

# Finance and Growth Skills of Small and Medium Enterprise in Ireland

June 2022

MENTORS  
**work**



# Introduction

**In 2020, Skillnet Ireland in partnership with the Small Firms Association (SFA) launched MentorsWork, a nationwide upskilling scheme to assist in boosting SME productivity.**

Reports from the Department of Enterprise, Trade and Employment, the National Competitiveness Council, and the OECD and have expressed concern that productivity levels among Irish SMEs are stagnating. The aim of MentorsWork is to deliver a framework in which SMEs will access Government-subsidised training supports, to encourage and to assist SME owners and managers upskill so that productivity can be boosted.

There are several drivers which can be linked to productivity. These drivers include Finance & Growth skills, People skills, Digital & Automation skills as well as Business Processes skills. Based on these drivers, MentorsWork was developed as a structured 12-week business-support scheme, comprising an integrated approach of mentoring and targeted learning opportunities. The programme includes:

- **In-depth Online Competency Assessment focussed on the productivity drivers**
- **One-to-One Mentoring Sessions**
- **Peer-Focused Workshops and access to Expert-Led Masterclasses**
- **Access to a curated Online Learning Platform**



# Methodology

- As part of the MentorsWork programme, business owners were asked to self-assess (online competence assessment tool) their businesses finance and growth competences through a range of different questions. Each question belonged to an aspect of finance & growth. The aspects were as follows: Marketing Your Business, Winning and Competing for New Business, Financial Literacy, Motivate for Growth, Financial Analysis and Understanding Risk, Strategic Planning and Routes to Accessing Finance & Financial Supports. In total, 615 owner/managers completed the online competence assessment tool.
- Each business had a score (out of 100) for each of these aspects, which were then averaged to get an overall Financial and Growth Competency score.
- To analyse the data, the average responses were compared between businesses, based on the following categories: Business Size, Business Age, and Sector.
- In order to highlight the differences in mean scores between groups, indexed average comparisons were used. For each section, each group's average was compared against the overall mean for that section – and a percentage decrease or increase was detailed with respect to that overall mean.

A woman with glasses, wearing a light-colored striped shirt, is smiling and talking on a mobile phone. She is standing in an office environment with a desk, laptop, and other office equipment visible in the background. The image is overlaid with a semi-transparent dark green filter.

Higher employee numbers are associated with greater overall financial competency. Older businesses also report higher competency than average. By sector, retail/hospitality, food/drink, and manufacturing are all above average. ICT is average, whereas services and all others are below average.

