



WORKSHOP 1

Return on Investment (ROI) of Work Based Learning (WBL) and Apprenticeships

Work Based Learning as an investment for companies



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<http://roiwbl.eu/>



Return on Investment in Training Project

How we started?



What brings us here today?

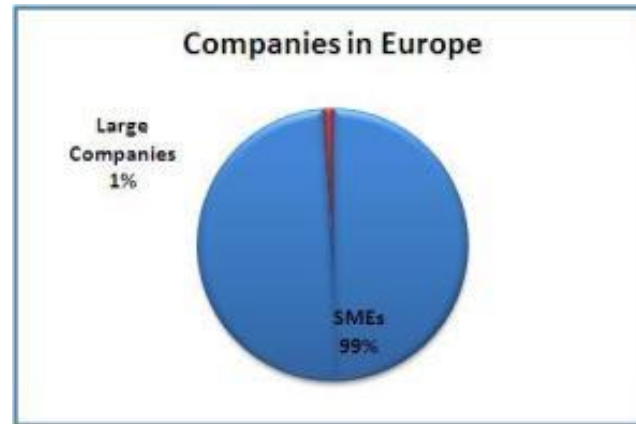


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WBL as an investment to SMEs - 1

- SMEs are Europe's motor for growth and employment.



- The availability of skilled labour is an important prerequisite to their prosperity.
- Apprenticeships and WBL provide an option to address the mismatch of skills. Doing so will entail costs to the SME, but also provide a range of associated benefits.

WBL as an investment to SMEs – 2

- By definition **WBL** is the:

“Acquisition of knowledge and skills through ‘carrying out – and reflecting on – tasks in a vocational context, either at the workplace (such as alternance training) or in a VET institution”.

- By definition **apprenticeship** is the:

“Systematic, long-term training alternating periods at the workplace and in an educational institution or training centre. The apprentice is contractually linked to the employer and receives remuneration (wage or allowance). The employer assumes responsibility for providing the trainee with training leading to a specific occupation”.

In practice, WBL and apprenticeship can have the same meaning with different levels of implementation.

WBL as an investment to SMEs – 3



Which is your ROI for Work Based Learning and Apprenticeship?



1. Visit <http://roiwbl.eu/calculator/>
2. Answer the questions of the demonstrator;
3. Get the right decision about your investments in Work Based Learning and apprenticeship!!

<http://roiwbl.eu/>

- **What is ROI?**

ROI is the calculation that compares the value of outcomes (changes as a result of an activity) to the value of the resources needed to create them.

ROI = Value of outcomes / Value of investment

"Value of outcomes" refers to the aggregated value of all of the included outcomes of investing in WBL.

The net present value of money can also be used to aid decision making. This is calculated by subtracting the value of the investment from the value of the outcomes.

The net present value formula is:

Net present value = Value of outcomes – value of investment

WBL as an investment to SMEs – 4

- **Why is ROI important to SMEs?**

ROI is an important determining factor as to whether or not an SME or any business is successful. It is essential for any business to understand the costs and benefits of any investment.

Having a **positive return on investment** means that the business is making money; a **negative return on investment** means that SMEs are losing money. Ensuring profitability is obviously a relevant factor to maintain a sustainable business.

Based on this need, the “ROI of WBL and apprenticeships” project developed a model that underpins the ROI calculation. This is designed to allow European SMEs to better appreciate the value of an investment in WBL and apprenticeships.

Recommendations for the ROI model – 1

- **Main SME costs**

- ✓ Time spent on recruiting apprentices and students
- ✓ Time spent by internal employees – this can be further broken down as below:
- ✓ Average time spent on administration
- ✓ Average time spent on training
- ✓ Average time spent on mentoring
- ✓ Average costs of external collaborators spent on administration
- ✓ Average costs of external collaborators spent on training
- ✓ Average costs of external collaborators spent on mentoring
- ✓ Equipment costs / specific to the WBL and apprenticeship
- ✓ Wages of the apprentices/students
- ✓ Overheads
- ✓ Insurance

Recommendations for the ROI model – 2

- **Main SME benefits**
 - ✓ Insurance Apprentices/WBL learners who remain in the firm after graduation;
 - Reduced labour turnover / Increased retention of employee
 - Reduced recruitment costs
 - Reduced cost of initial training/induction
 - ✓ Faster integration of graduates into company's work environment;
 - Reduced overtime requirements
 - Increased in productivity
 - Value of avoided mistakes or errors
 - Reduced time of supervision
 - ✓ Students are able to work in several positions within the company;
 - Increased flexibility,
 - Reduced time spent on ongoing training,
 - ✓ Enhancement of company image and reputation;
 - Increase in brand value.

