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

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The Industrial Strategy

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

Foundations

- Ideas: the world’s most innovative economy
- People: good jobs and greater earning power for all
- Infrastructure: a major upgrade to the UK’s infrastructure
- Business environment: the best place to start and grow a business
- Places: prosperous communities across the UK

Grand Challenges

- AI & Data Economy: We will put the UK at the forefront of the artificial intelligence and data revolution
- Clean Growth: We will maximise the advantages for UK industry from the global shift to clean growth
- Future of Mobility: We will become a world leader in the way people, goods, and services move
- Ageing Society: We will harness the power of innovation to help meet the needs of an ageing society
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**”
How is experimentation helping us to meet the challenge of raising productivity?
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
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
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
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
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**

![Illustrative results](chart.png)

**Identification Rate of Scale Up Businesses**

- Can we improve predictive power with better data?

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<thead>
<tr>
<th>Proportion of Businesses Contacted</th>
<th>Identification Rate</th>
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Thank you