# Predictors of overall financial and growth competency

Overall financial and growth competency score



## Business size

0-9 Employees



10-49 Employees



50+ Employees



## Business age

0-10 Years



11-20 Years



21+ Years



## Business sector

Retail/hospitality



Manufacturing



Food/drink



ICT



Services



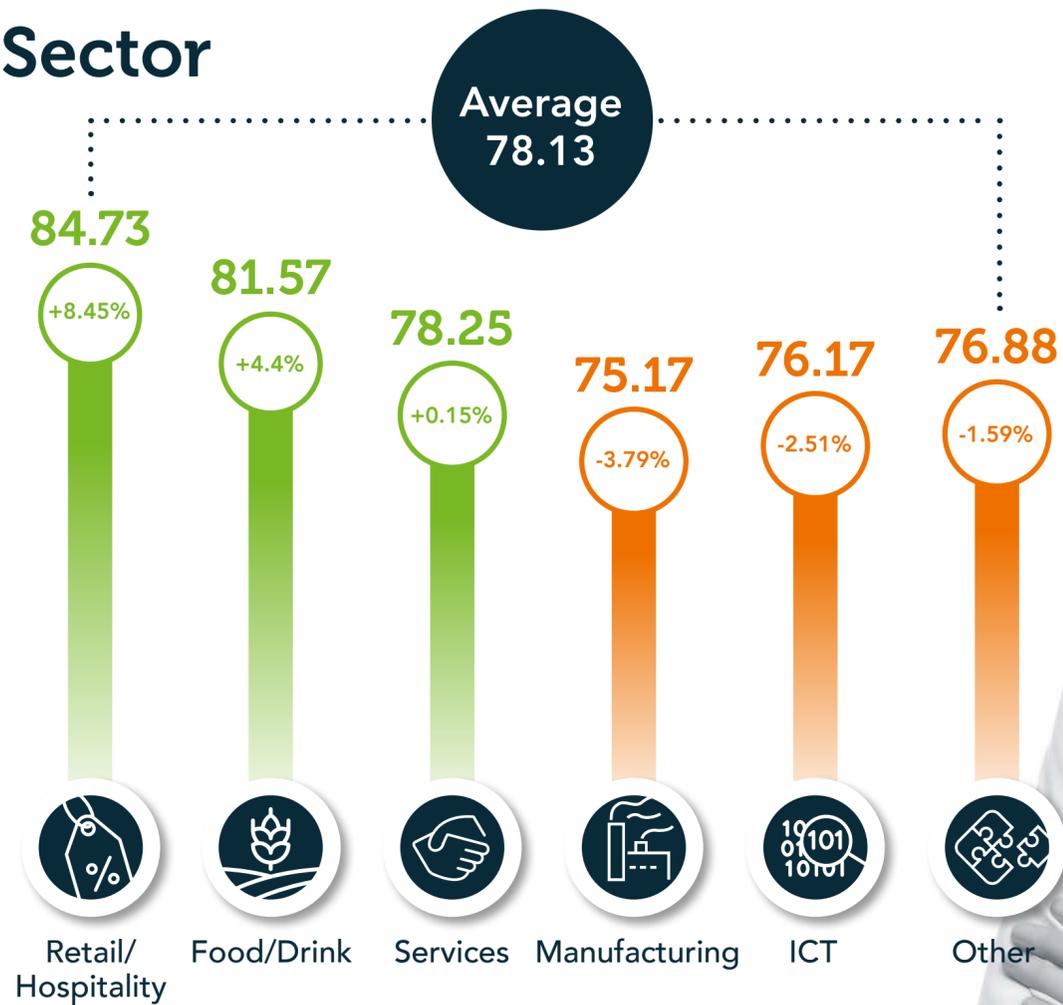
Other



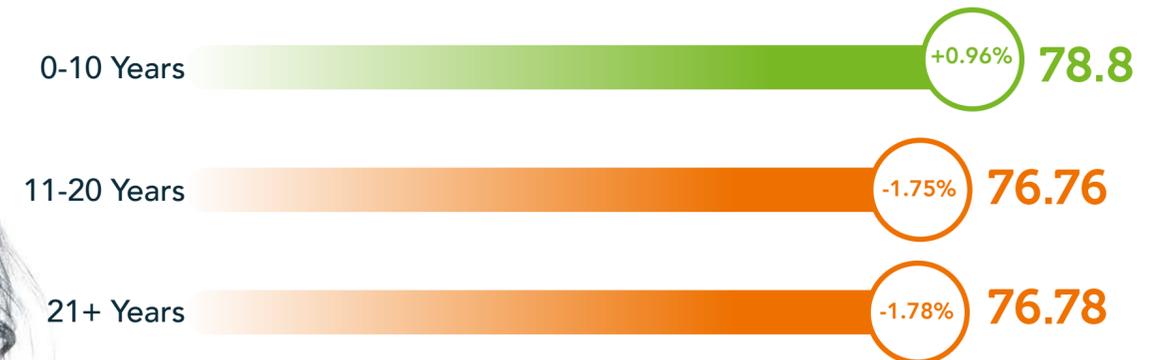
**Marketing your business competency is higher in the retail/hospitality and food/drink sectors and for larger companies. Younger companies (0-10 years) rate their competency higher than more established businesses.**

