Building Stronger Businesses

The Skillnet Business Networks Effect

Ibec
For Irish Business

Survey results of Ibec Skillnet business network clients:

86%

expect their demand for Skillnet business network training to increase over the next 5 years (46% significant increase)

72%

stated a shortage of state co-funding available for Skillnet networks impacted their ability to access subsidised training

61%

of respondents choose Skillnet business network training for peer learning

97%

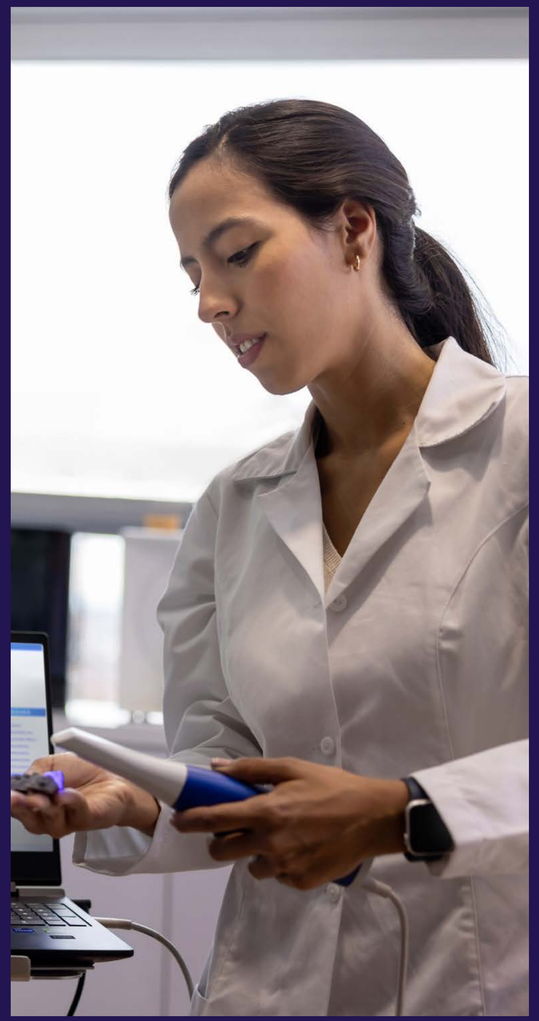
of businesses would find it challenging to find alternative training solutions to fulfill their workforce needs (52% would find it significantly challenging)

47%

Financial co-investment (47%) was a key reason for choosing Skillnet

77%

of respondents experienced enhanced leadership and management capabilities due to Skillnet business network training



Ireland stands at a critical crossroads of rapid technological disruption and economic transformation with 8 out of 10 firms in Ireland reporting skills gaps undermining their business productivity, innovation and overall resilience.

To maintain global competitiveness, businesses must urgently upskill their workforces to navigate fast-moving and disruptive trends like AI. The magnitude of the challenge ahead requires a new commitment to massively scaling workforce development and lifelong learning. These efforts must focus on programmes with significant industry demand and a clear track record of meeting business skills needs.

As a core component of its pre-budget submission, Ibec is calling on government to investment €50m from the nearly €2bn National Training Fund (NTF) surplus over the next 3 years in Skillnet business networks with an immediate allocation of €16.7m in 2027. Despite the growing demand for Skillnet training, funding for Skillnet business networks has stagnated in recent years.

Coupled with inflationary and administrative pressures, this has resulted in an overall reduction in network training capacity at a time when the skills challenges facing industry are more profound and complex than ever before.

