

How can innovation, entrepreneurship and business growth policy be used to boost productivity?

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Department for
Business, Energy
& Industrial Strategy



May 2019

The Industrial Strategy

Our long-term plan to boost the productivity and earning power of people throughout the UK

Foundations



Grand Challenges

The diagram features four rounded rectangular boxes, each containing an icon and text:

- AI & Data Economy** (AI brain icon): We will put the UK at the forefront of the artificial intelligence and data revolution
- Clean Growth** (plant on globe icon): We will maximise the advantages for UK industry from the global shift to clean growth
- Future of Mobility** (location pin and car icon): We will become a world leader in the way people, goods and services move
- Ageing Society** (three people icon): We will harness the power of innovation to help meet the needs of an ageing society



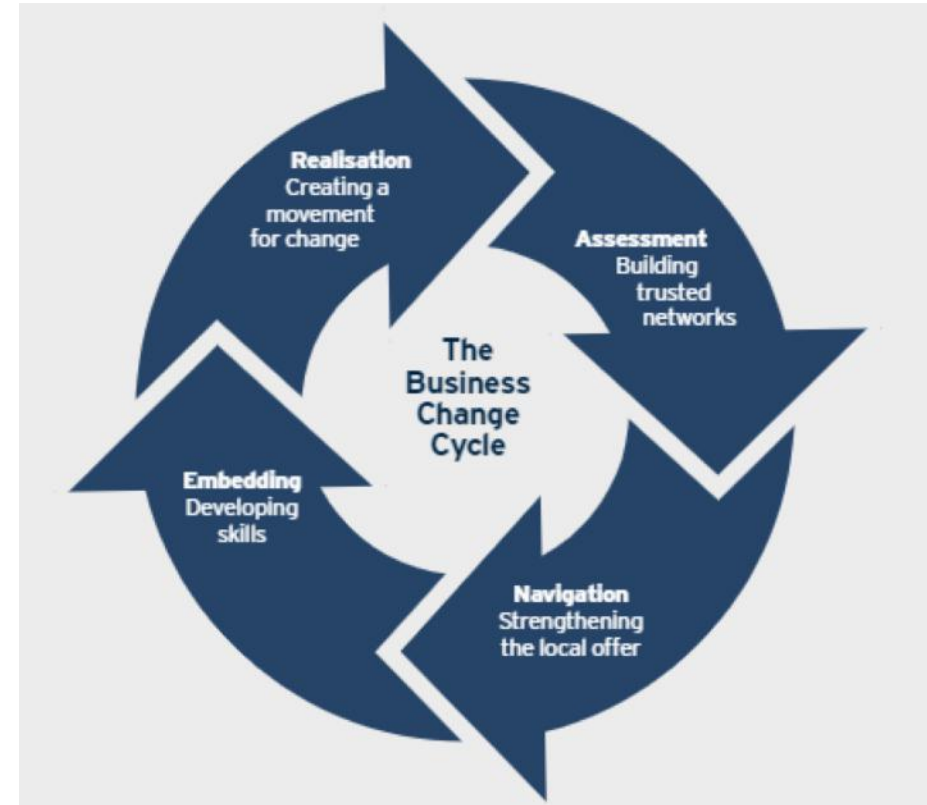
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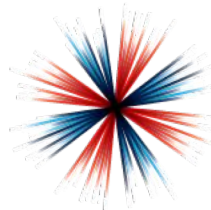
Business Productivity Review

To identify the actions that government and industry can take to improve business productivity

- Expanding the **evidence base** on firm level factors impacting on productivity
- **£56m** of funding for productivity boosting initiatives already announced
- Developed the “**business change cycle**”



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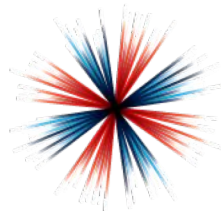


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How is experimentation helping us to meet the challenge of raising productivity?



