

## NEWS Project

Erasmus+ KA210-VET - Small-scale Partnership in Vocational Education and Training

# CPD Policy Framework & Implementation Guidelines

## for Small and Medium Enterprises

### Activity 4 - Derive relevant CPD Policies and write guidelines for their implementation in SMEs

**Lead organisation:** Irish Work Study Institute Ltd (IWSI), Ireland

**Contributing partners:** EuroBEN (Germany), BIEDRIBA EUROFORTIS (Latvia), ESKILARA (Spain)

**Evidence base:** Organisational Skills & AI Readiness Survey - 113 responses (Sept 2025 - June 2026)

**Target audience:** SMEs and their employees across Ireland, Germany, Latvia, and Spain

**Version:** 1.0 - June 2026

## Foreword

This document is the principal output of Activity 4 of the NEWS (Network for European Workforce Skills) project, an Erasmus+ KA210-VET small-scale partnership. It has been developed by the Irish Work Study Institute Ltd (IWSI) in close collaboration with the three partner organisations: EuroBEN (Germany), BIEDRIBA EUROFORTIS (Latvia), and ESKILARA (Spain), with alignment to the Excellence Framework Europe (EFE) provided by EuroBEN.

The policies and guidelines contained in this document are derived directly from the findings of the Organisational Skills and AI Readiness Survey conducted under Activity 2, which gathered 113 responses from SMEs and member organisations across the four partner regions between September 2025 and June 2026. They are not theoretical: every policy statement is grounded in evidence gathered from the organisations that will use it.

The goal of this framework is practical: to give SME leaders, HR managers, and team leaders a clear, actionable roadmap for building a structured CPD programme within their organisation, without requiring large budgets, dedicated L&D teams, or extended time away from work. The guidelines are designed to be adopted in whole or in part, adapted to local context, and used as a living document that evolves as organisational and market needs change.

*This document should be read alongside the NEWS Survey Analysis Report (Activity 2) and the NEWS Training Catalogue (Activity 3). Together, these three outputs form the complete deliverable package of the NEWS project.*

# 1. Introduction and Context

## 1.1 Why CPD matters for SMEs

Small and medium enterprises form the backbone of the European economy, accounting for more than 99% of all businesses and employ approximately two-thirds of the private sector workforce. Yet SMEs face structural disadvantages in workforce development that large organisations do not: they lack dedicated HR and learning & development functions, operate on tighter margins, cannot easily release staff for extended training, and are more exposed to the immediate competitive impact of skills gaps.

At the same time, the pace of change driven by artificial intelligence, digitalisation, and the green transition has accelerated the obsolescence of existing skills to a degree that makes ad-hoc, reactive training insufficient. Organisations that wait until a skill gap becomes a business problem - losing a contract, failing a compliance audit, falling behind a competitor - are already too late. Continuing Professional Development must become a proactive, embedded function of the organisation, not an occasional response to crisis.

There is also a legal requirement under the **EU AI Act**, guidelines for Continuous Professional Development (CPD) and employee training are legally mandated under **Article 4 (AI Literacy)**. This obligation applies to all small and medium-sized enterprises (SMEs) acting as providers or deployers of AI, regardless of company size.

The NEWS project survey confirms this urgency. Across all four partner regions, 75% of surveyed organisations ranked digital and data skills among their top three critical needs, and 86% reported active AI tool use - yet 14% were not addressing skill gaps at all, and the dominant approach (internal training, 72%) is self-directed and unstructured in most cases. The goal of this framework is to bridge that gap.

## 1.2 Scope and purpose of this document

This CPD Policy Framework and Implementation Guidelines document serves three functions:

1. It defines a set of evidence-based CPD policies appropriate for SMEs operating in the current digital and AI-driven labour market, applicable across all four partner regions and adaptable to other European contexts.
2. It provides practical implementation guidelines - step-by-step guidance, tools, templates, and decision frameworks, that an SME can use to build, manage, and sustain a CPD programme with the resources typically available to a small organisation.
3. It aligns CPD activities with the Excellence Framework Europe (EFE), enabling organisations to situate their workforce development within a recognised quality management structure and to demonstrate continuous improvement.