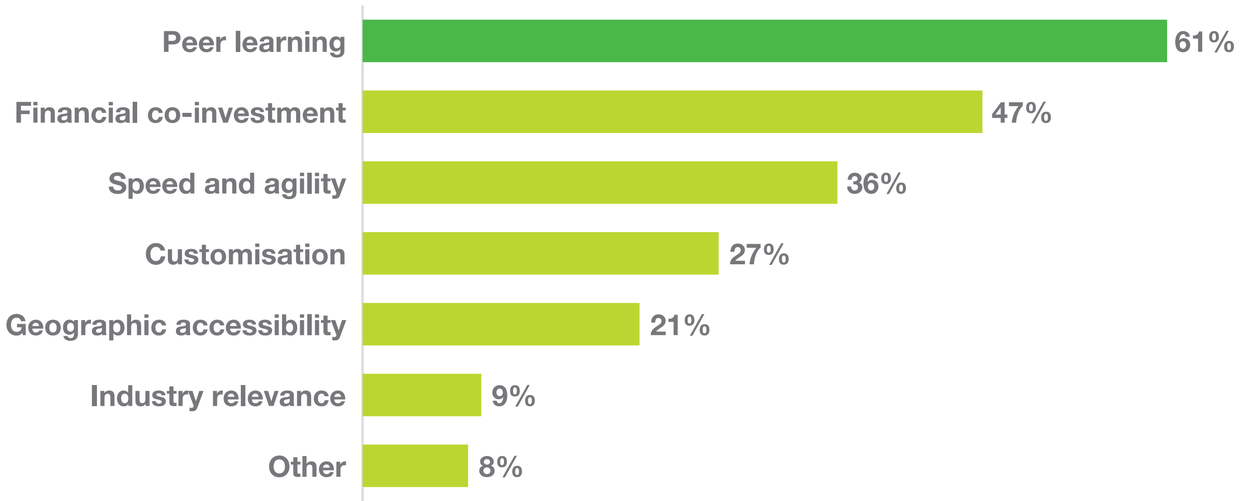
As this is a co-financing model where industry effectively invests twice in training programmes, every €2 invested by the Government will leverage an estimated additional €1.16 of private investment from industry. Industry is committed to substantially increasing investment, but this can only be achieved where public funding is available – anything else is money left on the table when its most needed.

This report gives an overview of the operation and economic value of Skillnet business network model with case studies from some of Ireland's leading industry voices including Ibec's Irish Medtech Skillnet and First Polymer Training Skillnet, InverMed and CACEIS. Survey results from Ibec Skillnet network clients give evidence of the industry impact of the model and the growing demand for the service.

The Skillnet Business Network Model

Figure 1 – Reasons for choosing Skillnet

Please select your top 3 reasons for choosing Skillnet business network training.



Skillnet business networks are a totally unique, enterprise-led model of upskilling that is designed for industry by industry. There are 70 distinct Skillnet business networks in Ireland which bring together companies with a specific regional or sectoral focus to solve common skills challenges.

Unlike traditional top-down education systems, these networks operate on a bottom-up approach where the private sector directly identifies its own skills shortages and designs targeted, specialised solutions to fill them.

A steering group composed of senior industry leaders governs each network, ensuring that training curricula remain cutting-edge and highly responsive to shifting market demands. This structural agility allows Skillnet business networks to act as first movers in the face of technological and economic disruption.

The European Commission has identified the Skillnet model as best in class internationally for workforce development, and the Ibec survey shows the many reasons why so many businesses select Skillnet business network training ahead of traditional education and training offerings:

Collaboration

The number one reason that businesses choose Skillnet business networks in a competitive market is because of the unique opportunity of firms within the same industry to train together, creating a powerful environment for peer-to-peer learning, exchange of best practice and the development of linkages between small and large firms. This is a one-of-kind environment that is not replicated elsewhere across the training landscape.

Cost

As cost remains the biggest barrier to workforce development, businesses also highly value the possibility of accessing training that is subsidised at 40-60% below the market price, making cutting edge training much more accessible to companies across Ireland.

Speed & agility

As industry is at the coalface of a rapidly transforming economy and labour market, Skillnet networks led by steering groups of industry leaders are best placed to understand emerging and future skills needs and respond rapidly compared to some traditional education offerings which can take much longer to develop.

Case Study
Ibec's Irish Medtech Skillnet and First Polymer Training Skillnet

Ireland's leadership in global medtech and advanced manufacturing depends on an enterprise ecosystem that adapts and upskills faster than international rivals.

