Tech Tracker 2020

The innovation imperative

In partnership with

Microsoft

December 2020

Innovation

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Introduction

A 'new normal' has become the phrase of the moment. This has left many to wonder, are we there yet?

In short, no. Businesses have demonstrated they can adapt and transform. They have flexed new muscles and proved how agile they can be. Firms have undertaken transformation in weeks that had been set out as five-year plans. But a new normal will not simply be taking more meetings over video.

Many firms are still in a temporary operating mode, having been forced into a semi-reactive state responding to seismic shifts around them. The boundaries of a new state of work are still undefined. Now is an opportunity for businesses to be on the front foot, shaping what future norms will be. Is this the start of the paperless revolution that greater digitisation initially promised us? What will cities look like with greater remote working? How will teams collaborate, managers manage, and individuals be supported? The future of work is up for grabs and by beginning to answer these questions as they innovate, firms are able to design how the UK can truly build back better.

There are still speed bumps on the road to recovery and no change this large, in behaviours and business operations, will be completely smooth or can be taken for granted.

The CBI/Microsoft Tech Tracker 2020 shines necessary light on the business innovation environment, helping leaders and government to understand the innovation landscape around them; enabling them to use this period as an opportunity to tackle issues that have held back wide scale adoption in the past, and drive sustainable and inclusive growth in the future.

"A new normal will not simply be taking more meetings over video."

Foreword Microsoft

The UK is at a competitive crossroads. At the start of 2020, Britain risked losing its competitive edge as the country faced Brexit uncertainty. Then COVID-19 struck, sending shockwaves through our economy. With lockdowns continuing across the country, it is more vital than ever that organisations are planning for the future and adapting their strategies to deal with the uncertainties that lie ahead.

In 2021, it's fair to say that the nation's competitiveness will be put to the test like never before.

This report highlights the challenges many organisations have faced throughout the pandemic and the role technology has played in helping navigate these turbulent times. COVID-19 has been a watershed moment for digital transformation. At the start of the pandemic, the world experienced two years' worth of digital transformation in two months. There was a rapid shift to cloud technologies and adoption of tools for remote working. The sheer scale of this transformation would have been unimaginable at the start of the year.

Yet, as this report highlights, with rapid transformation comes new challenges. Organisations have access to more data than ever before. Data that can inform strategic decision-making at the highest levels, provide valuable feedback on products and services, and optimise operations. However, fewer than half of respondents to this research say they can maximise the value of their data and a third (33%) are not making full use of it to achieve critical goals. This must change if organisations are to thrive in a post-COVID, post-Brexit world.

Fundamental to this will be the upskilling of workforces. As this report reveals, more than half (56%) of respondents do not currently have the right skills or resources to interpret the data at their disposal. As we skill-up the UK's workforce, we must not allow any group in our society fall behind. We have a collective responsibility to ensure the UK's economic recovery is marked by inclusive growth and broad opportunity for everyone.

Without question, these challenges are daunting, but the path to rebuilding the economy is also an opportunity to build a better economy and future for all.

Clare Barclay
CEO, Microsoft UK

Methodology

245 Businesses responded to the initial survey. This includes a range of business sizes, sectors and regions

- The survey was in the field 17th September to 6th October 2020
- Both CBI members and non-members took part
- 164 SMEs and 81 large businesses participated
- There was broad-based sectoral and regional coverage
- Data is for respondents, and not weighted to be representative of all UK business

Qualitative research was also conducted to support the data from the survey. This included:

- 65 small and large businesses across 6 regional roundtables as part of CBI's regional Future Leaders Networks, representing various sectors including defence, food manufacturing, banking and energy. (NB. meetings were conducted under Chatam House Rules)
- 2 case studies, included in the report.
- Early findings were shared with the CBI's 61-member Innovation Adoption Working Group for comment.

Innovation adoption and Technology adoption are two terms that we will refer to regularly.

Innovation Adoption: Is the adoption and diffusion of a new idea, behaviour, process or product. This report focuses on the integration of new technologies with management best practices and changed employee behaviour.

Technology adoption: Refers specifically to the purchase, and use, of a new technology by a business.