## 1.3 Definitions

| Term                                             | Definition                                                                                                                                                                                                                                                                              |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Continuing Professional Development (CPD)</b> | Structured learning activities that maintain, update, and extend the knowledge, skills, and competencies of individuals throughout their working lives. CPD may be formal (accredited courses), non-formal (workshops, seminars), or informal (peer learning, on-the-job experience).   |
| <b>Small and Medium Enterprise (SME)</b>         | In this document, SME refers to organisations with fewer than 250 employees, consistent with the EU SME definition. The guidelines are particularly designed for micro-enterprises (1-10 employees) and small enterprises (11-50 employees), which represent 82% of survey respondents. |
| <b>Micro-credential</b>                          | A short, focused learning programme with a clear learning outcome, typically requiring between 5 and 30 hours of study, assessed and certified by an accredited provider. Micro-credentials may be stacked toward larger qualifications.                                                |
| <b>Skills gap</b>                                | The difference between the skills an organisation needs to perform effectively and the skills currently available within its workforce.                                                                                                                                                 |
| <b>Digital literacy</b>                          | The ability to use, understand, evaluate, and create digital content and tools appropriately. In this document, digital literacy includes foundational AI literacy: the ability to understand, apply, and critically evaluate AI tools in a professional context.                       |
| <b>VET</b>                                       | Vocational Education and Training - structured education and training that equips individuals with knowledge, skills, and competencies specific to a particular occupation or sector.                                                                                                   |
| <b>EFE</b>                                       | Excellence Framework Europe - a pan-European quality management framework used to assess and improve organisational performance across six dimensions: Leadership, People, Strategy, Partnerships, Processes, and Results.                                                              |

## 1.4 European policy alignment

This framework is aligned with the following European and national policy instruments:

- \* European Skills Agenda (2020-2025): upskilling and reskilling as a European strategic priority
- \* Council Recommendation on micro-credentials for lifelong learning and employability (2022)
- \* EU Digital Education Action Plan (2021-2027): digital skills and AI literacy for all
- \* European Qualifications Framework (EQF): providing a common reference for learning outcomes across member states
- \* Excellence Framework Europe (EFE): quality management principles applied to workforce and organisational development
- \* National frameworks: Ireland's National Skills Strategy; Germany's Qualifizierungschancengesetz; Latvia's ESF Skills Development Programme; Spain's FUNDAE/Tripartita training system

## 2. CPD Policies for SMEs

The following eight policies are derived from the survey evidence and are designed to be adopted as the foundational governance layer of any SME CPD programme. Each policy is stated concisely and supported by its evidence base. Implementation guidance for each policy is provided in Section 3.

### **POLICY 1 CPD as a Strategic Priority**

**Policy Statement:** Every SME, regardless of size or sector, shall treat Continuing Professional Development as a strategic business function - not an optional benefit - with formal commitment from senior leadership, a designated CPD lead, and a minimum annual CPD allocation per employee.

**Evidence base:** 74% of surveyed organisations express confidence in meeting their skills needs by 2026, yet 14% are not addressing skill gaps at all. The absence of ownership and governance is the primary driver of inaction. Without explicit leadership commitment, CPD remains reactive and underfunded.

## **POLICY 2 AI and Digital Literacy as a Foundational Competency**

**Policy Statement:** AI literacy and digital skills shall be treated as foundational competencies for all employees - not specialist skills reserved for technical roles. All CPD pathways shall include a baseline AI and digital literacy module appropriate to the employee's role and sector, reviewed and updated annually.

**Evidence base:** 75% of surveyed organisations rank digital and data skills as among their top three critical needs; 86% already use AI tools in at least one operational area. AI literacy is now a baseline workplace requirement across all sectors, including Healthcare, Tourism, Hospitality, and Education - not only ICT and Manufacturing.

## **POLICY 3 Flexible, Modular CPD Delivery**

**Policy Statement:** CPD programmes shall be structured as flexible, modular pathways that can be completed in short blocks without requiring extended absence from the workplace. Micro-credentials, short online modules, and blended learning formats shall be the primary delivery mechanisms for SME CPD.

**Evidence base:** 52% of respondents prefer micro-credential short courses; 51% favour customised in-company training; 48% favour work-based learning. Extended full-time programmes are structurally incompatible with SME operational constraints. Modularity and flexibility are not preferences - they are requirements.

## **POLICY 4 Formal Accreditation and Recognition**

**Policy Statement:** All CPD activities undertaken by employees shall, wherever possible, result in a formally accredited and nationally or internationally recognised qualification, certificate, or micro-credential. Organisations shall advocate for and prioritise training providers who offer qualifications aligned with the European Qualifications Framework.

