

## Results of Competition: Business Basics: Boosting SME Productivity (Proof of Concept Strand)

Competition Code: 1806\_CRD\_BEIS\_BB1\_POC

Total available funding is £2m

Note: These proposals have succeeded in the assessment stage of this competition. All are subject to grant offer and conditions being met.

Participant organisation names	Project title	Proposed project costs	Proposed project grant
ANGLIA BUSINESS GROWTH CONSULTANTS LIMITED	Local Productivity Club - Proof of Concept	£47,989	£47,989
Borough Council of King's Lynn & West Norfolk		£0	£0
The College of West Anglia		£11,222	£11,222

Note: you can see all Innovate UK-funded projects here: <https://www.gov.uk/government/publications/innovate-uk-funded-projects>

Use the Competition Code given above to search for this competition's results

## Project description - provided by applicants

Anglia Business Growth Consultants Ltd (WLP) and the Borough Council of King's Lynn and West Norfolk have been working with local SMEs over several years to encourage the use of manufacturing and process best practice including best practice management techniques, Lean and Six Sigma. Whilst larger businesses have found it easier to attend under the current informal structure, smaller businesses, and ironically those which are most likely to benefit, struggle to maintain consistent attendance because of work pressures. This proposed project is designed to offer those small businesses wishing to participate a more time limited, structured approach which will be both challenging and supportive in order to help stay the course and gain the benefits.

Productivity in manufacturing and service industries is a critical competitive issue for the locality and the country at large. It is believed that a short injection of training combined with mentoring and coaching support to businesses, combined with peer pressure from those involved, can overcome some of the obstacles in that:

- \* The involvement is only for a short time
- \* The training and support provided is free
- \* Over a 12-week period there will be sufficient productivity and other benefits seen that the time and effort involved will have more than paid back

Companies will be recruited from the local area, assessed for the approach and then invited to join. Those joining will commit at least 2 members of staff to attend a productivity club over a 12 week period and to implement the practices taught. Productivity will be assessed before, during and at the end of the 12 week period.

The innovation in this approach is to get companies to deliver productivity improvement using cross business learning and peer pressure to hold individual organisations to account on their productivity performance and the actions they have committed to. Also, by requiring representation from different levels in the organisation buy in becomes more rapid. Support will be provided from the local college around the training and mentoring.

This is a proof of concept and, should it work, could progress to a full trial covering a number of similar boroughs. Such a trial would be able to assess whether the innovation in the approach delivers a faster, more reliable productivity gain against a control where the companies are not supported by being part of a club.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
West Yorkshire Combined Authority / Leeds City Region Enterprise Partnership	Testing data-led targeting of low and mid productivity firms to increase awareness of performance and support	£59,002	£59,002

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## Project description - provided by applicants

According to evidence from Be the Business and the Chartered Institute of Personnel and Development (CIPD), there is a clear issue in the UK of businesses overestimating their relative productivity performance. We believe this relative performance awareness is a primary barrier to SMEs increasing their productivity by investing in technology and business practices. This proof of concept will involve an initial small scale trial into the role that targeted data intelligence can play in encouraging businesses to address their low productivity performance and how this knowledge impacts on subsequent behaviour.

In the proof of concept phase we will look to demonstrate the possibilities offered by this approach through:

\\*Refining the existing data-led model that identifies firm-level productivity and characteristics to provide intelligence for targeting low to mid productivity firms

\\*Designing a tailored marketing offer using behavioural insights ("nudge theory"), and firm-level relative productivity data identified through the data-led model, that can be emailed directly to businesses to encourage behaviour change.

\\*Evaluating the effectiveness of the data-led model and tailored marketing with a small scale trial, utilising a sample of the identified low productivity firms and testing click-through rates to a minimum of two variants of the tailored marketing.

The aim of the proof of concept is to add robust evidence on the most cost-effective approaches to:

\\*Increase awareness amongst businesses with low to mid productivity of their relative performance and the extent to which they reflect high productivity characteristics

\\*Increase exploration of practical (publicly funded and non-publicly-funded) support to increase the number of firms with characteristics associated with high-productivity businesses.