# Marketing your business

## Sector



## Business Age



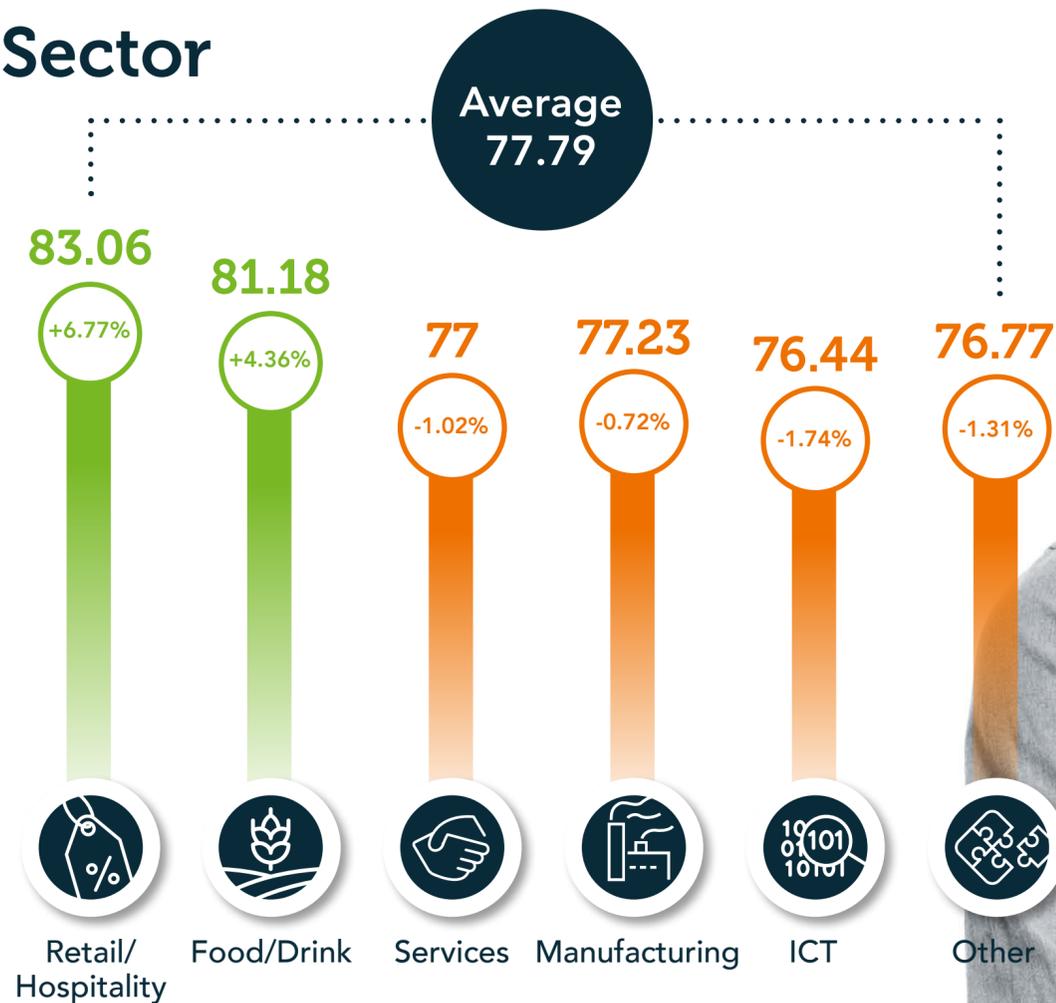
## Business Size



**Older and larger  
businesses rate their  
competence for winning  
and competing for new  
business more highly.**

# Winning and competing for new business

## Sector



## Business Age



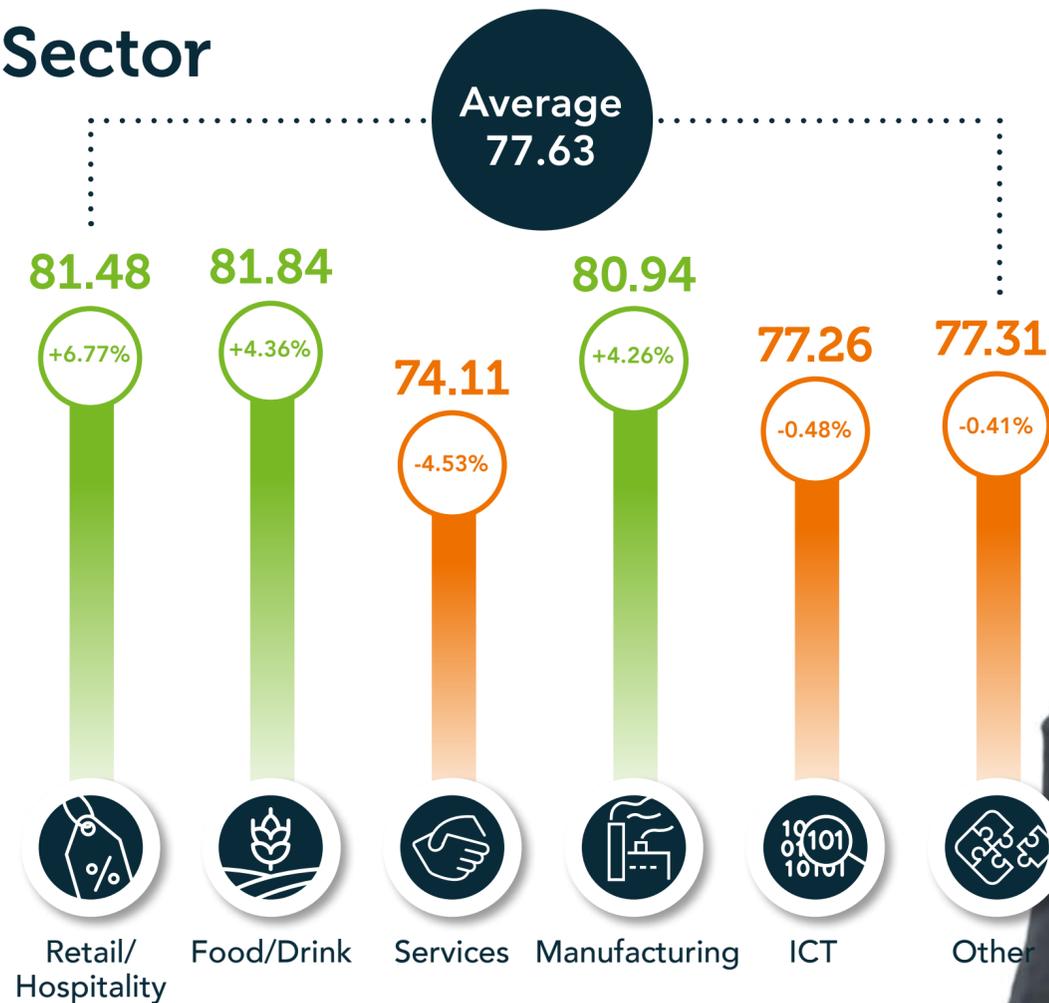