Central to this strategy are the Irish Medtech Skillnet (IMS) and First Polymer Training Skillnet (FPTS), led by Dr. Ann O'Connell, Head of Funded Projects for Medtech and Engineering at Ibec. By aligning multinationals and SMEs to co-invest in talent, these networks future-proof one of Ireland's most highly regulated sectors. As Dr. O'Connell highlights, "*Our approach goes beyond reacting to current demands, We conduct forward-looking research, providing Irish based companies with the insights and support they need to stay firmly at the cutting edge.*" Ultimately, this infrastructure serves as a key national differentiator – anchoring FDI, expanding R&D capacity and driving Ireland's global manufacturing competitiveness.

In sectors governed by rapid technology adoption and fast-evolving regulations, developing advanced programmes requires practical, domain-specific expertise absent from traditional education. The IMS and FPTS bridge this gap by partnering with industry leaders to design programmes and share infrastructure – such as the dedicated FPTS training centre in Athlone, where peer companies test advanced machinery prior to deployment.

"*Without industry leaders driving the curriculum, these specialised qualifications wouldn't exist*," Dr. O'Connell notes. "*Our member companies bring the expertise to the table because they are the only ones with the live technical knowledge needed to keep Ireland's advanced sectors ahead of global rivals.*"

A prime example is the IMS flagship Sterility Assurance programme. When no European-focused qualification existed for this essential medical device requirement, IMS convened sector technical leads and academic partners to co-create a world-class curriculum that has drawn international attention.

"*Before this, companies sent staff overseas for training focused on US regulations,*" Dr. O'Connell explains. "*By building a European-focused curriculum from scratch, we filled a critical national gap and created a globally recognised qualification that solidifies Ireland's position as a compliance leader.*"

Beyond upskilling, these networks deliver strategic impacts that elevate Ireland's entire economic model. A key example is the IMS's Realising Your R&D Ambition programme, which builds R&D capacity to help Irish sites move upstream from manufacturing into high-margin product creation - empowering local teams to compete for and win global mandates.

In one instance, the programme demonstrated such strong local capability that a global manufacturer established a permanent, dedicated R&D division on-site in Ireland. "*Securing a core R&D function for Ireland is a monumental win,*" Dr. O'Connell emphasises. "*It shifts our value proposition from an exceptional manufacturing site to an indispensable global innovation hub that anchors multinationals here for decades.*"

Ultimately, Skillnet business networks are strengthening Ireland's FDI scorecard. "*Global executives tell us this model gives Ireland a distinct edge that rival destinations cannot match*," notes Dr O'Connell. By rapidly onboarding engineers during the COVID crisis and driving digital adoption through peer site visits, the networks are keeping Irish manufacturing agile. "*With demand exceeding capacity by up to 40%, expanding this infrastructure is vital to securing Ireland's future in health tech, AI, and sustainable manufacturing.*"

The Value of Skillnet Business Network Training

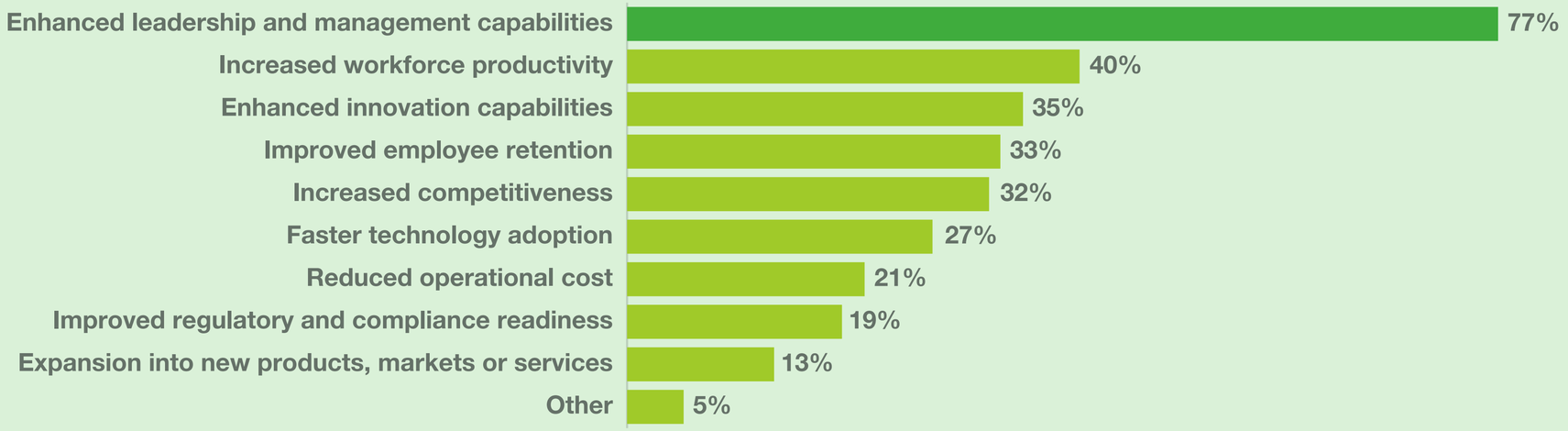
The Skillnet network model has become a critical component of the industry support system bringing tangible value across regions.