The proposed project will look to build on data work already being undertaken by the Leeds City Region to identify firm level productivity performance and related indicators, and to enhance the current business support offer delivered through the city region's Growth Hub.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
THE CAREER INNOVATION COMPANY LIMITED	Productivity in professional services, by inspiring employees to step forward	£41,643	£41,643
INSTITUTE FOR EMPLOYMENT STUDIES		£17,513	£17,513

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## Project description - provided by applicants

\_"I have stepped forward requesting further training and opportunities rather than waiting, improved my confidence and stepped outside of my comfort zone."  
- 'Be Bold' participant\_

The Career Innovation Company (Ci) has developed a new online programme for employees, taking place over 10 weeks, which provides similar benefits to coaching but at lower cost and larger scale. Its innovative combination of coaching methods, positive psychology and an online platform enables people to 'step forward' at work, increase their contribution, and future-proof their skills. It is called 'Be Bold in your Career'.

So far 1,600 people have taken part in the programme, with impressive feedback. Now we wish to demonstrate its impact on businesses as well as individuals, focusing on the professional services sector. The concept we are seeking to prove includes these components:

1. To what extent does this programme, which engages individuals, also result in measurable productivity benefit for their organisations?
2. How much and what kind of complementary support for managers -- if any -- is needed to maximise this impact at firm level?
3. Theory of Change: What are the causal links between future-focused career support and short or medium-term productivity?
4. Specifically: To what extent does the programme's focus on the future equip and motivate people to take action to update their skills?
5. To what extent does the programme's focus on emerging trends, including automation, lead to individuals and firms recognising and responding to those trends?

This is an opportunity for us to test the impact that an online, scalable, future-focused coaching programme can have on small employers and hence the wider economy.

Working in partnership with the Institute of Employment Studies (IES), a highly-regarded UK centre of expertise on productivity and human resources, the Proof of Concept will also be used to design and prepare the methods and partnerships needed for a full-scale trial.

This research will accelerate Career Innovation's ambition to provide more impactful, lower-cost, higher-scale employee support than has previously been achieved, and reflects IES's mission to help bring about sustainable improvements in employment policy and human resource management.

The project also has the support of a leading professional body, and two universities with specialist expertise in SMEs and productivity.

\_"I can honestly say it has completely changed my outlook and the opportunities open to me. Some of the best investment of my time that I have ever made for my career." -- 'Be Bold' participant\_

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
TIER 2.0 FUTURE LIMITED	Nudging SMEs towards greater productivity	£25,134	£25,134
TAX OPTIMISER LIMITED		£33,103	£33,103

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Project description - provided by applicants

This project investigates whether behavioural nudges can be utilised effectively within business intervention strategy to increase the productivity of UK SMEs

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
THE SKILLS & GROWTH COMPANY LIMITED	ADAPT - Adoption of Digital Automation Practices & Technology	£57,935	£57,935

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## Project description - provided by applicants

ADAPT - The Adoption of Digital Automation Practices & Technology - Proof of Concept project will pilot a new way of encouraging small and medium sized businesses to adopt existing technologies and business practices that can boost their productivity. The project will focus on overcoming the information barriers that prevent smaller businesses with high growth potential from adopting two types of existing digital automation practices and technology. These are:

1. **Marketing Automation** - the use of software and AI systems to automate marketing processes such as customer segmentation, customer data integration (CDI), and campaign management. This is a form of digital automation that is applicable across a wide variety of sectors.
2. **Industrial digitalisation technologies (IDTs)** - IDT's come in various forms and various levels of maturity, ranging across artificial intelligence, the Internet of Things, robotics, and analytics. Together, they are driving what is being called the Fourth Industrial Revolution. The focus of ADAPT will be on adopting Automation in Manufacturing processes.

By partnering with two 'frontier' adopters of these technology areas; Siemens PLC and Red Eye International Ltd, the ADAPT project will take small cohorts of High Growth SMEs on 'learning visits' to these 'exemplar' companies to learn from their best practice, understand benefits and costs and identify how they could adopt the technology within their own businesses.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
Devon County Council	Engaging Rural Micros for increased productivity	£59,906	£59,906

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## Project description - provided by applicants

This project will use a variety of methodologies to test assumptions, anecdotal evidence and theories around the most effective interventions for increasing productivity in rural micro enterprises, which make up over 90% of Devon's rural economy. We will use the results to devise a trial for delivering the intervention designed through this process, which will then be the subject of a further funding bid.

We will use our own and partners' previous experience and other research to encapsulate good practice in business support and funding delivery. We want to understand why rural micros are hard to engage; what their drivers and barriers are; and what we can do to make it easier and less daunting for them to increase productivity. Often businesses have far more work than they can cope with so how can we help them to convert this market potential to productivity? From experience, we think that rural micro's may need support at a much more basic level to enable them to get past their barriers to change and taking up opportunities such as: support, funding, modern business practices; time to consider new ways of working; technologies and apprenticeships.