## Business Size



**Higher business age and size are associated with greater financial literacy. The services industry is associated with lower levels of financial literacy.**

# Financial literacy

## Sector



## Business Age



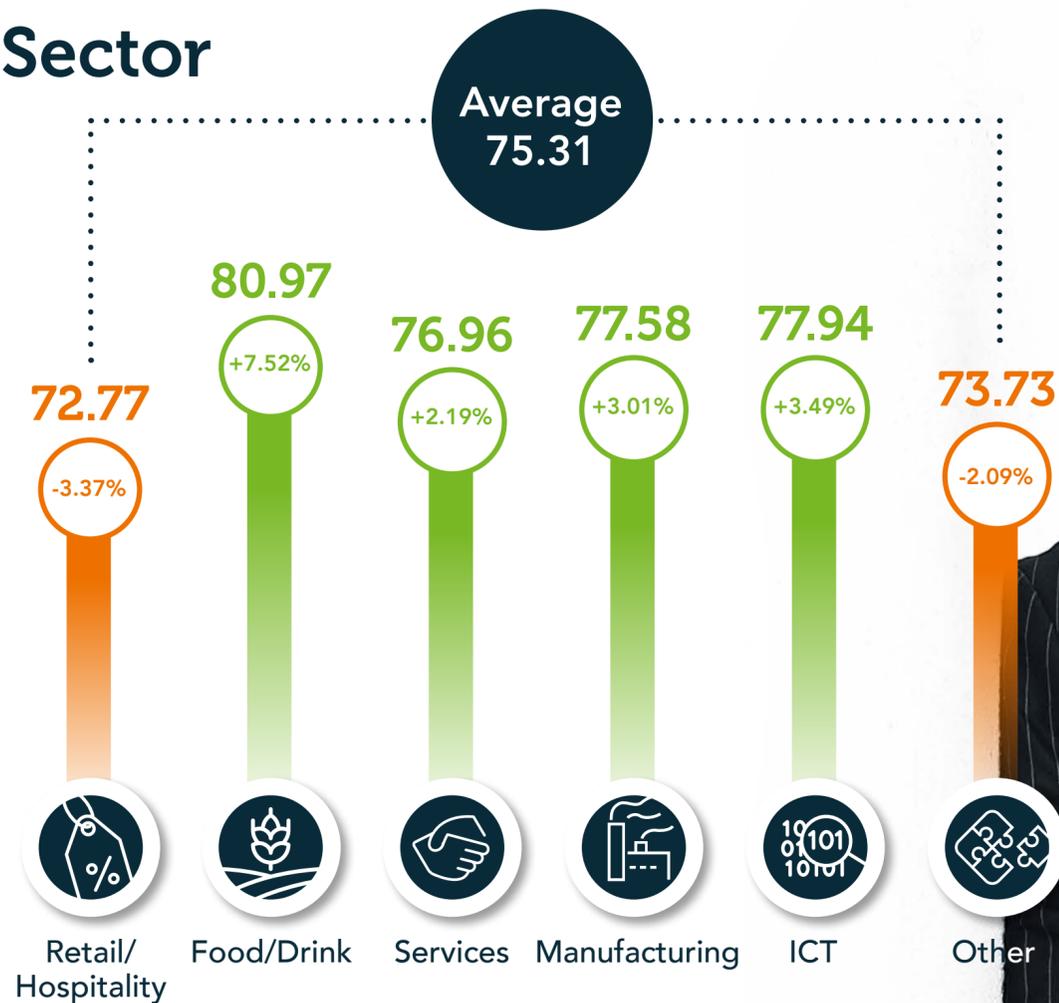
## Business Size



**The motivation for growth in the retail/hospitality industry is lower than average. The same is true for younger and smaller businesses.**