Steam
Half-Life 2
Steam
Steam Support Center
VideoLAN
Documentation
Release Notes
VideoLAN Website
VLC media player
VLC media player - reset prefere...
VLC media player skinned
Windows Accessories
Calculator
Character Map
Maths Input Panel
Notepad
Paint
Remote Desktop Connection
Snipping Tool
Sound Recorder
Steps Recorder
Sticky Notes
Windows Fax and Scan
Windows Media Player
WordPad
XPS Viewer
Windows Ease of Access
Magnifier
Narrator
On-Screen Keyboard
Windows Speech Recogn
Windows System
Command Prompt
Control Panel
Default Programs
File Explorer
Help and Support
Run
Task Manager
This PC
Windows Defender
Windows Easy Transfer
Windows PowerShell
Adobe Photoshop CS6 (64 Bit)
Corsair
iCUE
Dropbox
Dropbox
Dropbox Website
Lenovo
SHAREit
McAfee Security Scan Plus
McAfee Security Scan Plus
Microsoft Office 2016 Tools
Office Upload Center
Microsoft Office Tools
Office Language Preferences
Del
PgDn F12
Backspace
PgUp F11
End F10
Home F9
F8
F7
F6
Enter
Shift

Businesses accelerated their technology adoption as the COVID-19 crisis made innovation business-critical

Before the COVID crisis, the UK lagged the global best in class on technology adoption, but the crisis has unleashed innovation. Be the Business research suggests as much as three years of innovation happened in just three months.[1]

In March, many businesses changed their operations overnight. Microsoft research shows more than a fifth of business leaders said they had to scrap an existing business model within days of entering lockdown.[2]

Firms innovated at pace to deal with the immediate challenges presented by COVID-19. Before the crisis, a lack of appetite for digital adoption held many businesses back, but, amid widespread disruption, standing still was not an option. With pressing challenges prompting new-found buy-in at every level of the business, the pace of change has been extraordinary.

"COVID-19 has meant that business cases for innovation spending that were not accepted last year have now been signed off. The benefits of this transformation have become very tangible. We're now light years ahead of where we were."

Member of the CBI Future Leaders Network

Tech Tracker survey respondents highlighted that investment in innovation was largely driven by a desire to improve efficiencies and competitiveness, with 83% of businesses surveyed citing increasing productivity as a reason for innovating and 80% said that gaining competitive advantage was a key goal.

COVID-19 means businesses have embraced digital basics, and are getting the most out of them

Video conferencing tools (91%) and cloud computing (75%) ranked highest among respondents for the technologies that they had applied to their business. Members tell us that even for businesses whose investments in these technologies predated the pandemic, it is now viewed as critical business infrastructure.