Our Business Support & Innovation Team is based with Trading Standards in an Innovative and award winning new structure, as well as undertaking market support on behalf of our adult social care colleagues. We want to utilise the experience of TS colleagues who have daily contact with these types of business to really understand how we can best support rural micros.

The SW Rural Productivity report 2017 states that Devon's economy has four overrepresented sectors, less productive than the national average and dominated by hard to reach micro's which don't engage with support. These will comprise our test sectors:

- \* Micro Manufacturers
- \* Micro aligned trades (e.g. construction, market traders, lifestyle businesses)
- \* Micro Tourism including: accommodation, food and retail
- \* Micro Health / Social Care businesses

We will use a combination of research and review; personal and digital surveys; focus groups and in-depth case studies to understand how rural micros work and test our assumptions and theories. We will then devise an intervention with informal partners, which utilises what we have learned to design the most effective intervention to increase productivity in rural micros and their take up of a variety of practice, technology, support and funding. It is hoped that we can big again to business basics to trial this intervention.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
Locality (UK)	Will the provision of facilitated support improve the adoption of cloud-based accounting packages, by community sector SMEs?	£32,470	£32,470

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## Project description - provided by applicants

The project will pilot a process of facilitated support to with the aim of increasing the adoption of cloud-based accounting packages by community sector SMEs.

Our vision is for all community sector enterprises to have access to high quality financial management information through the adoption of properly set up, and implemented cloud-based accounting packages.

Key objectives are:

\\* To better understand the barriers and difficulties in setting up and implementing systems

\\* To gather evidence of the benefits of a facilitated support process in adopting these systems from recipients of the process, and the effect the adoption of cloud-based accounting systems has on their decision making processes and financial understanding and control

\\* To improve the support capabilities of infrastructure bodies such as Locality

The main areas of focus will be on:

\\* Development of a diagnostic process resulting in appropriate system recommendations and development of an implementation plan

\\* Development of a package of training and support to assist SMEs through the process of setup and implementation, and to support staff and directors in the use and understanding of the system.

\\* Evaluation of the process from the perspective of both the client, and the support providers to each client.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
Northumbria University	Digitally Enabled Business Clinic - a cost-effective means of universities supporting SMEs to increase their productivity	£44,279	£44,279

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## Project description - provided by applicants

We are proposing a feasibility study of a Digitally Enabled Business Clinic (DEBC), building on the success of Northumbria University's Business Clinic (BC).

The DEBC will enable businesses to engage with university students and access free business consultancy, providing the latest knowledge from a range of disciplines, leading to positive business outcomes.

This project benefits from our experience gained from the tried and tested model of Northumbria's existing BC.

We will create, test and evaluate a digitally enabled model of the business clinic, which will enable the highly successful BC approach to be implemented quickly and cost effectively by other universities. Digital media will be used to attract low to mid productivity SMEs and deliver free consultancy services and a range of online webinars.

The DEBC will collaborate with our network contacts in particular the NELEP, Asian Business Connexions (ABC is part of the Federation of Asian Business which operates nationally) and the Federation of Small Businesses, helping us target/recruit SMEs from struggling sectors who would benefit from digital advice.

The project will reach 30-40 SMEs of low to medium productivity, providing an opportunity to tap into the perspective of 'young eyes' from our motivated and innovative Business School students. The DEBC will provide a cross functional range of advice (including digital marketing, finance, strategic management) through digital media and tools, removing the need for costly physical infrastructure.

From our experience since 2013, we know that the Business Clinic model is effective. What makes this project innovative is that we will test an alternative digitally-enabled model, which could be quickly scaled up. The project will determine whether DEBC concept is a cost-effective way for SMEs to interact with a local university, gain pro-bono neutral advice, access state of the art knowledge and have the added value of the younger generation perspective. We will monitor the reach, uptake and impact on business outcomes. We will prepare a "How to Implement a DEBC Guide", and a set of compelling case studies to underpin the formation of DEBCs in other regions. The UK industrial Strategy aims to support universities and businesses working together to innovate. Rolling out a network of DEBCs would be an innovative mechanism enabling UK businesses to easily connect with and benefit from existing technologies, new knowledge, insights and fresh perspectives of University Business Schools.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
Kingston University	Technology foresight for growth and productivity: the design and implementation of a new foresight approach for UK SMEs	£47,740	£47,740

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## Project description - provided by applicants