# Motivation for growth

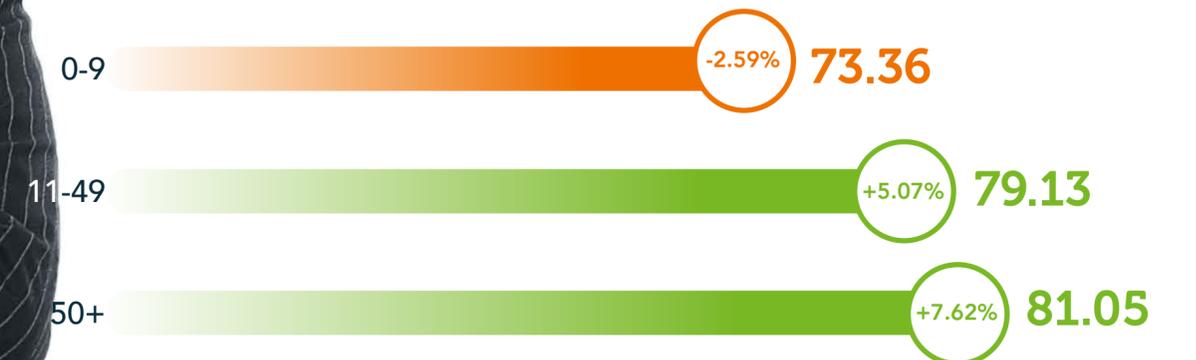
## Sector



## Business Age



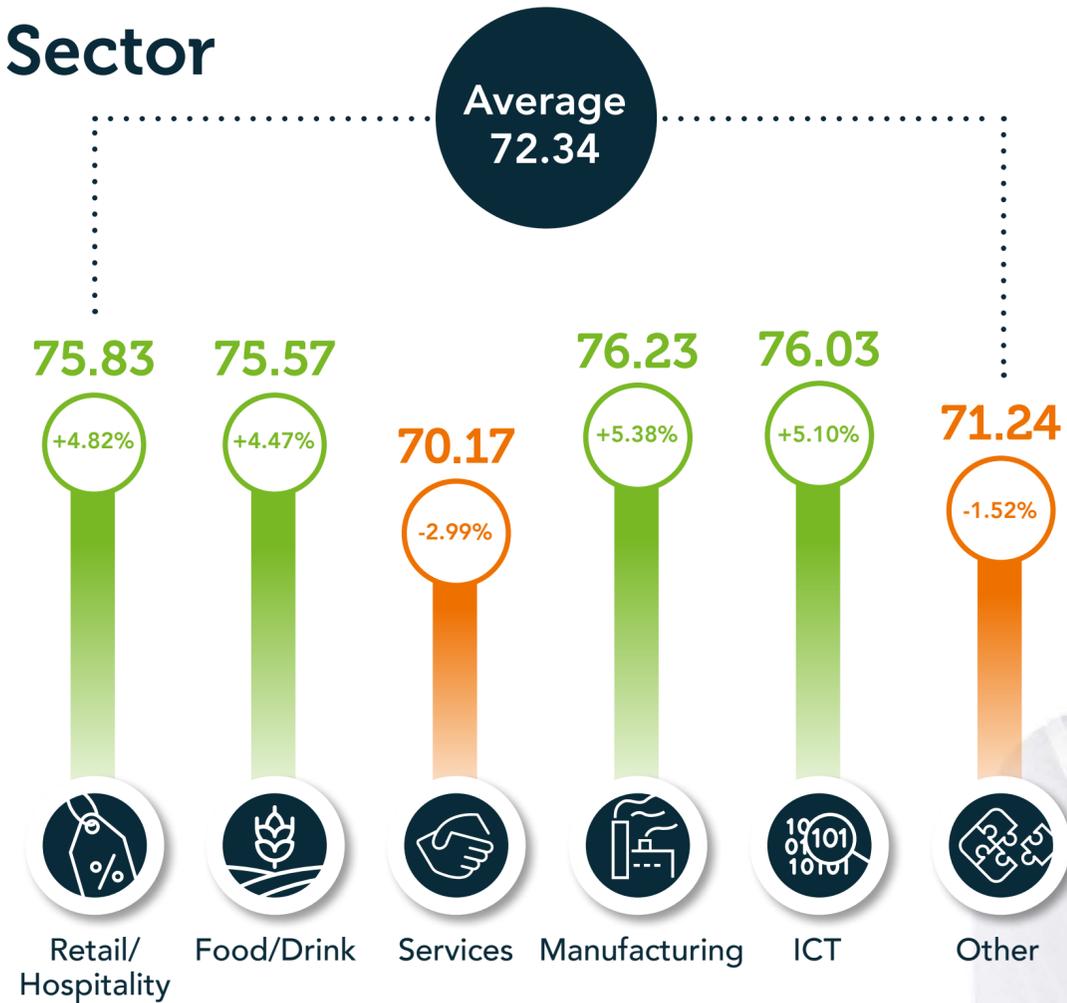
## Business Size



**The services sector is rated lower than average for financial analysis and understanding risk, as are younger businesses and smaller businesses.**