**Evidence base:** National recognition of micro-credentials is the single most requested policy support in the survey (52%). Unaccredited training, however high-quality, does not accumulate toward employee qualifications, cannot be transferred between employers or countries, and cannot be used to evidence organisational capability.

## **POLICY 5 Employer-Provider Partnership**

**Policy Statement:** SMEs shall actively pursue collaborative relationships with VET providers, higher education institutions, and sector training bodies - moving beyond occasional transactional engagement toward co-designed, customised training that reflects real operational needs.

**Evidence base:** Only 27% of surveyed organisations engage regularly with education providers through co-designed curricula. 35% want to partner with providers but do not do so regularly. The gap between aspiration and practice represents a structural opportunity: co-designed training is more effective, more relevant, and frequently more cost-efficient than off-the-shelf programmes.

### **POLICY 6 Equitable Access and Inclusion**

**Policy Statement:** CPD opportunities shall be accessible to all employees regardless of role, seniority, contract type, age, or digital confidence. SMEs shall actively address uneven participation - particularly among part-time, frontline, and less digitally confident staff - and shall not allow CPD investment to concentrate only among management.

**Evidence base:** 23% of respondents cite low staff engagement in learning as a barrier. The survey evidence shows that the benefits of AI and digital literacy are required across all job functions - content creation, customer support, data analysis, decision support - not only at management level. Inclusion in CPD is both an ethical and a competitive requirement.

### **POLICY 7 Funding Literacy and Subsidy Maximisation**

**Policy Statement:** Every SME shall actively identify and apply for available public funding, training subsidies, and Erasmus+ resources to offset the cost of CPD. Responsibility for funding awareness shall be formally assigned, and subsidy opportunities shall be reviewed at least annually.

**Evidence base:** 59% of respondents cite limited funding as their primary barrier to addressing skills needs. Across the four partner regions, substantial public subsidy mechanisms exist but are underutilised by SMEs due to low awareness and bureaucratic complexity.

### **POLICY 8 CPD Measurement, Review, and Continuous Improvement**

**Policy Statement:** CPD activities shall be subject to regular measurement and review. Organisations shall track participation rates, learning outcomes, skills gap closure, and return on investment, and shall use this data to revise CPD plans annually. CPD planning shall be embedded within the organisation's strategic and operational planning cycles.

**Evidence base:** Without measurement, CPD investment cannot be justified, optimised, or sustained. The Excellence Framework Europe requires evidence-based continuous improvement in People and Strategy dimensions. Regular review also ensures that CPD remains aligned with fast-changing AI and digital skills requirements.

## 3. Implementation Guidelines

This section provides practical, step-by-step guidance for implementing each of the eight policies. The guidelines are organised in five phases that mirror a natural CPD programme lifecycle. SMEs are encouraged to begin with Phase 1 and progress at their own pace.

### Phase 1 - Foundation: Governance and Commitment (Policy 1)

The starting point for any structured CPD programme is a clear internal commitment from senior leadership that workforce development is a priority, expressed in writing and backed by concrete resources.

#### Step 1.1 Appoint a CPD lead

Every organisation should designate one person as the CPD lead. In most SMEs, this will be the owner, a senior manager, or a team lead with an additional remit. The CPD lead is responsible for:

- \* Conducting the annual skills needs assessment
- \* Maintaining the CPD plan and tracking completion
- \* Liaising with training providers and managing funding applications
- \* Reporting CPD outcomes to senior leadership

#### Step 1.2 Write a CPD policy statement

The CPD policy statement is a brief (one to two page) internal document that commits the organisation to CPD and sets minimum expectations. It should include:

- \* A statement of the organisation's commitment to employee development
- \* The minimum annual CPD entitlement per employee (recommended: 16-24 hours per year for all staff)
- \* The process for identifying individual CPD needs
- \* The process for approving and funding CPD activities
- \* How CPD records are maintained
- \* The annual review cycle

*Minimum recommended CPD allocation: 16 hours per year for all employees; 24 hours for employees in roles directly affected by AI and digital transformation. These figures align with European VET benchmarks and are achievable within SME resource constraints through micro-credential and blended formats.*

### Step 1.3 Align CPD with organisational strategy

CPD planning should be explicitly linked to the organisation's business objectives, competitive challenges, and sector context. Before each annual CPD cycle, the CPD lead should ask: what skills does this organisation need in the next 12-24 months to achieve its goals? The answer should drive the CPD plan.