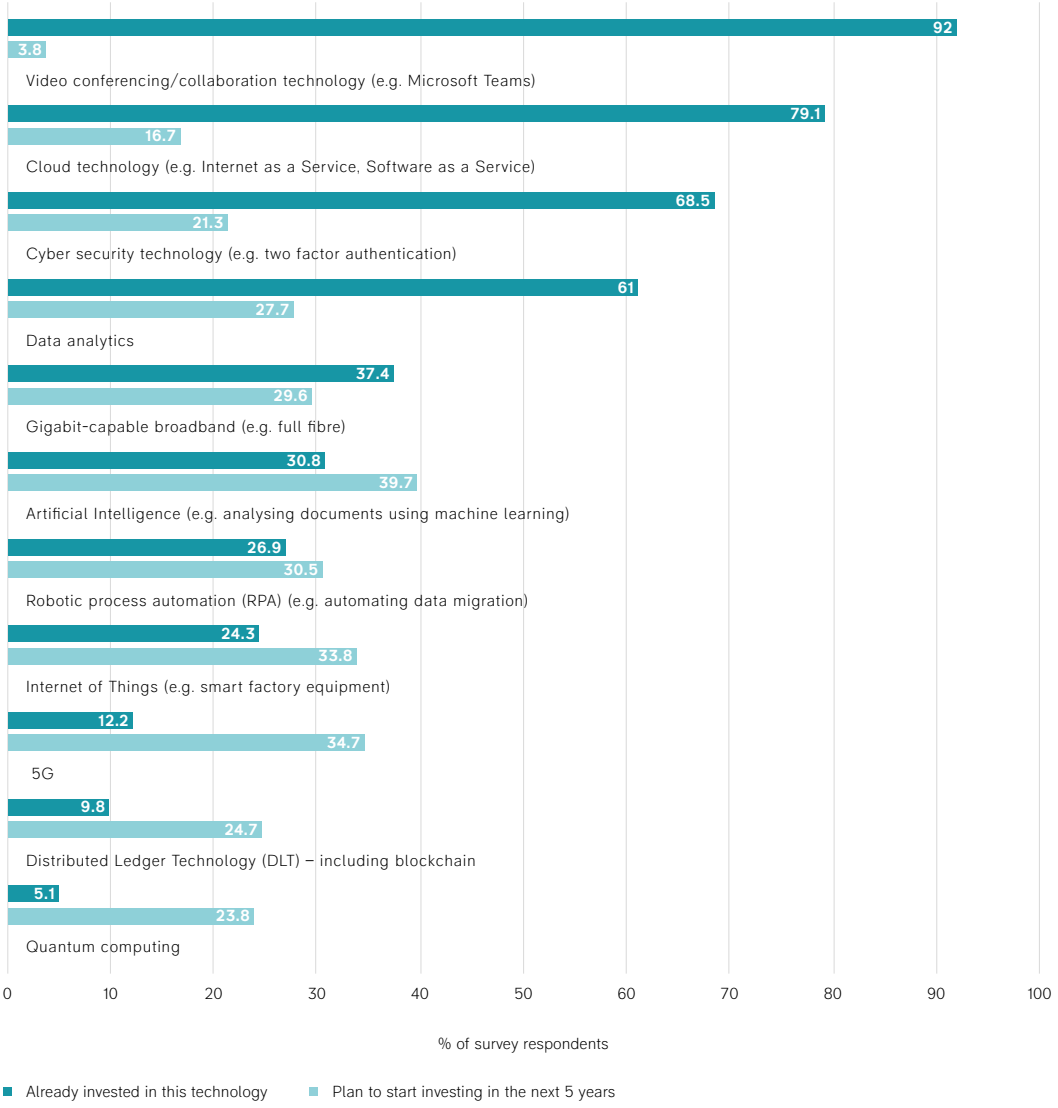
"Video conferencing wasn't new but it is now being used much more efficiently – we have also invested in greater bandwidth to support Microsoft Teams roll out."

Anita Donohoe, Business Unit Director, CEVAlogistic

Widespread adoption of video conferencing and cloud computing across whole businesses, and across the whole business community, has led to several benefits. Members highlighted cost savings on travel, smoother cross-site working, improved access to senior leadership and development opportunities that are not dependent on geography.

Technology Investment: business investment has been focused on the digital basics, and making the most of that investment

Is your business planning to invest in any of the following technologies?



Businesses told us whether they plan to start investing in the next 12 months, 1-3 years, and 3-5 years. Their answers were aggregated to calculate respondents' 5-year technology investment plans.

Investments in data are helping businesses unleash the potential of digital technologies

Increased use of digital technologies means that more businesses than ever are creating – and engaging with – different forms of data, opening up opportunities to invest in more cutting-edge data-driven technology.

Some businesses have started this journey, with 61% of respondents saying they had invested in data analytics technology. This is a useful step to harness data, improve decision-making abilities and drive greater efficiency.

"It has never been more important to be light on our feet, creative and imaginative in order to respond to challenges and truly embrace the pace of change. We pride ourselves on our focus on 'innovation through collaboration'. We augment our legal expertise by providing data driven actionable insights to our clients, using technology to provide insight into claims outcomes that enable consistent decisions, minimising costs and indemnity spend."

Dr Catriona Wolfenden, Partner, Weightmans LLP

... But for many, more advanced technologies remain a future "nice to have,"[3] especially for smaller businesses...

More advanced technologies like Robotic Process Automation (RPA) and Artificial Intelligence (AI) can process data being generated to provide improvements in efficiency, and some businesses have already made investments in these technologies.

However, the application of these data driven technologies is divided by business size. Over two fifths (42%) of large business respondents said they had applied AI to their business' operations compared to just 15% of SMEs who said they had done the same. For RPA, nearly half of larger business respondents had already invested (47%) compared to 17% of SMEs.