In 2025 alone, Skillnet Ireland reported training more than 23,000 companies and 84,000 learners completed training, resulting in approximately 715,000 training days delivered across every county in Ireland.

This framework supports the core indigenous economy, as 91% of all participating firms are micro, small, or medium-sized enterprises (SMEs). Skillnet training delivers wide-ranging benefits that match the diverse goals Irish businesses set out to achieve. The survey results show that this training supports companies in many ways, from making teams more productive to speeding up technological adoption.

Figure 2 – Skillnet impact

What business value/operational impact has your company experienced due to Skillnet business network training?



Leadership and organisational capability

77% of companies report enhanced leadership and management skills having participated in Skillnet business network training. In the face of global instability, strong leadership and management capabilities are the foundation for business survival and longterm commercial growth. Enhanced management skills give business leaders the strategic foresight required to steer operations through severe economic turbulence and complex technological transformation.

Operational efficiency and productivity

Skillnet business network training leads to direct operational improvements on the shop floor. Specifically 40% of businesses report achieving increased workforce productivity, while more than 20% of firms report reduced operational costs which together help to improve the bottom-line of firms in Ireland.

Innovation and technological agility

Skillnet business network training acts as an accelerator for market adaptation. 35% of companies reported enhanced innovation capabilities, which works in tandem with the 27% of firms that achieved faster technology adoption. In a market disrupted by rapid automation, this agility allows businesses to swiftly integrate complex new tools like AI.

Market resilient and talent retention

Finally, the training creates long-term structural resilience. 33% of companies achieved improved employee retention. In a highly competitive recruitment market, retaining skilled workers preserves institutional knowledge and avoids expensive replacement costs. This talent stability strengthens overall market presence, with 32% of firms reporting increased competitiveness and 19% securing improved regulatory and compliance readiness.

Case Study
InverMed

Demonstrating Speed, Agility, and Peer Collaboration
InverMed, a Galway-based contract OEM injection moulding company, is a trusted partner to global manufacturers in the highly regulated MedTech sector.

The company identified a critical capability gap among a number of high-performing operational staff. While these employees had strong practical skills and extensive experience on the factory floor, they lacked some of the scientific and theoretical foundations required to fully understand and control complex processes, particularly micro-moulding and over moulding while maintaining the highest standards of regulatory compliance.

By engaging with the Skillnet Network, InverMed was able to address this gap quickly and effectively, avoiding the lengthy procurement and decision-making processes often associated with traditional training programmes. The network's collaborative approach significantly reduced the time from identifying the training need to putting the solution into practice.

Importantly, Skillnet also acted as a powerful peer accelerator. It provided InverMed employees with the opportunity to engage with highly qualified professionals from across the sector, including peers from other companies. This created an

environment where participants could openly discuss shared operational challenges, exchange practical knowledge and learn from one another's experiences. The ability to identify common challenges and avoid known sector pitfalls added significant value beyond the formal training itself.

The impact was immediate and practical. Employees gained a stronger understanding of the scientific principles behind the processes they were operating and were empowered to apply that knowledge directly on the factory floor. This resulted in more precise machinery setups, greater consistency in production and, most importantly, a concrete increase in productivity alongside a reduction in manufacturing scrap.

