

Press release: Boost for small business through new government investment in tech project trials

- 15 unique projects – including digital dairy farming, AI chatbots and cloud computing trials – will benefit from £2 million from the Business Basics Fund, part of the modern Industrial Strategy
- from this week small firms, academia and local authorities can now apply for a share of the next wave of funding to help them become even more profitable

Technology projects and pilots across the country – including digital dairy farming, artificial intelligence (AI) chatbots and cloud computing technology – are among those to benefit from a new fund to boost the productivity of UK small businesses, Small Business Minister Kelly Tolhurst confirmed today (29 January 2019).

A total of 15 projects from all parts of the UK have won a share of £2 million from the first round of funding from the Business Basics Fund. Among the winning bidders are cutting-edge collaborations between businesses and groups including the Chartered Institute of Professional Development (CIPD), Enterprise Nation, Universities, Cavendish Enterprise, government-backed Growth Hubs and local authorities.

Among the projects to receive funding for their innovations are:

- Cavendish Enterprise, a national business support provider, who will test an innovative management development programme for micro-enterprises
- London-based Enterprise Nation will test ways to encourage SMEs to adopt digital technologies such as cloud computing
- Greater London Authority, CognitionX, Capital Enterprise, and the London School of Economics will be working together boost adoption of AI technologies like chatbots for the retail and hospitality sector. Chatbots can help bridge the gap between online and offline experiences
- Locality, a London-based charity that supports local community organisations will pilot a scheme to increase the adoption of cloud-based accounting packages by community sector Small and Medium-sized enterprises (SMEs)
- Devon County Council will complete a research project to help rural micro businesses adopt modern business practices
- Food Forward and the University of Surrey are developing an online tool for SMEs in the dairy sector to find proven technologies that can accelerate their production and boost productivity
- Cass Business School (City) in partnership with the University of Oxford, Bocconi University, London Growth Hub and Cavendish Enterprise will deliver a cutting-edge, completely free of charge, business support

programme to hundreds of UK micro businesses focused on systematic decision making

- the Skills & Growth Company will pilot the delivery of 'Learning Journeys', in partnership with Siemens and RedEye, to help SMEs in Cheshire benefit from their expertise in using digital technology
- the Business Clinic at Northumbria University which is an education scheme whereby a group of business students participate in a 'consultancy firm' to provide free advice for clients

Small Business Minister Kelly Tolhurst said:

Small businesses are the backbone of our economy and 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.

Today's investment will support innovative projects that test how government and private sector companies can help small businesses adopt a range of technologies and management practices that save them time and make them more efficient.

A second [funding competition](#) has launched with £2 million available to businesses, academia and local authorities for new projects focused on testing ways of rolling out existing productivity-boosting technology and management practices to businesses.

The Fund, which forms part of the government's plan to boost UK national productivity through its modern Industrial Strategy, is delivered in partnership with Innovate UK and Nesta.

Research from the CBI suggests that by encouraging more businesses to take advantage of existing technologies, management practices and business support— such as cloud computing, mobile technology and e-purchasing – the UK economy could receive a £100 billion boost and see a 5% reduction in income inequality.

Dr Ian Campbell, Executive Chair of Innovate UK, said:

Trying something new is a big step for any business, but true innovation enables firms grow. To solve the UK's productivity puzzle, we need more firms to adopt new, but proven, technologies and novel ways of doing things so they can get ahead of the competition.

That's exactly what the Industrial Strategy, through the business basics scheme, is helping these projects to achieve.

Geoff Mulgan, Chief Executive of innovation foundation Nesta, said:

The Business Basics Fund signals a welcome commitment by government to applying experimental methods to boosting economic productivity.

It is vitally important that we gather evidence about the effectiveness, or otherwise, of the billions of pounds that are spent by governments around the world, currently with not enough hard evidence about what works.

The government has also published the [Business Support Evaluation Framework](#). The new Framework will set out the quality standards that are expected for evaluations of BEIS-funded business support programmes and will enable the effectiveness of different policies and programmes to be compared.

The framework is designed to assist policy makers, evaluators and delivery bodies in generating robust evidence of what works, so BEIS can make better informed decisions of current and future policies.

Government is committed to investing, through its modern Industrial Strategy, in science and research to keep the UK at the forefront of new technologies and the benefits they bring.

The Industrial Strategy is also helping us nurture and upskill people to do the jobs of the future, through increased investment in technical education and a national retraining scheme.

HeadsUp! Boosting performance amongst micro firms through take-up of digital technologies

Parties: Enterprise Nation, Brunel University London

Location: Lancashire, Birmingham, Oxfordshire and London

Background: A new project that will test how best to encourage SMEs to adopt digital technologies (ie cloud computing, E-commerce transactions, Customer Relationship Management and accounting software, Human Resources management systems).