Recommendations for the ROI model – 3

- **Individual benefits to apprentices and wider societal benefits**
- ✓ Increased employability through more effective preparation of learners for the labour market and fostering the acquisition of soft and employability skills;
 - avoided welfare support
 - increased local/regional/national employment,
 - increased local/regional/national youth employment,
 - increased cooperation between government, education, business, citizens and students
 - increased entrepreneurship among young people
- ✓ Developing more relevant and integrated curricula at schools;
 - increased cooperation between government education business citizens/students
 - facilitation in school-to-work transition
- ✓ All benefits for other companies as well (if apprentices are not subsequently employed by the SME)
 - more skilled workforce
- ✓ Higher inclusion in society, helps social integration and participation, particularly for vulnerable groups;
 - reduced number of drop outs from educational system,
- ✓ Wage returns: higher apprentices' wages compared to non-apprentices
- ✓ Effective way to address the problem of inadequate skills supply.

Apprenticeship in PT - 1



- **Timespan:** It was initially launched in 1984 and last revised in 2008 with no end-date.
- **Stage: Fully operational**
- **Focus area:** [Matching skills for today's job market](#)
- **Foundations:** the apprenticeship courses are dual training courses that provide double certification (educational and a professional), targeting young people and their integration into the labour market, and/or allowing the continuation of studies to higher education.
 - The number of apprenticeships courses places and their professional areas is defined annually by the Institute of Employment and Vocational Training (IEFP), based on an assessment of the dynamics of the labour market.

<https://www.cedefop.europa.eu/en/tools/matching-skills/country-fiches/portugal>

Apprenticeship in PT - 2

- **Beneficiaries:** Young people who are aged under 25 years and who have completed the 9th grade or over, without having completed secondary education. The programme is intended to provide the beneficiaries a more practical teaching (with on-the-job training), oriented to the labour market integration through both professional and scholarly qualifications (double certification).
- **Financial schemes/Expenses related to training:**
 - Professionalization allowance
 - Meal allowance
 - Transportation allowanceIn specific situations:
 - Training material allowance
 - Accommodating allowance (for those with children or relatives dependents)

<https://www.cedefop.europa.eu/en/tools/matching-skills/country-fiches/portugal>

Apprenticeship in PT - 3

- **Development:**

In an early phase, there were early dropouts from the educational system and mostly courses with low qualification level were provided.

In the 1990s, they were redesigned to adapt to level 4 EQF and adopted a broader scope, both with more time allocated to general and technological education, and with a redefinition of professional components.

The last revision was in 2008, aiming at giving more flexibility to training providers in managing the curriculum, though maintaining the approach to training, with classroom and work contexts.

<https://www.cedefop.europa.eu/en/tools/matching-skills/country-fiches/portugal>

Apprenticeship in PT - 4

- **Barriers:**

The dual training is demanding from companies participating in the training scheme. The involvement and readiness of companies to perform their role in training is one of the issues that is permanently discussed. Furthermore, the trainees don't have a professional status in the companies, they just have a training contract.

The development of the model led to increase the time allocated to a component that was called "simulated practice", which is a work simulation in training context. It also led to giving flexibility to training providers to define the duration of the different parts of practical training.

<https://www.cedefop.europa.eu/en/tools/matching-skills/country-fiches/portugal>

Apprenticeship in PT – 5



- **Success factors:**

There is a political priority to this scheme that led to high levels of funding and commitment of IEFP in its implementation. There is also a national network of partner companies solidified as major partners in the system. The flexibility in curriculum management allowed the scheme to be adapted to different local and economic contexts.

The relation between stakeholders is established at local level through protocols in order to stimulate the partner's network. The regional delegations of IEFP have a list of certified training providers that cooperate when IEFP training centres do not have the capacity to provide all the training or local priorities advice the involvement of partners.

<https://www.cedefop.europa.eu/en/tools/matching-skills/country-fiches/portugal>

2 case studies from PT - 1



Since 2012, 42 employees (Oporto)

Financial, administrative, communication, marketing, human resources and information systems services for the companies of the entire.

“Hosting trainees has been part of the company’s culture ever since it was born...”

“We offer the possibility of making a career in the company starting with a curricular internship. I’m an example: I started by internship at the administrative area. After that, I integrated some other departments within the company and when I went to study again, to get a human resources degree, I was invited for this department later on, about a year after. Now, I’m the main responsible for this department.”

2 case studies from PT - 2



Since 1996, 150 employees (Amadora)

Trade and services
Commercialization of products, international trade

4 Trainees: 3 of the International Trade Area (EQF level 5 course) and 1 trainee from the Accounting Technician Area (EQF level 4 course).

“The results are measured by the effectiveness of the operation. In this case, it can be said that since the integration of trainees there was a growth of 30% in sales in 2018.”

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