

[News story: £2 million investment to help small businesses to grow](#)

Britain is one of the best places in the world to start and grow a business, [according to a government review](#). However, a productivity gap exists between the UK and international competitors, which means our businesses are not reaping all the benefits that they could be.

Adopting leading technologies, practices and support services – such as cloud computing, mobile technology and e-purchasing – can improve the productivity and earning power of small and medium-sized enterprises (SMEs), and in turn grow the wider economy.

The [Department of Business, Energy and Industrial Strategy](#) (BEIS) and Innovate UK have up to £2 million to prove and test ideas that enable small businesses to become more productive.

The Business Basics Fund

Investment is through the Business Basics Fund, part of the government's [Business Basics Programme](#) to encourage SMEs to implement proven technologies and practices.

Yesterday, UK government announced the projects to be awarded £2 million through the first funding competition.

This includes a project with the retail and hospitality sectors to use AI technologies such as chatbots to improve customer experiences, and another to support greater digitisation in dairy farming.

Small Business Minister, Kelly Tolhurst said:

Small businesses are the backbone of our economy. As part of our modern Industrial Strategy, we are supporting them with new investments to boost their productivity and ensure they can continue to thrive in the future.

Different parts to the competition

There are different competitions to apply into, depending on your organisation and the type of research and development being carried out. These are for:

- proof of concept projects
- trials that are either:
 - led by a business
 - led by another type of organisation that isn't a business

Projects across all opportunities should look at how SMEs can become more productive through one or more of the following:

- adopting tried-and tested technologies, such as accountancy, CRM, HR and payment systems
- adopting modern business practices
- improving the use of technologies and practices already active within the business

Specific considerations might also include:

- addressing information failures and improving awareness of relevant technologies and practices
- building the confidence of SMEs on the application of these technologies and practices
- offering advice services through trusted advisors, supply chains and informal peer-to-peer networks
- exploring how using complementary technologies and practices can affect adoption
- comparing lower cost, scalable interventions with more intensive types of support
- exploring specific characteristics and issues SMEs may face, such as within family-run firms

Proving a concept

Proof of concept awards are for ideas that are in early development.

Projects should encourage SMEs to adopt proven technologies or management practices that can boost their productivity.

Competition information

- the competition is open, and the deadline for applications is at midday on 17 April 2019
- UK-based businesses of any size, public sector, university or research and technology organisations, charities and not-for-profit companies are eligible to lead a project
- organisations could get up to £60,000 each to run a proof of concept project
- projects must start by 1 September 2019 and can last up to 12 months
- there will be webinar briefings on [14 February 2019](#) and [7 March 2019](#) for applicants to find out more about the competition, and an [online evaluation masterclass on 5 March 2019](#) to help assess and analyse the results of a project

Taking an idea to trial

The aim of trial projects is to test different approaches for encouraging SMEs and supporting adoption.

Projects should generate robust evidence about the most effective approaches

to improving the productivity of SMEs. They should also build understanding of the short, medium and long-term impacts of such approaches.

Trials should plan to use a control group for testing and, if successful in the application process, register a trial protocol.

Competition information

- the 2 trial competitions are open, and the deadline for applications is at midday on 17 April 2019
- in the business-led competition, UK-based businesses of any size are eligible to lead a project, working alone or with others
- in the non-business-led competition, UK-based public sector organisations, universities, research and technology organisations, charities and not-for-profit companies can be the lead, working alone or with others
- organisations could get up to £400,000 to run a trial
- the best projects at the written applications stage will be invited to attend an interview panel on 5 June 2019 to present their ideas
- projects must start by 1 September 2019 and can last up to 12 months
- there will be webinar briefings on [14 February 2019](#) and [7 March 2019](#) for applicants to find out more about the competition, and an [online evaluation masterclass on 5 March 2019](#) to help assess and analyse the results of a project

If you are a business and wish to lead a project, apply in the business-led trial competition.

[Find out more.](#)

If you are not a business but another type of organisation and wish to lead a project, apply in the non-business-led trial competition.

[Find out more.](#)