For InverMed, the experience demonstrated the value of an agile, industry-led approach to skills development: identifying a real business need, accessing the right expertise quickly, learning collaboratively with industry peers and translating that learning directly into measurable improvements in the workplace.

The Funding Challenge for Skillnet Business Networks

Skillnet business networks operate on a matched funding model where Irish businesses are investing twice in the national talent pipeline.

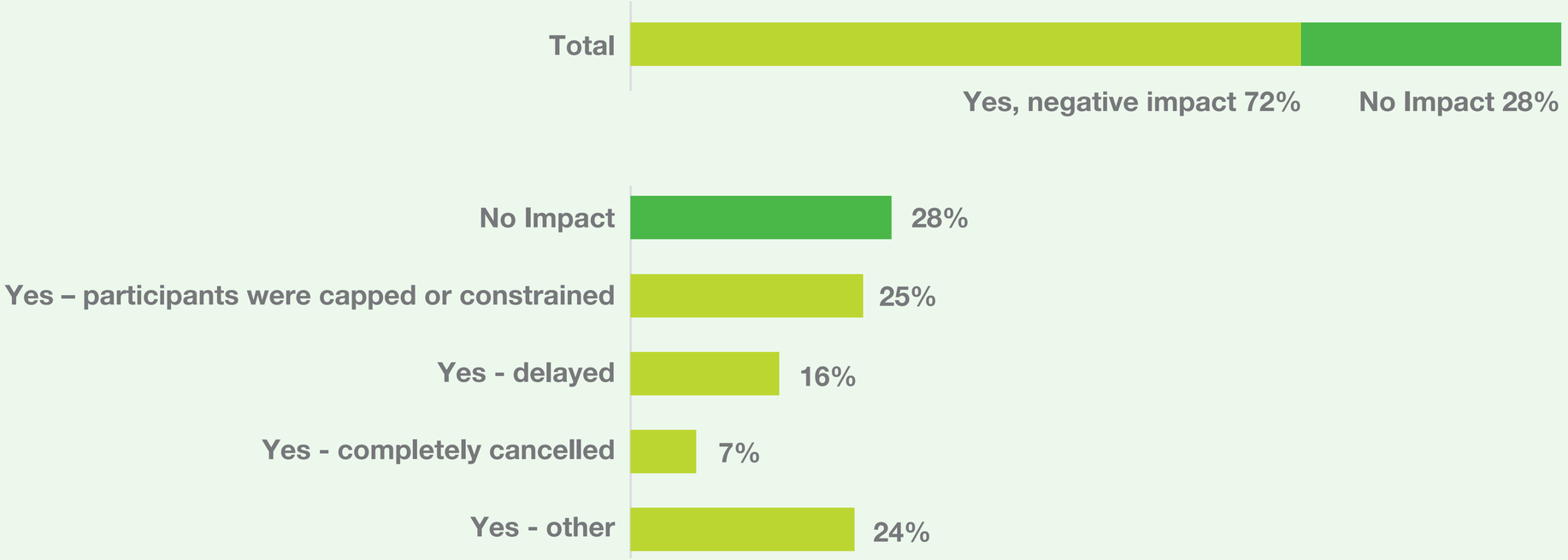
Firstly, employers pay a levy on their payroll into the National Training Fund (NTF) which is then used to fund Skillnet business networks and subsidise the cost of training on these programmes. Businesses then cover the remainder of the training costs through direct contributions. In 2024, Skillnet Ireland received €48m in state funding from the NTF with an additional direct investment of €28m from business. However, despite surging demand and a near €2 billion surplus in the NTF, state funding for these networks has plateaued.

Recent flat budgets represent a real term cut when adjusted for high inflation, which has driven up the cost of delivering specialised technical training. This stagnation comes at a time when the demand for skills in AI, cybersecurity, and the green transition is at an all-time high. Consequently, networks are severely oversubscribed, frequently exhausting their annual allocations midway through the year and forcing companies to put vital upskilling projects on hold.

The vast majority of companies (72%) surveyed have been negatively impacted by the underinvestment in Skillnet business network training.