## Phase 2 - Diagnosis: Identifying Skills Needs (Policies 1, 2, 8)

A CPD programme without a needs assessment is guesswork. The skills diagnostic identifies the gap between where the organisation is and where it needs to be.

### Step 2.1 Conduct an organisational skills audit

The skills audit maps current competencies against required competencies across the workforce. A practical approach for an SME:

4. List the core competencies required for each role (a skills matrix).
5. Rate each employee's current proficiency in each competency on a 1-5 scale, using self-assessment with manager review.
6. Identify the gap: where is proficiency below the required level?
7. Prioritise gaps by business impact: which gaps pose the greatest risk to operations, compliance, or competitiveness?

*AI and digital literacy should always be included as a standalone category in the skills audit, assessed for every role - not only technical positions. The survey shows that content creation, data analysis, decision support, and customer service are the most common AI use areas, cutting across all job functions.*

### Step 2.2 Use the NEWS AI Readiness Self-Assessment Tool

The NEWS project has developed a brief AI Readiness Self-Assessment Tool that allows SMEs to gauge their current level of AI integration and identify priority upskilling areas across five dimensions:

- \* AI awareness and literacy (understanding what AI is and can do)
- \* AI tool use (active use of AI in daily work tasks)
- \* Data handling and digital infrastructure
- \* AI governance and responsible use
- \* Leadership and strategic AI integration

### Step 2.3 Individual CPD needs conversations

Each employee should have a brief annual CPD conversation with their manager or the CPD lead. This is not a performance review - it is a forward-looking discussion about where the employee wants to develop and what training would support both their personal growth and the organisation's needs.

## Step 2.4 Skills gap priority matrix

Once the audit is complete, use a simple priority matrix to rank gaps by urgency and impact:

| Priority level                     | Action                                                                                           | Example                                                         |
|------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>High impact, high urgency</b>   | Act immediately - these gaps are threatening performance now. Prioritise for Q1 of the CPD plan. | AI literacy for customer-facing staff; data security compliance |
| <b>High impact, lower urgency</b>  | Plan for this year - important for future competitiveness but not yet critical.                  | Leadership development; green skills for ESG reporting          |
| <b>Lower impact, high urgency</b>  | Delegate or outsource - may be better addressed by hiring rather than training.                  | Highly specialised technical skills with low internal demand    |
| <b>Lower impact, lower urgency</b> | Monitor - revisit in the next annual cycle. Do not invest budget here now.                       | Advanced qualifications for roles not yet created               |

## Phase 3 - Design: Building the CPD Plan (Policies 2, 3, 4, 5)

The CPD plan translates the skills gap priorities into a structured programme of learning activities anchored to the formats that work for small organisations.

### Step 3.1 Map gaps to learning formats

Not every skills gap requires a formal training course. Use the following decision guide to match gap type to the most appropriate and cost-effective learning format:

| Skills gap type                                                    | Recommended learning format                                                                                                        |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Foundational AI and digital literacy (all staff)</b>            | Micro-credential: 8-16 hour online course with assessment and certification. Recommended as the entry point for all organisations. |
| <b>Role-specific digital tool skills</b>                           | Customised in-company training: provider-delivered workshop tailored to the organisation's actual tools and workflows.             |
| <b>Technical or occupational skills</b>                            | Apprenticeship / Work-Based Learning: structured on-the-job learning with a formal qualification outcome.                          |
| <b>Leadership and management development</b>                       | Blended programme: online modules plus peer learning groups plus coaching. Short professional diploma or CPD certificate.          |
| <b>Compliance and regulatory knowledge</b>                         | Short accredited course: 4-12 hours, provider-delivered, with formal assessment.                                                   |
| <b>Emerging skills (AI governance, data ethics, green economy)</b> | Sector network events plus online micro-credentials: lower cost entry; stack toward larger qualifications over time.               |
| <b>Peer knowledge (best practice, process improvement)</b>         | Internal peer learning: structured knowledge-sharing sessions. Low cost, high retention.                                           |

### Step 3.2 Prioritise accredited provision

Wherever possible, CPD activities should produce a formal, accredited output for the employee. The practical benefits are significant:

- \* Accredited learning motivates staff more than unrecognised training
- \* Qualifications are transferable and contribute to employee career progression, improving retention
- \* Accredited programmes are more readily funded through public subsidy schemes
- \* EQF-aligned qualifications are recognised across all EU member states