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GovTech Catalyst

Using technology to transform public sector productivity

- Global GovTech market is around \$400 billion, with the UK market worth **£6.6 billion**
- **100+ GovTech start ups** in the UK
- **£20m GovTech Catalyst** supports public sector organisations to find innovative solutions



Durham and Blaenau Gwent Councils using £1.25m working with companies to transform local authority services using intelligently captured data



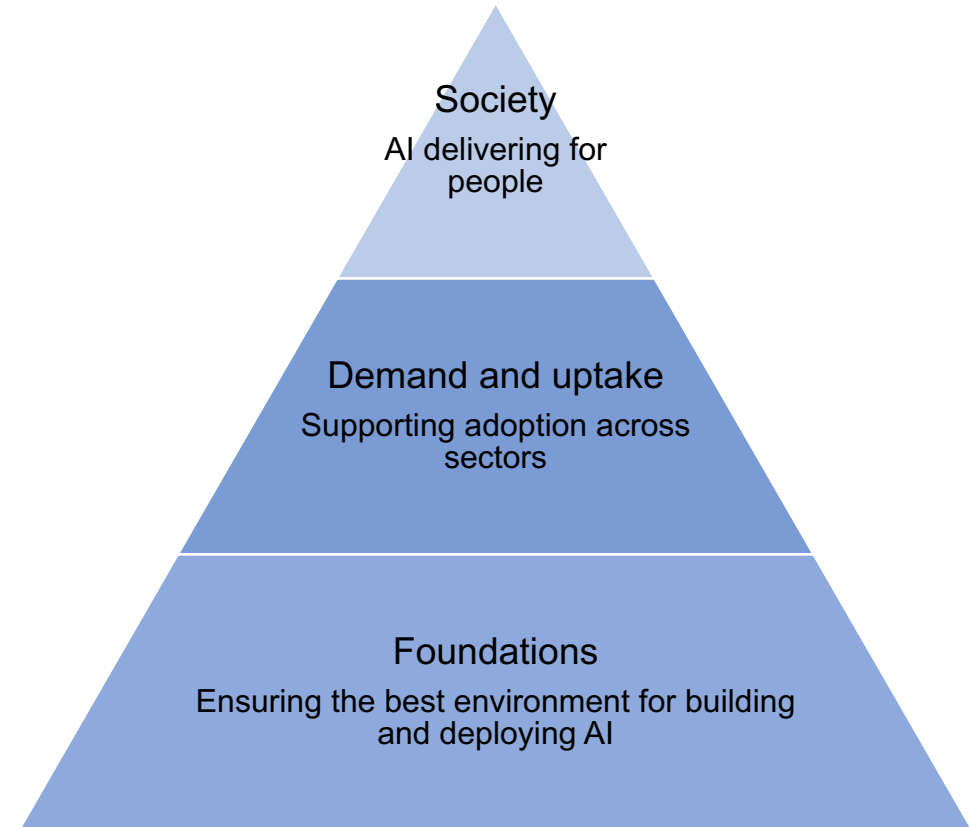
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Artificial Intelligence

Building the foundations to underpin adoption of AI for the betterment of society

- Grand Challenge ambition: to put the UK at the forefront of the AI and Data revolution
- **Office for AI** is developing the **foundations**
- Ensuring AI solutions are ethically sound, safe and work for **society**



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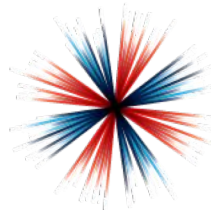
Be The Business

Creating an industry led movement to improve firm level productivity

- Interventions based on **proven approaches** to improving SME productivity
- Created in 2017 as a **business led** independent charity
- Delivering the **Productivity Through People Programme** and local **Peer Improvement Networks**



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Business Basics

Testing innovative ways of encouraging SMEs to adopt productivity boosting tech and management practices

- £9m of funding over 4 years
- Delivered in partnership with **Innovate UK** and **Nesta's Innovation Growth Lab (IGL)**
- Funding **RCTs and proof of concept projects** focused on diffusion