"There is growing evidence that the application of these enabling technologies can provide significant commercial return on investment. Focusing on the business benefits rather than the complexity of the technology is the key to success"

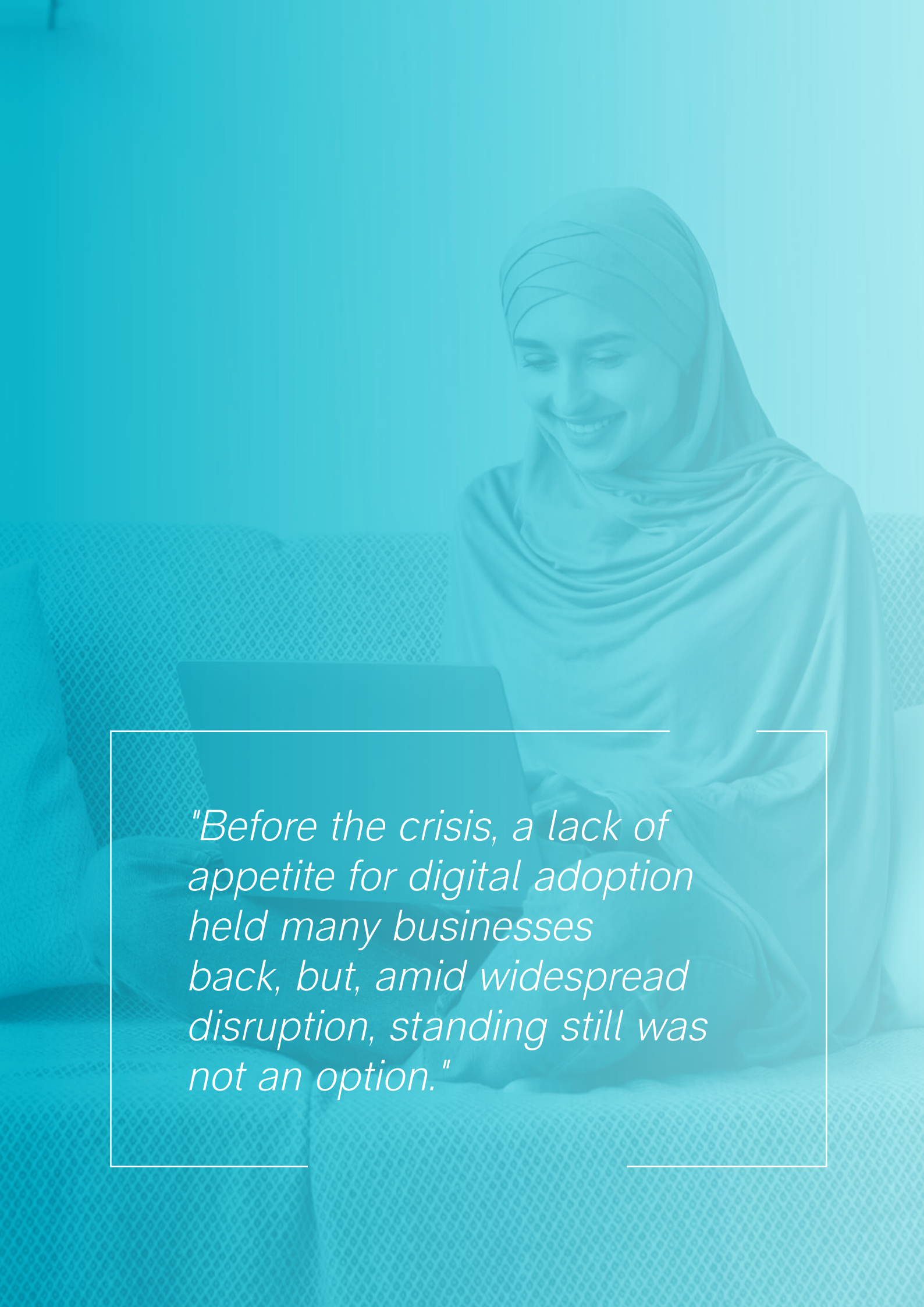
Jon Kingsbury, Executive Director, Strategic Development, KTN

A lack of investment in gigabit connectivity could be a barrier to future success

Seamless digital connectivity is a pivotal foundation block of not just innovation but everyday operations. The need for reliable connectivity has only been magnified in recent months as companies adopt new technologies, engage customers in new ways, create contact-free processes and employees work from home.