Foresight is a convenient and evocative label for a very real trend in strategy and policy planning (Vecchiato, 2015). Its rise to prominence was driven by the increasing uncertainty of the business environment and the associated difficulty of firms to sustain their performance in the long run. Despite the growing popularity of technology foresight among large corporations in the last 20 years, little evidence has been found on the use of technology foresight in SMEs. This limited adoption is attributed to their focus on day-by-day operations, short-term horizon in strategic decision making, reactive approach to environmental changes, constrained resources for monitoring and assessing new technologies, and -- most important -- a lack of methodological skills and competences related to technology foresight. However, foresight can be very beneficial to SMEs, especially those who have low-productivity, by enabling the prompt selection of new technologies and thus fostering long-term productivity and international competitiveness. Overall, foresight will enable SMEs to set priorities and joint strategic actions, in a systematic way, leading to the optimal allocation of resources to product and process innovation.

This project will consist of three main phases. The first phase will focus on the identification of suitable SMEs and technology experts to involve in the project. The second phase will consist of a Delphi process enabling the identification of the most relevant technologies. The third phase will consist of two workshops through which entrepreneurs and technology experts will meet to assess the evolution, impact (e.g., new products and process), and the response options available for adopting/developing new critical technologies.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
FOOD FORWARD LTD	Resource Productivity in the \$20bn Dairy Manufacturing Sector	£53,422	£53,422
University of Surrey		£6,557	£6,557

Note: you can see all Innovate UK-funded projects here: <https://www.gov.uk/government/publications/innovate-uk-funded-projects>

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## Project description - provided by applicants

The dairy manufacturing sector includes processors of liquid milk and producers of cheese, butter, yoghurt and ice cream. It generates an overall turnover of nearly £20 billion in the UK economy. And UK-derived dairy products account for 6% of the average UK adult's calorie intake.

The findings of Food Forward's 2018 research report - Dairy Forward - suggest that less than 25% of UK food businesses systematically measure their energy and water use, and waste output. Even fewer assess how proven technologies, such as solar power and advanced water recycling, can reduce the amount (and cost) of these. The amount of resource (energy, water, waste) per litre of milk processed is a measure of the business's 'resource productivity'. Businesses need to have good resource productivity to improve their profitability and reduce their environmental footprint.

Food Forward Ltd, with the support of the University of Surrey, is proposing an online system to help smaller dairy manufacturing businesses to increase their resource productivity. In due course it could be used by other types of businesses. We've chosen small businesses, as the larger dairy businesses have mostly already adopted the technologies. However, small businesses tend to lack the information and/or the motivation to calculate the likely cost savings and make the investment.

Our proof of concept project will test the interest of smaller dairy processors and manufacturers in this system, which include a cost calculator, details of suitable technologies they should consider investing in (with their prices), and a 'benchmarking tool' (this tool will let a business compare itself to other similar businesses).

The system will:

- 1\ Enable the business to receive data on its throughput of energy, waste and water
- 2\ Help the business to put operational cost figures against those throughputs
- 3\ Provide data on the capital cost of a range of resource efficient technologies which can reduce those cost variables per unit of production.
- 4\ Compare and display these variables against (anonymised) peer businesses so that the business can assess its own relative productivity and investment levels.

This project is innovative because it will a) enable smaller businesses to evaluate investment cases for the most impactful, proven resource productivity technologies and b) "nudge" these smaller businesses to commit to investing alongside their peers.

A number of collaborative partners in the dairy sector are interested in helping us to develop the proof of concept, and scale it up if successful.

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## Results of Competition: Business Basics: Boosting SME Productivity (Trial Strand)

Competition Code: 1806\_CRD\_BEIS\_BB1\_TR

Total available funding is £2m

Note: These proposals have succeeded in the assessment stage of this competition. All are subject to grant offer and conditions being met.

Participant organisation names	Project title	Proposed project costs	Proposed project grant
REDBRICK ENTERPRISES LIMITED	HeadsUp! Boosting performance amongst micro firms through take-up of digital technologies	£231,406	£161,984
Brunel University London		£74,852	£74,852

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## Project description - provided by applicants

This project sees a partnership of small business network, Enterprise Nation, and Brunel University, work together to encourage small businesses to adopt existing digital tools and technologies, with a view to realising improvements in cashflow, sales and employee satisfaction.

Over the past 12 months, we've listened to the concerns of small business owners; to the challenges they face and opportunities they see. Founders want to enter new markets, with a motivated team, and get paid on time so cash can be invested back in to the growth of the business.

But entrepreneurs struggle to raise their heads from day to day operations; to work on the business, not in it.