# Financial analysis and understanding risk

## Sector



## Business Age



## Business Size

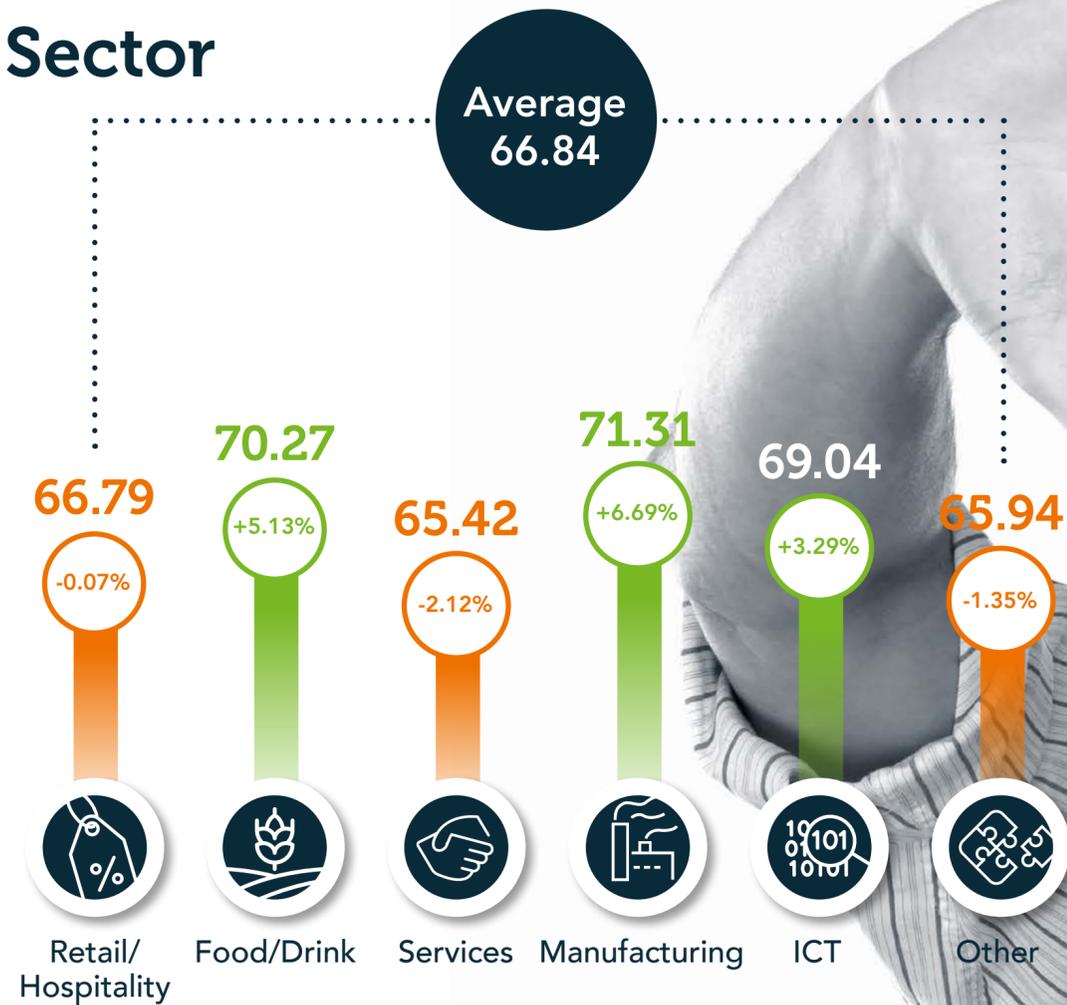




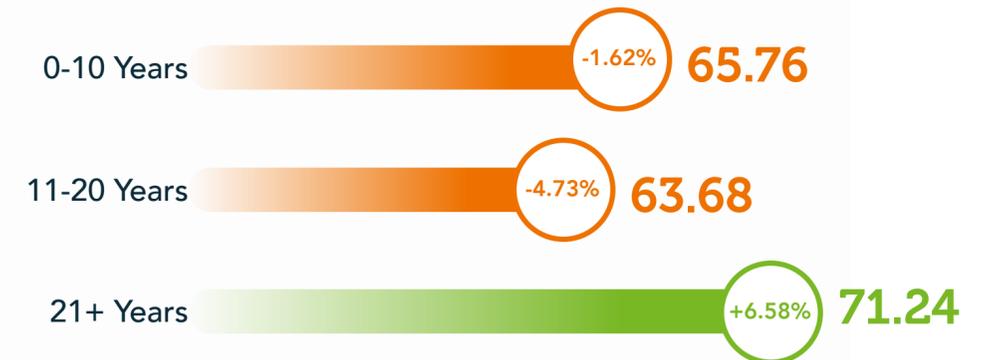
**Businesses 21+ years old and business with 10 employees or more are associated with higher strategic planning scores. The manufacturing, food/drink, and ICT sectors are rated more highly than average for strategic planning.**