But the current investment patterns in 5G and gigabit-capable broadband by respondents reveal there is still work to be done to ensure next-generation connectivity can help businesses build back better. While just over a third of businesses (37%) surveyed have already taken up gigabit broadband and just under a third (30%) plan to in the next 5 years, a third (33%) have no plans to invest in gigabit broadband at all, and over half (53%) have no plans to invest in 5G enabled technologies.

A lack of information seems to be the largest stumbling block to adoption, including low awareness of the benefits of gigabit technologies. When looking at gigabit-capable connectivity, 36% of respondents said they did not know when it will be available, 21% didn't know what gigabit-capable connectivity is and 19% didn't see the benefit or ROI.



"Before the crisis, a lack of appetite for digital adoption held many businesses back, but, amid widespread disruption, standing still was not an option."

The impetus for innovation is waning, but businesses can move towards a new business as usual

In crisis mode, businesses were laser-focused and solved problems at pace. Barriers to change were vaulted. Businesses recognised the opportunity to build on momentum, but for some, fatigue is setting in.

Last year's 'Tech Tracker' report raised three 'digital dilemmas' facing businesses looking to make the most of their investment in innovation: getting the most out of data, involving employees in innovation and adoption, and understanding technology ethics as they evolve.

As we pause for breath from the speed and scale of recent transformations, these digital dilemmas have evolved. The key issues businesses identified this year, through the survey and member engagement, are:

- The capacity and cash to keep going
- Turning data into decisions
- Prioritising people

As business innovation moves from urgent to important, these dilemmas risk limiting progress. But leaders should be confident in their ability to embed the ingenuity, agility and resourcefulness that has seen them through this difficult period.

"People now are much better at adapting to change - pre COVID if you said you were going to introduce a new system it wouldn't have gone down well but now there is appetite."

Member of CBI Future Leaders Network

Digital Dilemma #1: the capacity and cash to keep going

Many businesses want to build on the positive steps they have already taken but do not have the capacity or cash to do so.

Weak demand conditions due to the COVID-19 crisis have led to a collective tightening of firms' belts across the UK. Investment plans have taken a hit, with the October 2020 Decision Maker Panel Survey finding that businesses expect investment to be 21% lower in Q4 2020 than it would otherwise have been because of COVID-19.[4] Recent Sage research found that SMEs expect to only make 41% of the investment in technology they feel they need,[5] while a recent CBI survey reported that 28% of respondent firms intend to reduce investment in R&D due to the pandemic.[6] The pandemic has also seen firms reduce labour costs by cutting headcounts,[7] as evidenced by redundancies rising to their highest level since the financial crisis in the three months to September 2020.

With ongoing uncertainty over how the management of COVID will affect business operations in the coming months, and Brexit also a looming consideration, business leaders have many issues to consider that could have a significant impact on their future finances, and innovation can all too easily be deprioritised as it moves from being an urgent requirement.

Businesses that want to build on positive steps already taken should set a strategy, and seek support

Set a strategy

COVID-19 has seen innovation strategies accelerated with companies having to adopt new technologies and processes at pace in order to survive disruption. From moving employees to remote working or using technology to make workplaces COVID compliant, businesses have had to react quickly. Now, more than ever, businesses need to make sure their future technology investment delivers what they need, so this is a good moment to reflect on their digital strategy, set new goals, and consider what investment is needed to meet them.

As outlined in the CBI report 'Bigger, Faster, Stronger,'[8] adopting a design-led strategy that includes clear phases to plan, prepare, test and execute can provide firms with an iterative and adaptive framework for delivery. This can help to secure employee buy-in, recruit or retrain staff effectively, remove any technical or internal barriers and deploy with confidence. Without this overall strategic approach, businesses risk not maximising their investment at a time when resources are already strained.

"ABP has made big progress in 2020 by migrating all colleagues over to Office 365. Whilst this was already in the pipeline, COVID-19, coupled with a new CEO, has sped up the transformation."

Rebekah Price, Agriculture Manager, ABP Food Group

Seek support from suppliers

It is in the interests of both vendors and customers to understand the ultimate goal of investment. This way adoption of solutions can be targeted to meet these particular needs from the start. A successful long-term relationship is positive for all parties involved. With increased economic uncertainty, it is important that capital is not felt to be wasted. Many suppliers offer free trials, providing the chance to test what is available and understand what solutions can addresses certain business goals. Once adopted, and especially during uncertain times, open discussions between suppliers around how subscription packages are managed and potential pain points coming down the road can help prepare for disruption.