For some companies this means that fewer staff can access training than needed (25%), for others it means access to training may be delayed at critical junctures (16%) while some companies report the worst-case scenario – training was outright cancelled due to network funding constraints (7%).

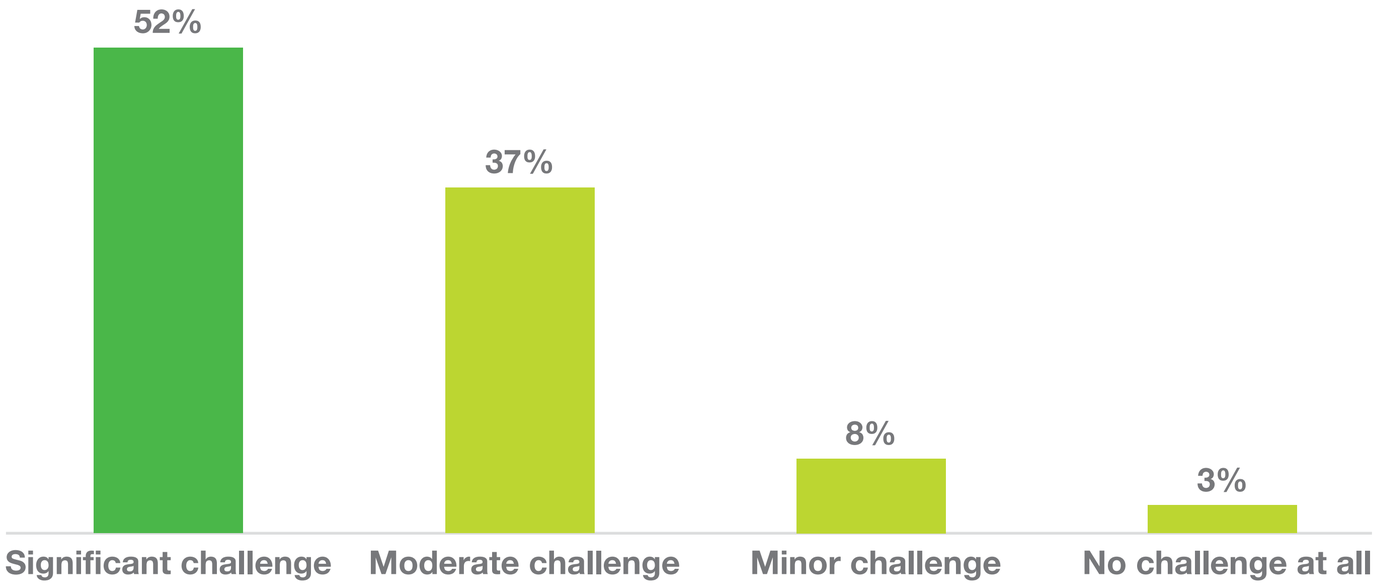
Figure 3 – Training access
Has a shortage of state co-funding available for Skillnet networks impacted your company's ability to access subsidised training?



For companies that miss out, frequently there is no adequate alternative to this model. The data shows that 97% of firms would struggle to find alternative training solutions if Skillnet business network access were lost with more than half of companies describing the challenge as significant.

Without available state-matched places, private capital remains unspent and training may not occur, preventing businesses – particularly SMEs – from closing critical capability gaps.