Artificial Intelligence in London's hospitality and retail SME sector

Parties: The Greater London Authority, London School of Economics (Centre for Economic Performance), two small businesses (CognitionX and Capital Enterprise), the London Growth Hub

Location: London

Background: A pilot that will test the effectiveness of different mechanisms to encourage the adoption of Artificial Intelligence (AI) technologies such as chatbots in the retail and hospitality sectors.

People Skills+: An innovative management and leadership approach to boosting SME productivity

Parties: Chartered Institute of Personnel and Development Ltd, The Behaviouralist (academia), Birmingham Chamber of Commerce

Location: Greater Birmingham and the Solihull Local Enterprise Partnership (LEP) area.

Background: Project focused on building skills and capabilities of owner/managers of hard to reach SMEs by investing in people management practices through the use of an online diagnostic tool and independent local advice.

A Scientific Approach to SME Productivity

Parties: City University London, University of Oxford (Said Business School), Cavendish Consortium, Bocconi University (ICRIOS) and the Greater London Authority/London Growth Hub

Location: Greater London and surrounding areas

Background: Building on trials carried out in Italy, this project will look to measure the effectiveness of applying a scientific approach to decision making to enable SMEs in England to make more effective strategic decisions.

Cavendish Micro-Business Productivity Boost Project

Parties: Cavendish Consortium Ltd, University of Warwick (Enterprise Research Centre) and OMB Research

Location: England-wide

Background: A project to establish if early stage micro businesses that are both willing and able to increase productivity can be identified, and which interventions are most effective in encouraging them to adopt productivity enhancing business practices at the early stages.

Local Productivity Club

Parties: Anglia Business Growth Consultants Limited, College of West Anglia and the Borough Council of Kings Lynn and West Norfolk

Location: Borough of Kings Lynn and West Norfolk

Background: This project aims to demonstrate that forming a structured club of small low productivity companies all from the same local area together with support can deliver significant productivity gains within 4 months.

Testing data-led targeting of low and mid productivity firms to

increase awareness of performance and support

Parties: West Yorkshire Combined Authority / Leeds City Region Enterprise Partnership

Location: SMEs in the Leeds area.

Background: This project will look at how tailored, targeted messages can encourage businesses to address their low productivity (i.e. behavioural nudges) and how this knowledge impacts on subsequent behaviour.

Productivity in professional services, by inspiring employees to step forward

Parties: The Career Innovation Company Limited, Institute of Employment Studies

Location: South West

Background: This project will test the impact of an existing online programme aimed at individuals which will be adapted to be relevant to employees of SMEs in professional services.

Nudging SMEs towards greater productivity

Parties: Tier 2.0 Future Limited, Tax Optimiser Ltd

Location: Smaller cities in England

Background: Led by a social enterprise and working with a software development company (which is an SME), this project will test how different (predominately) online messaging affects what SMEs do.

Engaging Rural Micros for increased productivity

Parties: Devon County Council

Location: South West

Background: A project to test the theory that rural micro businesses need support at a basic level to adopt modern business practices

ADAPT

Parties: Skills and Growth Company

Location: North West

Background: This project will pilot a new way of encouraging up to 30 high growth potential SMEs in the Northwest in adopting two types of existing digital automation practices and Industrial Digitisation Technologies (IDT)

Parties: Locality, Howard Neal Ltd

Background: This charity will pilot a process of facilitated support e.g. peer support from early adopters to increase the adoption of cloud-based accounting packages by community sector SMEs.

Digitally Enabled Business Clinic – a cost-effective means of universities supporting SMEs to increase their productivity

Parties: Northumbria University

Location: Northumbria

Background: A project to explore the effectiveness of a Digitally Enabled Business Clinic (DEBC) to enable SMEs to access free advice from supervised university business school students, for example including digital marketing, finance, strategic advice through digital media and tools etc, removing the need for costly physical infrastructure.

Technology foresight for growth and productivity: the design and implementation of a new foresight approach for UK SMEs

Parties: Kingston University

Location: London area

Background: This research project will produce three main outputs. The first is a foresight methodology that is effective, scalable and easy to use by UK SMEs, especially those operating in clusters, for identifying and developing emerging technologies. The second is a list of critical technologies specifically aimed at improving the productivity of Digital Health SMEs. The third will be a list of key actions enabling these same firms to adopt these technologies and ultimately to enhance their productivity and growth.

Resource Productivity in the \$20 billion Dairy Manufacturing Sector

Parties: Food Forward, University of Surrey

Background: To develop and test an online diagnosis tool to enable SMEs in the dairy sector to easily evaluate the case for investment in proven technologies that improve resource productivity.