One of the main barriers to SME technology adoption identified by Be the Business research[9] and echoed by comments in our survey and at roundtables was that smaller firms feel products are not built with their specific needs in mind. By focusing on providing a more tailored offering for SMEs, suppliers can support sustained partnerships and confident investment.

Seek advice to maximise what you already have

Initial investment is not the end of the journey and what businesses often struggle with is how to embed technologies and processes. Supported by insight provided by the CBI's 'From Ostrich to Magpie'[10] report and wider innovation adoption campaign, government has expanded the range of free impartial advice available to businesses. Organisations such as Be the Business[11] and Made Smarter[12] work with business leaders to find the practical solutions necessary to achieve their objectives. Growth Hubs, linked to Local Enterprise Partnerships, are another local resource. The Knowledge Transfer Network[13] (KTN) exists to help businesses make connections they need for positive change, providing opportunities to benefit from the expertise of academia, industry and government.

Case study: HMG Paints ltd utilise Made Smarter's expertise to inform transformation journey in response to COVID-19

Based in Manchester and established in 1930, HMG Paints has grown to become the UK's largest independent paint manufacturer.

Before the pandemic, the senior management board had already identified key projects as part of the company's digital transformation plans, but COVID-19 meant many of the projects were brought forward. To assist with this, HMG Paints engaged Made Smarter who were able to provide a dedicated contact to answer questions about digitisation and put them in contact with companies that were able to help HMG Paints further develop their digital roadmap in the short, medium and long term. This was instrumental in focussing ideas and allowed the company to accelerate a number of initiatives including a paperless despatch system.

"For a 90-year old business that has historically not been the most proactive with digitalisation it makes me very proud indeed that we are now able to be used as an example for innovation."

Rebecca Falder, Quality Systems Manager, HMG Paints

Explore what financial support is already available

- **UKRI**: has a number of grant opportunities available to help businesses to innovate. Many are focused on tackling specific issues stemming from the pandemic and businesses are encouraged to apply to the range of opportunities available. UKRI has recently launched a new website[14] to help firms find funding more effectively and with clear advice and the preparations firms should make before an application.
- **Local Enterprise Partnerships (LEPs)**: provide regionally focused support for business operations across 38 different areas. The LEP Location Map[15] shows the different programmes around the country and the funding initiatives open.
- **R&D tax credits**: provide another avenue through which businesses can access support to innovate. R&D tax relief can be a valuable source of cash and/or tax relief for businesses of all sizes to accelerate R&D, hire new staff, invest and grow.[16]

Digital Dilemma #2: turning data into decisions

It has been said that data is the new oil.[17] But unlike oil, which takes a costly process to acquire, getting data is not the hard part: using it effectively is.[18]

Members have commented that clients have 'more data than they know what to do with', and our survey backs this up. While 61% of respondents are already investing in data analytics, investment in the right technology solutions is not the only factor: fewer than half of respondents (43%) separately stated that they are satisfied with their ability to maximise the value of their data, and while survey respondents pointed to productivity as the major driver for innovation, just 11% feel they make full use of their data to improve process efficiency.

The primary barrier to maximising use of data is skills. Over half (56%) of respondents to our survey said that not having the right skills or resources to provide analysis and insights was a barrier to making the most of their data. 'Skills' can take many forms, but discussions with businesses highlight the importance of technical, managerial and leadership skills, in making the most of their data.

Skills challenges will also look different depending on how experienced a business is with handling data. The CBI report, 'The Changing nature of R&D'[19] established two business models when it comes to data maturity; 'data novices' and 'data natives.'

- For 'data novices' new to dealing with data in such large quantities and complexity, just knowing where to start can be the biggest hurdle and they will be unsure how this data can improve their day-to-day operations.
- For those firms that are more advanced - the 'data natives' - drawing from a shrinking pool of talent, or focusing on trying to accomplish a data plan that likely predates the pandemic can be significant hurdles to success.

