INVESTORS IN PEOPLE | Scotland










OUR VISION FOR 2015

1. Introduction

A critical point in our future

In 2011, Investors in People (IIP) will celebrate it's 20th birthday. It's a testament to the power of the message, the effectiveness of the product and the commitment of all those who have been involved that IIP has become an established business development tool with universal recognition from employers, and a brand that is ranked in the Top 250 in the UK. More importantly Investors in People has helped more than 30,000 organisations to improve their approach to the way in which they lead, manage and develop people, with benefits identified at qualitative, quantitative and individual level.

The transfer of ownership of Investors in People to the UK Commission for Employment and Skills is an important development which will see IIP much more closely aligned to the UK skills agenda, and in particular with the high performance work practice policy objectives. In Scotland, Investors in People can play a vital role in the Government's Skills Utilisation agenda by providing a framework which challenges and recognises employer's commitment to leading, managing and developing their people.

Following our review of capability in 2007, the introduction of New Choices in 2008, and new accreditation levels in 2009, we are confident that our core product and service capability is fit for purpose, and that our team has the commitment and desire to take Investors in People to new levels in Scotland.

The recession has placed even more focus on the value and importance of investing in people and the leadership and management capabilities required of organisations to turn the promise of skills and qualifications into a tangible reality; the New Choices approach which tailors each intervention to client need has been particularly welcomed in this context. The resilient consolidation of our customer base in the last 15 months since September 2008 is a positive reflection of the power of Investors in People. We anticipate that conditions will continue to be challenging for the following years, and in particular our activity in the public sector needs to be positioned clearly as part of the solution for managing change and achieving greater efficiency.

The Investors in People Scotland (IIPS) team have the primary responsibility to manage and develop Investors in People to achieve our business targets, to meet our licence responsibilities, to develop new opportunities for the future, and to ensure that we maximise the impact of our work for each of our clients. We are a not for profit organisation, so any profits made are re-invested back into our business for the benefit of our clients.

Without ambitious expectations for Investors in People, the challenge of effective leadership, management and development of people in Scotland will continue to undermine productivity and performance in the economy and the public sector.

Investors in People is a huge opportunity for Scotland

2. Our Vision for 2015

To contribute more than £500m to Scotland's economy by 2015 by helping organisations to get the best from their people

What this Vision gives us :

Our vision will inspire us to deliver the true potential of Investors in People bringing sustainable benefits to the economy through corporate, small and medium sized, public sector and voluntary organisations.

It gives us a definitive sense of direction which will drive our priorities for the next five years.

It provides our shareholders and stakeholders with a clear understanding of how we contribute to their objectives and priorities.

It provides a sense of scale for what we will achieve if Investors in People is used to its full potential.

Investors in People has a proud heritage, and a more important future.

3. Our Values

Our values give us, our customers and our stakeholders a clear sense of how we work and our sense of purpose. They are central to our vision because they represent what we do and how we do it.

- We’re passionate and proud of what we are, what we do, and what we stand for

- We act with integrity and practice what we preach

- We tailor our service to meet our client’s unique needs without compromising the Investors in People ethos

- We challenge thinking and behaviour – if you stop learning you stop growing

- We believe that making the most of people’s talents is the key to a successful organisation

4. Impact

Research has time and again concluded that Investors in People brings positive benefits to organisations, and the most recent evidence shows there is consistency in the financial impact of Investors in People.

- The Improvement Programme managed by Investors in People Scotland in partnership with Scottish Enterprise added £406 per employee in GVA (Frontline Consultants, Impact of the Improvement Programme, 2009)

- Investors in People adds £565 per person in annual profits (IIP Impact Assessment Databuild 2004)

- If a business increases its investment across a number of people management practices by around ten per cent, it could secure an increase in gross profits per employee of over £1,500 per annum. Investors in People is found to be the most important factor in determining whether an organisation deploys effective people management practices (People and the Bottom Line – IES, 2008)

- Adopting Investors in People sets off a chain which results in improved financial performance (The Impact of Investors in People on People Management Practices and Firm Performance Cranfield University Management School, 2008)

For the purposes of this Vision we are using the latest figures to which indicate that Investors in People adds £406 in additional profit per person per year.