### Step 3.3 Engage training providers as partners, not vendors

The survey shows that only 27% of SMEs co-design training with providers - yet co-designed training is consistently more effective because it reflects real organisational context. SMEs should approach at least one training provider relationship per year as a genuine partnership:

- \* Share your skills audit findings and business context with the provider before programme design
- \* Ask for sector-specific case studies and examples within the programme
- \* Request that training be delivered in your workplace where possible, using your actual tools and systems
- \* Explore whether the provider can offer a consortium arrangement with other SMEs in your network, reducing per-head costs

*The NEWS partner organisations (IWSI, EuroBEN, BIEDRIBA EUROFORTIS, ESKILARA) are available to support SMEs in their respective regions with provider matching, programme co-design, and skills needs consultation.*

### Step 3.4 Write the annual CPD plan

The annual CPD plan should be a concise, practical document covering the following elements for each planned activity:

| Element                      | Guidance                                                          |
|------------------------------|-------------------------------------------------------------------|
| <b>Learning objective</b>    | What skill or knowledge gap will this activity address?           |
| <b>Target participants</b>   | Which employees or roles will participate?                        |
| <b>Format and provider</b>   | What type of training? Which provider?                            |
| <b>Accreditation</b>         | What certificate or qualification will participants receive?      |
| <b>Duration and schedule</b> | How many hours? When will it be delivered?                        |
| <b>Estimated cost</b>        | Total cost including provider fees, materials, and employee time. |
| <b>Funding source</b>        | Will any public subsidy or Erasmus+ funding offset the cost?      |
| <b>Success measure</b>       | How will you know the training has worked?                        |

## Phase 4 - Delivery: Implementing the CPD Plan (Policies 3, 5, 6)

Effective delivery of CPD within an SME requires active facilitation and management, not just booking courses.

### Step 4.1 Create the conditions for learning

The most common reason CPD fails in SMEs is not lack of investment but lack of protected time and organisational support. SME leaders should:

- \* Schedule CPD time explicitly in the working calendar
- \* Communicate clearly to all staff that CPD is a business priority
- \* Provide practical support for digital learning: adequate devices, reliable internet, and quiet space
- \* Assign a learning buddy or line manager as the point of contact for each employee during their CPD activity

### Step 4.2 Address participation barriers proactively

The survey identifies low staff engagement as a barrier for 23% of organisations. Common causes and responses:

| Barrier                                                        | Response                                                                                                                                                            |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employee believes training is irrelevant to their role</b>  | Involve employees in needs identification; explain the direct link between the training and their daily tasks; use role-specific examples throughout the programme. |
| <b>Employee lacks confidence with digital learning formats</b> | Provide a short digital literacy induction before the main programme; pair less confident learners with a peer supporter.                                           |
| <b>Employee fears AI will replace their job</b>                | Be transparent about the organisation's AI strategy; frame AI literacy as skill augmentation, not replacement.                                                      |
| <b>Manager resistance or scepticism</b>                        | Ensure all managers complete AI literacy training first; make management development a CPD priority.                                                                |
| <b>Part-time or frontline staff excluded</b>                   | Explicitly include all employment types in CPD planning; consider micro-credentials that can be completed flexibly.                                                 |

### Step 4.3 Build a learning culture through peer and informal CPD

Formal accredited programmes are important, but most effective workplace learning is informal. SMEs should cultivate informal learning structures:

- \* Monthly 'AI in practice' team briefings - 30 minutes where a team member shares a new tool or technique
- \* A shared internal resource library where employees post useful articles, tools, and insights
- \* Cross-functional project teams that expose employees to areas outside their immediate specialism
- \* Participation in sector networks, NEWS workshops, and regional business associations as recognised CPD

## Phase 5 - Review and Improvement (Policy 8)

CPD that is not measured is not managed. The final phase closes the loop and ensures that CPD investment generates genuine organisational benefit.

### Step 5.1 Track participation and completion

The CPD lead should maintain a simple CPD log for every employee, recording:

- \* Activities planned versus activities completed
- \* Hours of CPD completed per employee per year
- \* Qualifications and certificates earned
- \* Cost per employee per year (including subsidies received)

### Step 5.2 Measure learning outcomes

Participation is necessary but insufficient. Where possible, also measure:

- \* Skill application: are employees using new skills in their work? (Manager observation or self-assessment 3-6 months post-training)
- \* Business impact: has the training contributed to improvements in productivity, quality, compliance, or customer satisfaction?
- \* Skills gap closure: re-run the skills audit annually and compare year-on-year.