Another challenge with data that CBI members have raised is trust. In a period of disruption, trust is a precious commodity. As most businesses have innovated to survive, they have also created a wealth of new targets for cyber-criminals. While many businesses are acting to address these risks - two thirds (69%) of businesses who responded to the survey said they had already invested in cyber security - the environment businesses are handling data in has never been more hostile. The National Cyber Security Centre handled 723 incidents between 1 September 2019 and 31 August 2020, with around 200 related to COVID-19. A notable increase over the previous three years since its launch, having supported an average of 602 incidents annually.[20] Ensuring good cyber security practices are built and maintained is the most critical step to ensuring the trust of employees and customers.

Businesses can make the most out of their investments by focusing on skills and security

Retrain and reskill your employees

Protecting viable jobs has been a national effort this year. And adoption of technology has been a critical enabler for many. But digital transformation and automation often raises concerns about job security. However, by establishing measurable goals and timeframes for what you want your digital technologies to achieve, you can confidently assess how to invest in retraining and upskilling your staff to meet these objectives. For businesses that are 'data novices', this could be through supplementary training courses to help employees become more proficient with readily available technologies, while for 'data natives' this may be a longer-term commitment with roles being transformed. Where company development can also be translated to personal development, with access to data and analytics skills spread widely across the organisation, there are long term savings to be made when compared to just hiring externally.

Case study: UK Greetings commits to retraining staff to meet data challenges and needs

UK Greetings is one of the largest direct to retail publishers of greeting cards and social expression products in the UK. With the challenges of Covid-19, the ability to react to the ever-changing retail environment has been more important than ever before. In June, UK Greetings launched a project to revolutionise the way data is used across the business by deploying Self-Serve analytical software, increasing automation, live data reporting and advanced data modelling. Deciding to invest in the current workforce, in 6 months over 20 employees have been on an intense retraining and upskilling programme, making use of online training resources.

Since deployment began, they have seen significant improvements in efficiencies and retail sales as a result. Previous manual processes have been automated, allowing previous tasks that took days to be completed in a matter of minutes. This has considerably increased reaction times, transparency of performance and driven benefit to its retail partners of over £1million in sales.

"The vast number of online training resources have allowed us to re-skill our current employees, allowing us to make use of a business understanding using the new software packages. It has been an important investment in people through these challenging and uncertain times."

Andy Meads – Data & Analytics Project Manager

There are also external resources that can help bring talent and insight into your business. Be the Business' free online 'Mentoring for Growth'[21] programme, pairs experienced business professionals with the leaders of small and medium-sized firms, providing access to business expertise around effective transformation.

For more technical skills, Knowledge Transfer Partnerships[22] are well established programmes to help businesses innovate by linking them with an academic or research organisation and a graduate.

Taking the fear factor from the process of automation is key to creating a truly sustainable workforce. Employees need to trust the process and feel confident that it's going to benefit them. At Zurich, this is a career catalyst not a career killer and we're working tirelessly to bring 3,000 employees on this journey. We're passionate about nurturing home grown talent within our business. If we wait five years, it's too late, so we've already invested over £1 million to make this happen. Prevention really is better than cure when it comes to future proofing your workforce."

John Keppel, Chief Operating Officer, Zurich

Cyber security must be on the agenda

Businesses have a responsibility to manage data risks. While the levels of investment needed will vary, like any innovation, cyber security will only be successful if both the technology and company behaviours are updated. Employees must be made into "security allies"[23] and brought into a culture where everyone feels confident in their role preventing breaches. For data novices, investment in relatively simple applications such as two factor authentications can be a powerful tool once employees are communicated with, trained and able to buy into the change.

Government's Small Business Guide[24] on cyber security is a useful resource to help leaders quickly get to grips with protecting their business against common incidents such as malware or phishing attacks.

Occasionally, breaches do happen. While 86% of respondents said they were educating staff on cyber risks, only 51% were updating incidence response plans. The response to a breach has a lasting impact on the trust of your customers and revenue. The Microsoft Security Team provides useful strategies and tips for how companies can recover effectively when this occurs.[25]

Digital Dilemma #3: prioritising people

As much as digital technologies and tools have helped businesses continue to operate and adapt during the COVID-crisis, business leaders are aware that their employees are facing new personal and professional challenges and feel that they have a responsibility to address these. 53% of survey respondents said they invested in innovation and new technologies to engage employees and build company culture (training, wellbeing seminars, team activities).