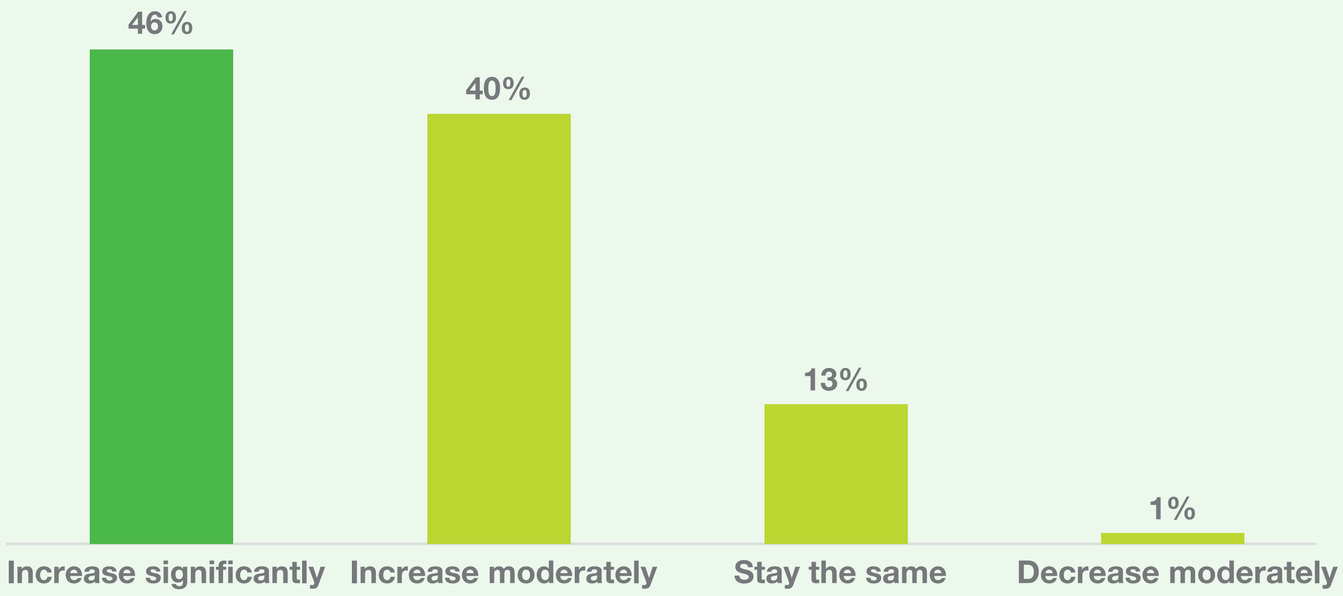
Figure 4 – Challenge to find alternatives
If your business could no longer access your Skillnet business network training, how significant a challenge would it be to find an alternative training solution to fulfil your workforce development needs?



This deficit will widen as companies transform their workforces to meet new technological and business models. The survey shows that 86% of existing clients expect their demand for Skillnet services to grow over the next five years, with nearly half predicting significant increases. While industry is eager to scale up its investment, this private funding cannot be leveraged without matching state support from the NTF.

To resolve these capacity shortages and meet verified industry demand, Ibec is calling on the Government to increase core funding for Skillnet business networks by €50 million over three years, starting with an allocation of €16.7 million in 2027. Committing to this multi-year funding pathway will provide businesses with the certainty required to invest in large-scale workforce upskilling.

Figure 5 – Demand for training
Over the next five years, how do you expect your company's demand for Skillnet business network training to change?



Case Study
CACEIS

CACEIS is the asset servicing banking group of Crédit Agricole dedicated to asset managers and institutional investors with a significant presence in Ireland. As part of its ongoing diversity, equity, and inclusion (DEI) agenda, the company sought to further support the development and progression of female employees into leadership roles.

To support this, CACEIS implemented the Advancing Women in Leadership Programme through the IFS Skillnet Network, which already had an established procurement framework and access to external trainers with relevant business expertise.

The programme supported the development of leadership skills among female employees and facilitated the formation of an internal network of mentors, contributing to higher capability and engagement levels among participants. Many of those involved subsequently engaged with the GREAT network (Gender Respect Equality At Target), a collaborative initiative within CACEIS Group set up in 2025 aimed at promoting gender diversity and professional equality, which is a key attraction and retention point for CACEIS in Ireland.

About Ibec

Ibec is Ireland's largest business representative and lobbying organisation, supporting thousands of companies across all sectors and sizes.

With 330 staff and 39 trade associations, we advocate for evidence-based policies that foster a competitive and sustainable business environment, engaging with stakeholders in Ireland, Brussels, the EU, UK, and US.

Beyond lobbying, we provide direct member support in employment law, HR, industrial relations, and health and safety. Through the Ibec Academy and our trade associations, we deliver professional learning and government subsidised industry-specific programmes to meet evolving skills needs. Members also benefit from market-leading events, research, and economic insights.

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