### Step 5.3 Annual CPD review and planning cycle

At the end of each CPD year, the CPD lead should conduct a structured annual review:

8. Review the skills audit - what has changed in the organisation's skills needs?
9. Review CPD plan completion - what was delivered, what was not, and why?
10. Review outcomes - where has CPD demonstrably added value?
11. Review funding - what subsidies were accessed? What was missed?
12. Consult with employees and managers - what training was most and least valuable?
13. Draft the following year's CPD plan based on revised priorities.

*Organisations that complete the full five-phase cycle in their first year will have established the foundational systems - policy, governance, needs assessment, planned provision, and measurement - that make CPD genuinely sustainable. The second year is always easier than the first.*

## 4. Guidelines for AI Integration in the Workplace

Given that AI literacy is the single most pressing skills need identified in the survey, this section provides detailed guidance on how SMEs should approach AI skill development and the responsible integration of AI tools.

## 4.1 The three levels of AI literacy for SMEs

| Level                        | Target audience                                                          | Competencies and CPD requirement                                                                                                                                                                                         |
|------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Level 1 - AI Aware</b>    | All employees                                                            | Understands what AI is; can identify AI tools in common use; understands basic risks and benefits. Required CPD: 4-8 hours foundational AI awareness module.                                                             |
| <b>Level 2 - AI User</b>     | Most employees in customer-facing, operational, and administrative roles | Can actively use AI tools for content creation, data analysis, decision support, and process automation; understands prompting and output review. Required CPD: 8-16 hour role-specific AI tools micro-credential.       |
| <b>Level 3 - AI Champion</b> | Team leads, managers, CPD leads, and designated AI coordinators          | Can evaluate AI tools for organisational adoption; understands AI governance, data privacy, and ethical considerations; supports colleagues in AI adoption. Required CPD: 20-40 hour professional development programme. |

## 4.2 Responsible AI use in the workplace

AI tool adoption must be accompanied by clear organisational guidance on responsible use. SMEs do not need a complex governance framework - but they do need simple, clear rules that protect the organisation and its employees.

### 4.2.1 Data protection and confidentiality

- \* Do not input customer personal data, employee data, or commercially sensitive information into public AI tools without explicit organisational approval and assessment of data handling practices.
- \* Understand that most public AI services process and may retain input data - treat AI tools as you would any external third party for data protection purposes.
- \* Ensure all AI tools used are compliant with GDPR and applicable national data protection law.

### 4.2.2 Output quality and human oversight

- \* AI-generated content must always be reviewed by a human before use - for accuracy, tone, factual correctness, and contextual appropriateness.
- \* Do not use AI output as a substitute for professional judgement in high-stakes decisions (medical, legal, financial, safety-critical).
- \* Be transparent with colleagues, customers, and partners where AI has materially contributed to a piece of work.

### 4.2.3 Fairness and bias

- \* Be aware that AI systems can reflect and amplify biases present in their training data - particularly in hiring, performance assessment, and customer segmentation applications.
- \* When using AI in people management contexts, always apply human judgement and maintain diversity and fairness obligations.

## 4.3 Suggested AI CPD pathway for SMEs

| Stage                                           | Activity                                                                                                                                                          |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Month 1-2: AI Awareness for all staff</b>    | All employees complete a 4-hour AI Awareness micro-credential (available via NEWS catalogue). Focus: what AI is, current tools in the sector, risks and benefits. |
| <b>Month 2-4: AI tools training by function</b> | Role-specific 8-hour AI tools micro-credentials, delivered in functional groups. Focus: hands-on use of relevant tools in the participant's actual work context.  |
| <b>Month 3-6: AI Champion development</b>       | 2-3 employees complete a 20-40 hour AI Champion programme. These individuals become internal resources supporting colleagues.                                     |
| <b>Month 6-12: Embed and expand</b>             | AI tools integrated into relevant standard operating procedures. All new staff complete AI Awareness as part of onboarding.                                       |
| <b>Year 2+: Stack toward qualifications</b>     | Employees explore pathways to formal qualifications (digital skills certificates, data analysis diplomas) through provider partnerships.                          |

## 5. Funding CPD in SMEs: A Regional Guide

The survey identifies limited funding as the primary barrier to CPD for 59% of organisations. This section maps the principal public funding mechanisms available to SMEs in each of the four NEWS partner regions.