By 2015 we aim to have helped to add more than £500m to the profit of Scottish companies.

We will increase the number of organisations working with Investors in People by 3,660, with an average headcount of 94 people, delivering an additional £409 per person per year. In addition to our current customer base of 2,000 organisations, our economic impact will be significant. We anticipate growth in the years 2010-2013 as follows :

2010/11	**2011/12**	**2012/13**	**2013/14**
120	240	435	512

5. Purpose Driven

We're passionate and proud of what we are, what we do, and what we stand for.

We stand for an ethos and approach which recognises that the way in which people are led, managed and developed is fundamental to the success and sustainability of any organisation.

Every organisation is different, but almost all will benefit if their people are genuinely engaged and motivated, and able to perform at a level which makes the most of their skills and attributes. As the McLeod Report (2009) concluded, there is a clear business imperative for employee engagement, with a 52 per cent gap in the performance improvement in operating income over the year between companies with highly-engaged employees versus companies whose employees had low engagement scores.

There is no one magic formula or practice that transforms an organisation, and evidence shows that organisations need to invest in each aspect of the way in which people are led, managed and developed. Commitment to an agreed way of working and behaviours is more important than financial investment in formal training and development, and effective leadership and management capability is an essential element impacting on the culture and performance of any organisation.

The Investors in People framework sets out a range of outcome indicators reflecting the anticipated result of the use of a range of high performance work practices including learning and development, leadership and management and employee engagement practices. The IIP Standard reflects the basic ingredients of successful people development, and the IIP framework provides a series of outcomes which an organisation might need to achieve in order to meet its objectives.

Investors in People is both subjective and objective. By tailoring our services to the specific needs of our customers we recognise the unique attributes and challenges of each organisation. By using an established framework with independent Specialists, our advice and recommendations are objective and reflect how far an employer's approach is embedded at each level within an organisation.

We believe that there is considerable opportunity to use the flexibility of the Investors in People framework to meet not only individual organisation needs, but also to reflect sector, region, and community priorities.

We have an unshaken belief, supported by substantial independent evidence that using Investors in People is good for organisations and good for the opportunities and development of their people.

Investors in People is good for Scotland.

Priorities

Following an extensive review of our business strategy we have identified three key priorities which will be at the heart of delivering our vision :

1) Maximising the **impact of our Products** and **Services**
2) Ensuring that the **positioning of Investors in People** is clearly understood
3) Developing an **effective distribution** strategy

6. Maximising Impact

1. WHERE ARE WE NOW ?

1.1 Investors in People Scotland has led the way in advocating and introducing new and innovative approaches to maximise the potential of the Investors in People framework. This has included the New Choices approach which we championed and introduced 12 months ahead of the rest of the UK. Employers like New Choices because it places their needs first, and creates and rewards aspiration for further improvement and implementation of high performance work practices. The new Gold, Silver, Bronze accreditation has been well received and is re-invigorating the concept of external recognition.

1.2 We were founder members of the Public Sector Improvement Framework which is now being used by over 30 local authorities and public bodies.

1.3 We developed the IIP Interactive on line toolkit used across the UK, and by more than 1,000 organisations in Scotland, and The Improvement Programme which has produced clear and tangible bottom line business benefits for over 120 businesses.

1.4 Our team has the confidence and ability to use the Investors in People framework in any context, with any organisation. Levels of satisfaction with IIP are at an all time high with 99% of clients prepared to recommend IIP to others.

1.5 Currently our relationship with our clients is predominantly cyclical (typically every 3 years), but the need for advice, support and expertise in the way in which people are led managed and developed including employee engagement, is on going.