# Strategic planning

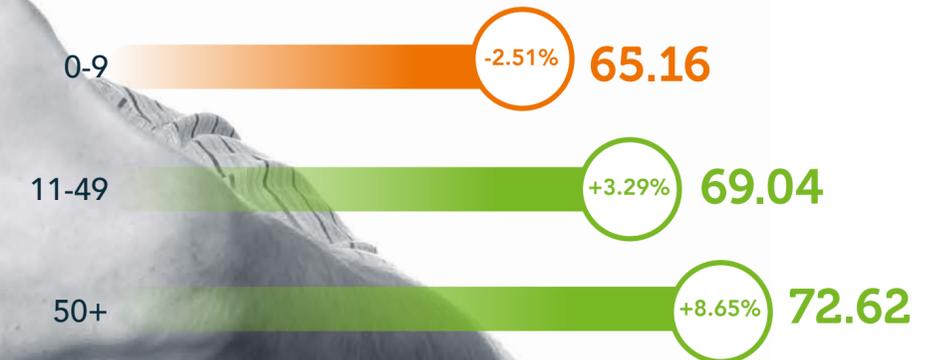
## Sector



## Business Age



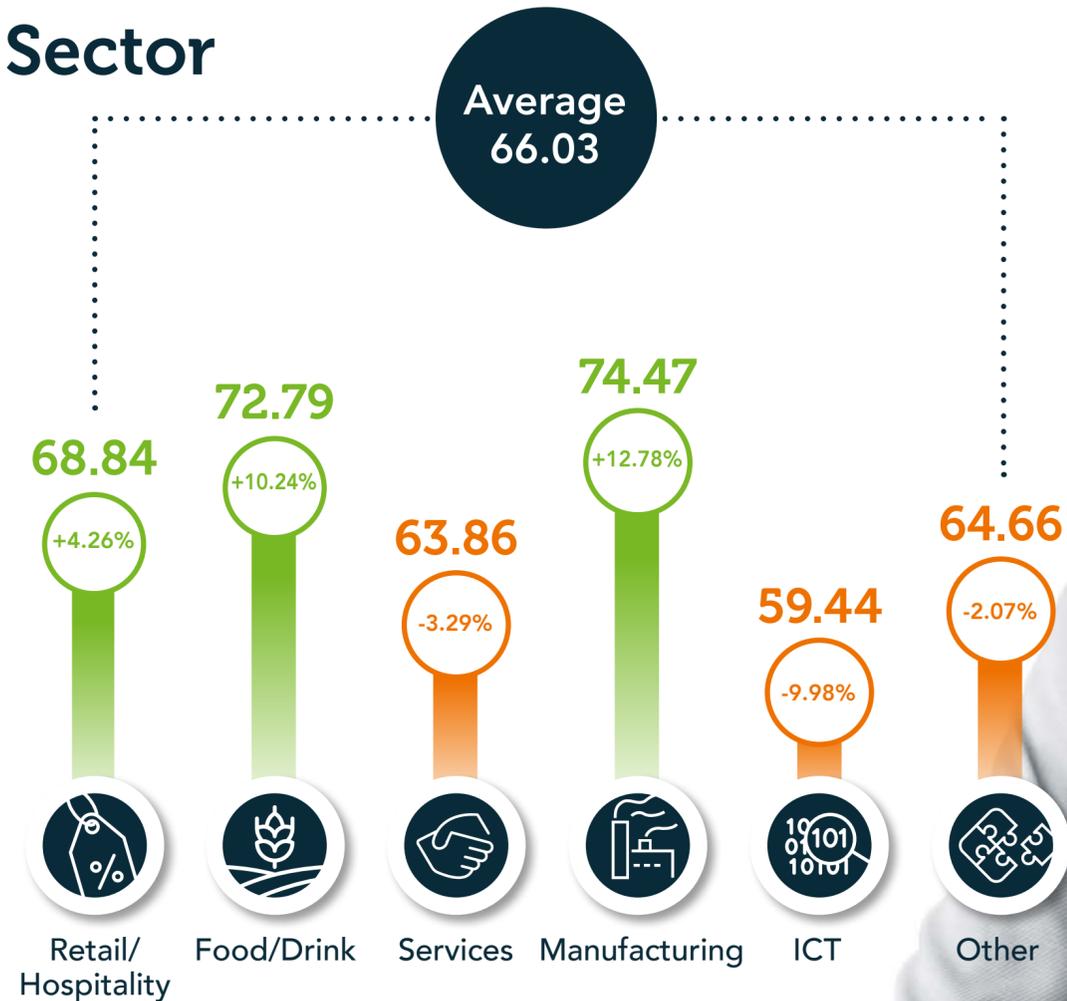
## Business Size



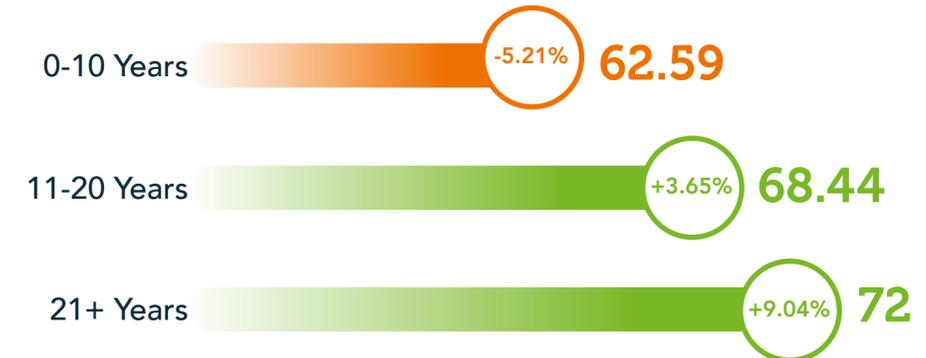
**Businesses 10 years or younger have more difficulty with routes to accessing financing and financial supports, as do businesses with 9 employees or fewer .**

# Routes to accessing financing and financial supports

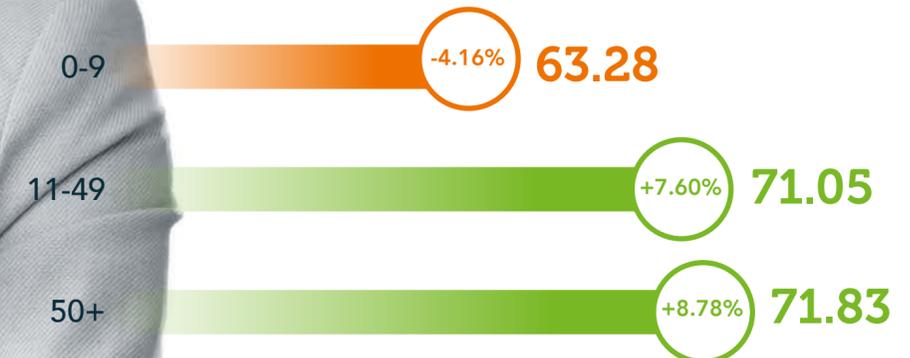
## Sector



## Business Age



## Business Size





An Roinn Breisoideachais agus Ardoideachais,  
Taighde, Nuálaíochta agus Eolaíochta  
Department of Further and Higher Education,  
Research, Innovation and Science



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To find out more and to apply, go to:  
[www.mentorswork.ie](http://www.mentorswork.ie)