This project will make it easy for owners to identify and access relevant support. It will highlight which areas of the business need attention, match founders with accredited coaches (online and off), offer a suite of productivity tools, and measure results throughout.

Support will be available in four areas of the UK (London, Lancashire, Oxfordshire, Birmingham) and we'll be working with Growth Hubs and local partners to host productivity roadshows, and get feedback on how training is making a difference. The support on offer is free of charge and will be made available to a cohort of 600 companies.

Corporate partners are coming on board with brands including Microsoft, Xero, CharlieHR, Soldo, Basekit and Equipsme, contributing to the programme in the shape of curating a product bundle, delivering training for accreditation, and promoting the programme to customers, who may be looking for support to grow.

If we get this right, the benefit will be felt across the whole economy. The UK is home to a record 5 million+ small businesses and many have the ambition to grow. This project will evaluate how support can best be delivered to boost revenue and improve company processes. The learnings will not only be scaled to help thousands more businesses, but will also be utilised by government to inform policy on how the UK can deliver the most relevant support, at the right level of investment.

It's never been more essential to trial growth support in the UK and evaluate what works. Enterprise Nation and Brunel University are delighted to be involved.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
City University London	A Scientific Approach to SME Productivity	£310,323	£310,323
Bocconi University (ICRIOS)		£54,889	£0
CAVENDISH CONSORTIUM LIMITED		£0	£0
Greater London Authority		£0	£0
University of Oxford		£7,996	£7,996

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## Project description - provided by applicants

SMEs are a vital part of the UK economy, but data show that the share of high-productivity SMEs remains substantially lower in the UK than in other G8 countries. There is growing evidence that a key barrier to SME productivity is the shortage of effective programmes that educate and support promising businesses in their decision making. This project aims to fill in this gap by encouraging SMEs to adopt a set of novel business practices that can improve their ability to rigorously make strategic decisions and thus, their productivity.

This project will be offering a training programme (twenty-four hours of training, split across eight sessions) to two groups of SMEs (control and treatment). The participating SMEs will be monitored over a year to understand whether there are any differences in the performance of the two groups. This study builds on rigorous evidence produced by two earlier pilot randomised controlled trials (RCTs), which showed that firms in both groups performed better than a randomly selected sample of firms that could not be included in the programme, but that firms in the treatment group performed better than those in the control group.

The research team working on this project aims to produce knowledge that will inform future policy development and be relevant for the academic community, by exploring the impact on firm productivity of a novel decision-making approach and by using an innovative methodology (i.e. RCT) that overcomes the limitations of traditional techniques based on surveys and instrumental variables. The project also aims to have an impact on SMEs practices by identifying a set of actionable tools that can translate in tangible results for small businesses. The lessons learnt from the programme could then be applied to improve the quality of business support programmes across the Growth Hub network and for other public and private schemes.

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CAVENDISH CONSORTIUM LIMITED	Cavendish Micro-Business Productivity Boost Project	£368,863	£368,863
University of Warwick		£20,377	£20,377

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## Project description - provided by applicants

This trial is led by Cavendish Consortium (trading as Cavendish Enterprise) with work subcontracted to four delivery partners we have an established relationship with (TEDCO, Enterprise First, Business West & Nwes) and also OMB Research. We will be collaborating with The Enterprise Research Centre (ERC) for the evaluation of the Randomised Control Trial.

Our goal is to identify a cost effective, yet productivity enhancing programme of business support for SMEs which can be run at scale throughout the country.

Our experiment addresses a key finding from a large-scale NESTA research study in 2016, namely that new firms created after the recession have dragged overall productivity down. And that slow productivity growth within firms is the main factor responsible for the UK productivity puzzle.

We believe Tony Danker's statement (Be The Business, June 6th, 2018) that world class leadership and management practices have been shown to boost productivity, to be true. We believe that if we can select the right businesses, take them through the right process of embedding effective leadership and management practices, we will demonstrate a clear improvement in the productivity of the participating firms. We believe that our innovative diagnostic and our novel approach to business support will have a significantly greater impact on micro businesses than traditional 1:1 business support.