*Funding schemes change frequently. The information below reflects the position as of mid-2026. SMEs should contact their NEWS partner organisation or national training authority for current availability and application deadlines.*

### 5.1 Ireland

- \* **Industry-led networks that subsidise training for SMEs. Companies join a Skillnet network and access subsidised training - typically 50-80% below market rate. Over 70 networks operate across all sectors. Contact: [www.skillnetireland.ie](http://www.skillnetireland.ie)**
- \* **Free or heavily subsidised higher education and upskilling courses for those in employment. Includes short courses and micro-credentials in digital skills, AI, data, and leadership. Contact: [www.springboardcourses.ie](http://www.springboardcourses.ie)**
- \* **Funding for work-based learning, VET mobility, and project participation. Contact your local Education and Training Board. Erasmus+ (via SOLAS/ETB channels):**

### 5.2 Germany

- \* **Federal law entitling employees to state-subsidised training. Covers up to 100% of training costs for businesses with fewer than 10 employees. Administered through the Bundesagentur fur Arbeit. Contact: [www.arbeitsagentur.de](http://www.arbeitsagentur.de)**
- \* **Federal funding for digital upskilling initiatives including AI literacy. Multiple calls per year. Contact: [www.bmbf.de](http://www.bmbf.de)**
- \* **Funding for VET partnerships, mobility, and transnational projects. Contact: [www.bibb.de](http://www.bibb.de)**

## 5.3 Latvia

- \* **The primary public funding mechanism for workforce training in Latvia. Supports both employer-led training and individual upskilling. Administered by the State Employment Agency and VIAA. Contact: [www.viaa.gov.lv](http://www.viaa.gov.lv)**
- \* **VET mobility and project funding. Contact: [www.viaa.gov.lv/erasmus](http://www.viaa.gov.lv/erasmus)**

## 5.4 Spain

- \* **The principal mechanism for employer-funded training. Every company pays into the social security training levy and can recover this as training credits. SMEs with fewer than 50 employees can pool credits. Contact: [www.fundae.es](http://www.fundae.es)**
- \* **EU-funded digital transformation grants for SMEs, including digital skills components. Administered by Red.es. Contact: [www.acelerapyme.es](http://www.acelerapyme.es)**

## 5.5 Cross-regional: Erasmus+ for SMEs

All four partner regions participate in Erasmus+ VET, which provides funding for:

- \* **Short-term staff mobility: employees can complete training or job-shadowing at a partner organisation in another European country, with costs covered by Erasmus+.**
- \* **VET learner mobility: employees undertaking apprenticeships or VET programmes can complete a work placement abroad.**
- \* **Small-scale partnerships: organisations can join or lead Erasmus+ KA2 projects to develop training materials and access EU project funding.**

## 6. Alignment with the Excellence Framework Europe (EFE)

The Excellence Framework Europe (EFE) provides a pan-European model for organisational quality and continuous improvement, structured around six dimensions. The NEWS CPD policies align directly with four of these dimensions.

| EFE dimension                     | NEWS CPD policy alignment                                                                                                                                                                                                                                                                                                      |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Leadership</b>                 | Policy 1 (CPD as strategic priority) and Policy 8 (measurement and review) directly address the EFE Leadership dimension's requirement for leaders to drive continuous improvement and invest in people. The CPD governance structure constitutes evidence of leadership commitment that can be cited in EFE self-assessments. |
| <b>People</b>                     | Policies 2, 3, 4, and 6 collectively constitute a People development system. The NEWS skills audit tool, CPD planning template, and participation tracking provide the structured evidence of people investment required by the EFE People dimension.                                                                          |
| <b>Strategy</b>                   | Policy 1 (linking CPD to strategic objectives) and Policy 2 (AI literacy as a strategic competency baseline) address the EFE Strategy dimension's requirement for strategic capability development.                                                                                                                            |
| <b>Partnerships and Resources</b> | Policies 5 and 7 address the EFE Partnerships dimension - embedding employer-provider co-design as a systematic partnership practice, and managing training subsidy access as a resource optimisation function.                                                                                                                |

## 7. Tools and Templates

The following tools are referenced throughout the guidelines. Editable versions are available from the NEWS partner organisations and on the NEWS project website.

