

Appendix E. FSB Reports Reviewed