We will run a randomised control trial over one year, with six months treatment time and six months evaluation time. The control and treatment groups, each of 150, will come from an existing cohort of growing micro-businesses from the Start and Grow programme. 150 micro-businesses from the general population will form an additional control group. The Start and Grow cohort is useful because:

- 1) A problem faced by start-ups in the UK is that many do not make it past three years. Our Start & Grow cohort are businesses aged between 1-3 years.
- 2) A challenge in policy development for start-up support is collecting rich data on start-up businesses over a longer period of time. We already have relevant data for the 300 S&G businesses, enabling richer data collection.
- 3) The typical S&G firm size is 1-9 employees. The Be Business Initiative is focusing on firms sized 10-249 employees. We firmly believe that rich data and insights on how to boost the productivity of micro-businesses, of which there were 1.11m in 2017, will be highly useful for policy development and future sound investment of UK taxpayers' money.

Note: you can see all Innovate UK-funded projects here: <https://www.gov.uk/government/publications/innovate-uk-funded-projects>

Use the Competition Code given above to search for this competition's results

## Results of Competition: Business Basics: Boosting SME Productivity (Trial Strand)

Competition Code: 1806\_CRD\_BEIS\_BB1\_TR

Total available funding is £2m

Note: These proposals have succeeded in the assessment stage of this competition. All are subject to grant offer and conditions being met.

Participant organisation names	Project title	Proposed project costs	Proposed project grant
Greater London Authority	AI in London's hospitality and retail SME sector	£79,267	£79,267
CAPITAL ENTERPRISE (UK) LIMITED		£32,543	£32,543
COGNITIONX LTD		£34,647	£34,647
London School of Economics & Pol Sci		£43,092	£43,092

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## Project description - provided by applicants

The 'AI for SMEs' programme will trial two methods of increasing productivity in London's SME retail and hospitality sectors, through the adoption of AI 'chatbots' and marketing automation systems. These are products which can supplement and improve the customer experience, increase their marketing reach and effectiveness, and which are tried and tested means of converting enquiries/leads into paying customers. They are particularly effective technologies for retail and hospitality SMEs, which have similar routes to customer discovery, marketing and converting leads into paying customers. Moreover, though every company is different, the technologies themselves augment the value of existing employees and existing workflows, rather than replacing the need for human staff.

Using a RCT, we are testing the effectiveness of two alternative methods of increasing the adoption of AI chatbot and marketing automation technologies. Stream 1 will use a market convening methodology, which involves matching SMEs with AI vendors via a series of events, and allowing the supplier market to explain the opportunity through case studies and live demonstrations. This light touch method is based on 'letting the tech speak for itself' in order to encourage uptake.

Stream 2 is a more targeted intervention, which will provide SMEs with a £1,000 innovation voucher, which they can use to install, test, or deploy the AI technology, and access an expert caseworker. This approach is based on the idea that expert technical and business advice is needed by the SME to assess the suitability of AI as a solution to enable the SME to calculate the ROI and to assist with implementation. By providing external expert support we will see if we increase uptake of AI amongst SMEs, and to realise the productivity potential of the technology.

A control group will be established, who will receive basic information about the relevant technologies as an incentive to participate, but no further support. They will be tracked and used as a baseline to assess the effectiveness of the interventions on technology adoption, perceptions and performance.

Lessons from this RCT will provide valuable insight into the most (a) effective and (b) cost effective means of driving adoption of AI; whether education and convening is sufficient to drive adoption or whether a degree of 'hand holding' is needed when seeking to drive adoption of perceived cutting edge technologies. Moreover, the findings from this experiment will have value for other geographies, technologies and sectors across the UK.

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Participant organisation names	Project title	Proposed project costs	Proposed project grant
CIPD LTD	People Skills+: An innovative management and leadership approach to boosting SME productivity	£351,320	£351,320

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## Project description - provided by applicants

The People Skills project is explicitly aimed at developing methods for enrolling 'hard-to-reach' SMEs - lower-productivity firms which lag significantly in people management.

Firms taking part in the programme will be offered an online diagnostic, which will then put them in touch with independent local HR providers who can work with them to adopt existing management practices - bringing them up to speed with the basics and improving their leadership and management capabilities. In certain cases this may also involve adopting HR software.

The project will therefore increase the awareness of business practices, increase desire for adopting better practices, make the costs and benefits of doing so clearer, and provide trusted advice from local partners.

The project will generate significant quantities of evidence to support future policy-making. Firstly, we will gather data on which messages are most resonant with 'hard to reach' firms, improving the evidence base on how they can best be encouraged to enroll in productivity improving programmes. Secondly, we will gather data on firm's awareness of HR solutions and why they take up or do not take up particular solutions. Finally, we will also gather information which will allow BEIS to evaluate the longer term effects of HR advice on firm-level outcomes, giving insights into the potential for improving SME productivity through improving this aspect of management.

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