2. OBJECTIVES

2.1 Over the next five years we will provide a range of services which :

- embed the position of Investors in People as the leading business improvement tool in Scotland

- maximise the potential of the Investors in People framework by ensuring that our services reflect the needs of employers in different regions, sector and communities

- maximise the potential of the Investors in People brand by providing a range of services which support the implementation and ethos of Investors in People

- complement publicly funded services and expertise available for organisation and individual learning

- increase the loyalty of employers to Investors in People Scotland as a source of high quality, expert and innovative support

- respond to the specific needs of organisations through a dedicated relationship management service resulting in IIP achieving greater impact on organisation performance

3. ACTIVITIES

In order to achieve our objectives we will :

i. ensure that our Specialists have the capabilities to maximise the benefits of using the Investors in People framework. We will review the capabilities and capacity of our specialist team annually and we will recruit and develop new Specialists in line with our projected demand

ii pilot and implement a new set of organisation and people metrics which will be used to track the performance of our clients against their use of the IIP framework.

iii encourage employers to embed the continuous improvement philosophy of Investors in People by adopting an annual review approach to their assessment strategy.

iv build on the pilot with Glasgow Works, to identify opportunities through which the Investors in People framework can be adapted and contextualised to meet specific sector, region or community need, including joint branding of IIP based frameworks.

v ensure that we have a clear and compelling offer to support the public sector; this would include the development of bespoke services for the NHS and to support organisations in the management of change in the context of reduced budgets and headcount. We will continue to position Investors in People as an integral part of the Public Sector Improvement Framework, and to advise on the further development of PSIF in line with the New Choices approach and broader IIP framework.

vi provide networking and group learning opportunities for employers of all sizes through our Employer Knowledge Networks and through our Large Organisation Network Group.

vii promote and encourage employers to use Investors in People interactive as a diagnostic and on going support tool.

viii provide expert advice to employers on the implementation of Investors in People, directly and through the Enterprise Networks, and provide support to address specific improvements to the way in which people are led, managed and developed through the full implementation of our advisory services programme.

ix develop the internal capability of organisations to use and benefit from the Investors in People framework. We will build on the success of the Internal Review approach and continue to promote our skills transfer programme.

x respond to demand from employers for help with individual and organisation development. We will provide effective signposting to support available through our partners including Scottish Enterprise, Highlands and Islands Enterprise and Skills Development Scotland, and to national bodies such as the SCQF, Institute of Directors and Scottish Business in the Community.

xi actively promote the new Talent Map to assist employers to understand the support available to them.

xii identify opportunities to provide employers with access to innovative and ground breaking organisational and leadership development activities such as Collaborative Scotland, Good Practice on line toolkit, Red APL and Africa Matters.

This wide ranging portfolio emphasises that Investors in People's role has evolved significantly beyond providing an external accreditation to our clients on a three year cycle. Therefore we will ensure that our structure, operating procedures and language reflect the range of services which are available to employers.

Our immediate priorities will be to:

- Review the operating structure of Investors in People Scotland to ensure that it matches the clients needs

- Develop and implement a new communications strategy to ensure that employers understand the services available from Investors in People Scotland

- Implement the recommendations from the review of language and terminology (see Positioning which will be carried out in early 2010)

7. Getting our message across

1. WHERE WE ARE NOW ?

i We have arrived at an important point in the development of Investors in People in Scotland.

ii By setting out the economic impact in our vision statement we are sending a clear message that Investors in People is a business improvement tool evidenced through the impact research published in 2008 and 2009.

iii Investors in People has changed, and in order to achieve our vision, and for Investors in People to remain a viable and effective improvement tool it is vital we enable employers, business support organisations and stakeholders to understand how Investors in People can play an important part in the prosperity of Scotland’s economy.

iv The longevity of Investors in People is a testament to its relevance and impact, but is also our greatest challenge. At each stage in its development IIP has been fit for purpose; the 2010 version is fundamentally different to the 1991 model, but there remains a significant deficit in the understanding of how Investors in People has evolved to be much more than a “training and development badge”.

v The Investors in People Standard has been kitemarked by the Plain English Campaign but we believe that more work can be done to clarify the language and terminology that we use when working with clients.

vi Paradoxically, despite this challenge, the Investors in People brand has been phenomenally successful. In the 2009 Superbrands index, Investors in People achieved “fastest rising” status and was rated more highly than many other business to business brands including Grant Thornton, Boston Consulting, Warwick Business School and PA Consulting.

vii The New Choices accreditation levels are helping to refresh the most visible aspect of the IIP brand, but we must balance this against a risk that the new gold, silver, bronze levels reinforces IIP as simply a badging / accreditation service.

viii Investors in People continues to be an employer led approach, and this is reflected through our Board and through the Employer Representative group who provide guidance and support to our key strategies and quality assurance.