| Tool                                         | Description                                                                                                                                       |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>T1: CPD Policy Statement Template</b>     | A one-to-two-page template for writing an organisational CPD policy statement, including all required elements and guidance notes.                |
| <b>T2: Skills Audit Matrix</b>               | A spreadsheet-based skills audit matrix covering core competencies including AI literacy, digital skills, leadership, and sector-specific skills. |
| <b>T3: AI Readiness Self-Assessment Tool</b> | A 15-question online self-assessment that generates a radar chart of the organisation's AI readiness across five dimensions.                      |
| <b>T4: Annual CPD Plan Template</b>          | A structured template covering all elements required for a complete annual CPD plan.                                                              |
| <b>T5: CPD Activity Log</b>                  | An individual employee CPD record template for tracking all formal, non-formal, and informal CPD activities and outcomes.                         |
| <b>T6: Provider Partnership Brief</b>        | A one-page brief template for initiating a co-design conversation with a training provider.                                                       |
| <b>T7: CPD Annual Review Template</b>        | A structured guide for conducting the annual CPD review, including planning bridge to the following year's cycle.                                 |
| <b>T8: Funding Finder Checklist</b>          | A region-specific checklist of funding sources, eligibility criteria, and application timelines for Ireland, Germany, Latvia, and Spain.          |

## Appendix A: Survey Evidence by Policy

This appendix maps the specific survey data points that underpin each of the eight CPD policies. All data is drawn from the NEWS Organisational Skills and AI Readiness Survey (113 responses, Sept 2025 - June 2026).

| Policy                                                       | Key supporting evidence                                                                                                                                                                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Policy 1: CPD as strategic priority</b>                   | 14% of organisations not currently addressing skill gaps. 11.5% unconfident about meeting skills needs by 2026. Dominant approach is internal training (72%) - largely unstructured and without governance.         |
| <b>Policy 2: AI and digital literacy as foundational</b>     | 75% rank digital & data skills among top 3 critical needs. 86% use AI tools. Most common uses span all job functions: content creation (59%), data analysis (50%), idea generation (38%), project management (37%). |
| <b>Policy 3: Flexible, modular delivery</b>                  | 52% prefer micro-credentials. 51% prefer customised in-company training. 48% prefer work-based learning. Clear preference for practical, employer-embedded, short-format learning.                                  |
| <b>Policy 4: Formal accreditation and recognition</b>        | 52% request national recognition of micro-credentials as their top policy support. Cross-national portability of qualifications is a priority for the 14% of organisations operating internationally.               |
| <b>Policy 5: Employer-provider partnership</b>               | Only 27% co-design curricula with providers. 35% want to partner but do not do so regularly. Deeper collaboration is a stated priority and a structural gap.                                                        |
| <b>Policy 6: Equitable access and inclusion</b>              | 23% cite low staff engagement as a barrier. AI tool use spans all job functions, requiring organisation-wide rather than management-only CPD investment.                                                            |
| <b>Policy 7: Funding literacy</b>                            | 59% cite limited funding as primary barrier. Public subsidy mechanisms exist in all four regions but are underutilised. 42% request greater access to public training subsidies.                                    |
| <b>Policy 8: Measurement, review, continuous improvement</b> | Grounded in EFE requirements and the logic of all other findings: improvement requires measurement. Continuous improvement is foundational to sustainable CPD.                                                      |

## Appendix B: NEWS Partner Contact Directory

SMEs in the four partner regions can contact the following organisations for support in implementing this CPD framework, accessing the NEWS Training Catalogue, or participating in future NEWS network activities.

| Organisation                                                         | Details                                                                                                      |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>Irish Work Study Institute Ltd (IWSI) - Ireland</b>               | Lead organisation for Activity 4 (CPD Policies and Guidelines). <a href="http://www.iwsi.ie">www.iwsi.ie</a> |
| <b>European Business Excellence Network e.V. (EuroBEN) - Germany</b> | EFE alignment and quality management support. <a href="http://www.EuroBEN.org">www.EuroBEN.org</a>           |
| <b>BIEDRIBA EUROFORTIS - Latvia</b>                                  | VET and training catalogue lead. <a href="http://www.eurofortis.lv">www.eurofortis.lv</a>                    |
| <b>ESKILARA S. KOOP TXIKIA - Spain (Basque Country)</b>              | Workshops, dissemination, and FUNDAE guidance. Contact via NEWS project website.                             |