Greater London Authority
RCT looking at encouraging the use of
AI, including chatbots in retailers



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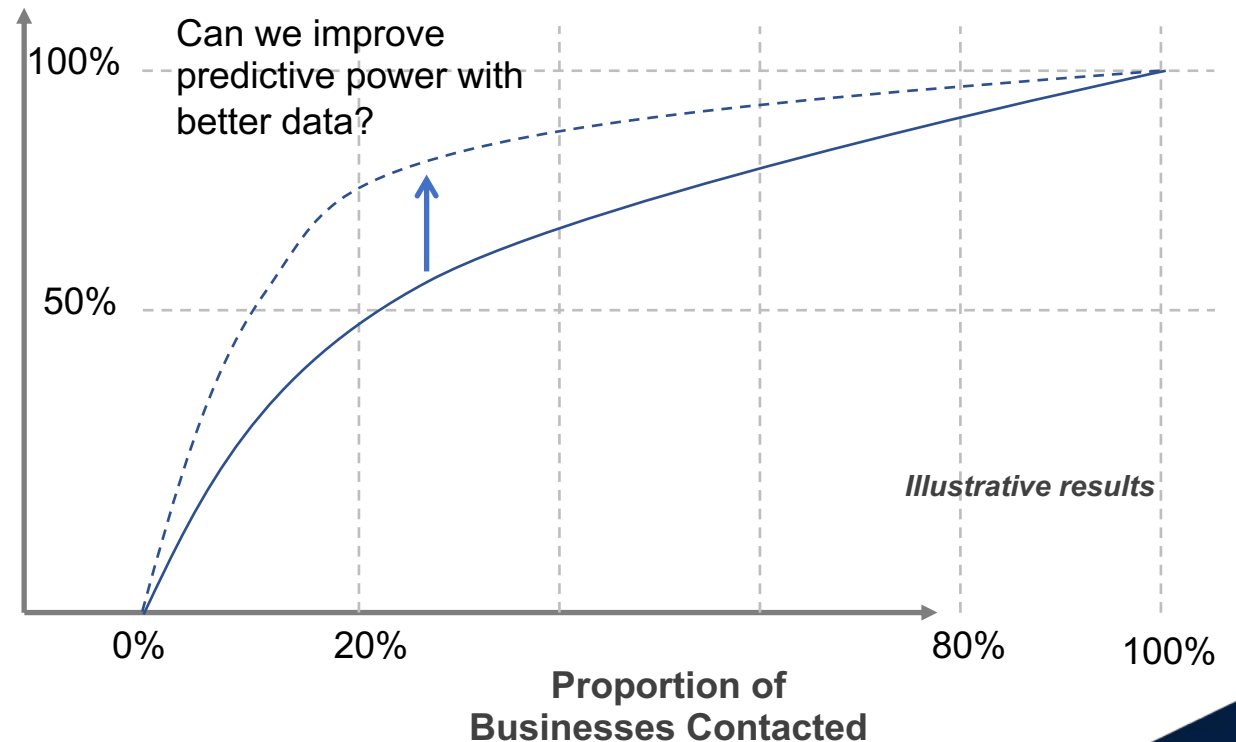


Data Enabled Change Accelerator (DECA)

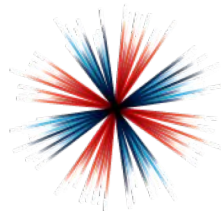
Using data science and government data to effectively target government support to businesses

- Developed an **algorithm** that can **identify potential high growth firms of the future**
- Working with BIT to test targeted messages in 3 UK regions
- Initial **business response has been very encouraging** and indicates **we have targeted high quality firms**

Identification Rate of Scale Up Businesses



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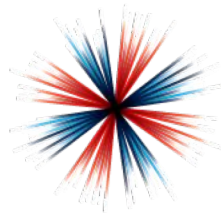


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Thank you



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