2. OBJECTIVES

In order to position Investors in People to maximise the potential of our products, services and brand we will:

- ensure that key influencers and decision makers in business support organisations and stakeholders value Investors in People as a business improvement tool which contributes to their objectives and priorities, including the Skills Utilisation agenda

- help employers to understand the role of Investors in People as a business improvement tool which is used to provide a bespoke service to each organisation

- highlight the clear alignment between the Investors in People framework and emerging business themes such as employee engagement and high performance work practices

- to ensure that key decision makers in the public sector understand how Investors in People can be used to help manage the challenges of needing to provide high quality services in the context of reduced budgets and headcounts

- position Investors in People Scotland as an going source of information, guidance and expertise on how organisations lead, manage and develop their people effectively.

3. ACTIVITIES

In order to achieve these objectives, we will develop and implement a new positioning strategy; this will set out how we will :

i. revise our key messages in line with the our new vision and bespoke to each target audience

ii actively promote the impact research which demonstrates the bottom line benefits of working with Investors in People

iii use a small but high impact set of case studies to support the financial impact research

iv. provide support to enable our Specialists and partners to use relevant key messages and information when working with clients

v review our requirements for a public relations strategy to reach our key audiences

vi tailor our messages to ensure that we are able to position IIP as a business improvement tool which through its application creates and reviews employee engagement

vii develop and implement our on line and social networking engagement strategy viii review the language and terminology which is used in all our correspondence and materials with clients

ix engage with high profile employers to refresh the Investors in People Ambassadors programme (ownership of which is being transferred from UKCES on 1 April)

x identify how we can use and promote the Investors in People champions programme to create employer engagement

xi identify and pursue speaking engagements which allow us to reinforce our key messages to employers and stakeholders

In order to implement our new positioning strategy and to deliver these activities we will review our current marketing capability including external agency support and identify the investment required.

8. The right routes to market

1. WHERE ARE WE NOW ?

1.1 For much of the lifetime of Investors in People, Scottish Enterprise and Highlands and Islands Enterprise were the exclusive delivery channels for Investors in People in Scotland. All employer engagement, advice and on going support was until relatively recently, delivered through discrete teams based in LECs, and working to annual IIP targets.

1.2 The Enterprise Networks played the primary and fundamental role in establishing a critical mass behind Investors in People, and continue to be key strategic partners for IIPS.

1.3 With both SE and HIE now operating with more targeted interventions, Investors in People Scotland has the opportunity, challenge and necessity to develop new distribution channels to market.

1.4 We believe Investors in People has the potential to have significant impact in Scotland, but the reality is that a team of 20 people, in a not for distributed profit business with limited resources, can never replicate the high volume activities enjoyed previously.

1.5 It's now essential that we replenish the customer base of organisations actively working with Investors in People, unless we are to become a highly niched specialist business working with a loyal but static client base.

1.6 During 2009 we have developed a Distribution strategy which we will implement in 2010/11 which aims to widen our distribution channels in order to reach a wider range of organisations.

2. OBJECTIVES

- To increase the number of organisations using and benefitting from the Investors in People approach by 3,300 by 2015
- To increase the levels of employer engagement with the Investors in People brand
- To help partner organisations to achieve tangible benefits from working with the Investors in People brand
- To widen the ownership of the importance of Investors in People to a broader group of stakeholders

3. ACTIVITIES

In order to achieve these objectives, we will

i Continue to develop our direct routes to market including our corporate, SME and public sector strategies.

ii Work closely with Scottish Enterprise and Highlands and Islands Enterprise to ensure that Investors in People is identified and deployed as a dynamic business improvement tool.

iii Maintain and review a partnership profiling index based on the degree of shared common objectives, levels of influence and potential impact

iv Develop bespoke partnership strategies which reflect the priorities, objectives, benefits and barriers for each of our prospective partners

v We will build on the work which has been carried out to date; specifically we have identified the following organisations as immediate priorities:

- **Skills Development Scotland** – we will work with SDS to ensure that the IIPi tool including the diagnostic service can be used effectively by employers identifying their training needs
- **Sector Skills Councils** – we will build on existing relationships and will encourage and support the development of sector specific approaches to the use of Investors in People. We will work closely with UKCES to ensure consistency of approach across the UK.
- **Business Gateway** – we will continue to liaise directly and through economic development teams in local authorities to identify how Investors in People, including IIP interactive can be used to support BG objectives
- **A Major High Street Bank** – we hope to develop a partnership with the business services team within one of the banks on the basis of adding an Investors in People based advice service to their portfolio of support
- **Scottish Manufacturing Advisory Service** – we are exploring how the Investors in People framework could be used to support the long term sustainability of a continuous improvement ethos in manufacturing businesses
- **Aberdeen and Grampian Chamber of Commerce** – we have agreed in principle a partnership to promote and provide joint activities and we will use this as a template for engaging with other Chambers of Commerce
- **NHS Scotland** – we are at early stages of discussions as to how Investors in People can be used in conjunction with the NHS Scotland staff governance standard
- **ACCA Scotland** – we are working in partnership with ACCA to bring the finance and HR functions more closely together by demonstrating the return on investment in people

In addition we have identified the following organisations as potential key partners : Business Enterprise Scotland; Care Commission, Co-operative Development Scotland, Prince's Trust, SCIS, and Scottish Engineering. This is not an exhaustive list and we will regularly review and update our approach to distribution / partnership activity.

9. Assumptions

Our vision has been developed on the basis of the following assumptions :

1. Investors in People Scotland will be granted a licence by UKCES, in consultation with Scottish Government to deliver Investors in People services beyond April 2011.

2. The Investors in People framework is fit for purpose, but will continue to evolve and develop. The framework represents good practice in leading, managing and developing people, including employee engagement. We will continue to review and develop our services to ensure that they are fit for purpose.

3. Scottish Enterprise will enable account and client managers, business advisers and other key staff to understand the benefits of, and actively encourage the use, of Investors in People amongst their client base.

4. Highlands and Islands Enterprise will enable account and client managers, business advisers and other key staff to understand the benefits of, and actively encourage, the use of Investors in People amongst their client base.

5. The current complement within the IIPS team will expand from 2010 levels.

6. IIPS will, as appropriate, re-invest resources in the long term development of Investors in People. Should revenue streams follow the forecast level this will allow significant resources to be directed towards further employer engagement and support, where appropriate subsidised to increase access and usage.

7. IIPS will continue to be governed by a board comprising employer and shareholder representation.

8. Scottish Government recognises Investors in People for the critical contribution that can be made to the Skills Utilisation agenda.

9. IIPS will be a self financed business which does not require any core funding to maintain operations. Any funding sought from Government or partners will be in pursuit of specific projects or activities.

10. Investing in People

Achieving this vision will bring substantial benefit to Scotland; we believe our aspirations are challenging but achievable and that our measures of success provide a clear sense of purpose. We recognise that this is an ambitious vision which will depend on our capability to put in place and develop a number of key strategies and partnerships.

Our financial forecasts are based on the year 2010/11 to 2012/13. During this period we anticipate good, steady growth. If we succeed in putting in place the key elements of our strategy we then anticipate significant growth beyond 2013.

Our three year forecasts based on this strategy would see turnover rise from £1.9m in 2009/10 to £2.5m in 2012/13, with gross profit increasing from £1m to £1.3m.

	2010/11	2011/12	2012/13
Client Base (no. of organisations)			
Commitments	240	435	502
Recognitions	1557	1,355	1,369
Annual Reviews	88	177	273
Other	253	452	641
Products Used (no. of clients using)			
1st Assessment	145	192	348
Review	458	392	339
Annual Review	87	177	273
LONG	62	65	58
Networks	214	242	279
IIPi	1.190	1,339	1,549
Advice	69	137	164
Workshops	53	78	98
E-survey	7	7	10
Turnover and Gross Profit			
Turnover	£1.9m	£2.0m	£2.5m
Gross Profit	£1.0m	£1.0m	£1.3m

This level of growth will depend on two factors

- our ability to attract new clients through our distribution strategy
- our ability to engage clients to use a wider range of services

As the chart shows, we anticipate a significant growth in 2011/12 reflecting the investment that we intend to make in our distribution and loyalty strategies. At this stage we anticipate the investment required in 2010/11 to be in the region of £75,000 (two salaries plus costs)