With a new normal yet to be established, businesses are learning as they go, attempting to define what good looks like when it comes to keeping employees connected, while establishing clear work-life boundaries, promoting remote working while not creating divides with those in the office, enabling project delivery while protecting staff wellbeing, along with the desire to embrace cutting edge technology in a way that does not entrench social inequalities.

It is important for businesses to understand that while technology adoption can start them on the journey to recovery, it is prioritising people that will keep them on the road.

Businesses are looking for novel ways to deploy innovation to create inclusive work environments, both digitally and physically. In this period of flux, business as usual will not foster a productive workforce were people feel valued. Taking steps to mitigate this, by providing staff with the training, clear channels of communication and ongoing support, can help firms to avoid 'hollow growth'[26] and ultimately remain competitive.

Businesses that want innovation to deliver better outcomes for their people and their customers should prioritise staff engagement and inclusion

Communicate change, listen to concerns and act

As with any change in a business it is important to keep lines of communication between senior leaders and employees open. Members relayed that establishing forums built from a cross section of departments can help leaders to understand what staff find challenging and how they would like their future work-life to operate. Some businesses are already reconfiguring their workplaces to better facilitate hybrid in-person and remote working.[27]

"We began engaging our staff through online workshops and surveys to begin to build a model for adapting working practices for the short term, as well as developing a blueprint for the future world of work, regardless of COVID, recognising that the current crisis is a catalyst for permanent change."

Richard Butterfield, Service Development Director, Amey

Technology can support information-gathering and drawing on insight to inform action. This can help ensure all voices are heard. Nearly two-thirds (65%) of respondents said that they made good or full use of their data on employee satisfaction and engagement, while just under a third (31%) said they do not make enough use of this data.

Focus on company culture

Businesses have often built strong working cultures and traditions over many years. Before the pandemic, great efforts were made by firms to strengthen a feeling of collective identity. If employees are to stay engaged, a focus on people must be at the heart of your business.[28] The chat by the coffee machine may be gone for now and the brainstorm over lunch halted, but firms can use their investment in videoconferencing and other technologies to bring colleagues together, both to collaborate on work and to interact socially.

"At the CBI, wellbeing has been at the forefront of our response to COVID and we supported our managers to have ongoing effective conversations where the key focus is on health, safety and wellbeing. We have targeted our action by intervening early and enabling colleagues to access the support they need. A key tool for this has been launching a new app which allows staff to connect in small WhatsApp style chats and discuss their mental health during the pandemic, share their experiences with others and let people know they aren't in this alone."

Lauren Adams, HR Director, CBI

Diversity and inclusion should go hand in hand with innovation

Employee diversity can take many forms, including protected characteristics such as sex, race, ethnicity, etc. But factors such as social background and life experience are also important and should be valued in any workplace. Building diverse teams not only has a strong social impact but is linked to positive outcomes for your strategic transformation goals.

For example, companies with more than 30 percent women executives were more likely to outperform companies where this percentage ranged from 10 to 30.[29] However, building diverse teams isn't the easy option. It requires sustained effort.

"Whilst consulting organisations across multiple industries, we have increasingly seen the diversity recruitment strategy negatively impacted. Budgets have been cut, there is less focus on targets and many have reverted to 'comfort hiring', offering candidates who look like the hiring manager or team they are joining and not challenging the status quo.

The dangers of this are a large percentage of the candidates hired today are the future leaders of an organisation tomorrow. If diversity, equality and inclusion is widely accepted to increase revenue and lead to a stronger culture, this does not change during a pandemic and is arguably more important than it has ever been.'"

David Boadu, Head of Talent Attraction, Manpowergroup

A good idea can come from any level of the organisation. Good leaders seek out and encourage insight and knowledge sharing from across the business to solve challenges. 10,000 black interns[30] is one of many initiatives aiming to improve diversity at an entry level. The CBI is also working to highlight the benefits of diversity and inclusion across technology roles through its BAME in Tech and Women in Tech groups, while also encouraging broader representation at board level through the support of the 'Change the Race Ratio.'[31]

This ambition could be supported by emerging trends such as the finding that previous geographical boundaries to recruiting talent are no longer as prominent. A recent CBI/Ipsos Mori survey found that around two-thirds (63%) of respondents expect a slightly or a lot higher proportion of applications to come from people who live more than 1-2 hours from head office compared to 2019.[32]

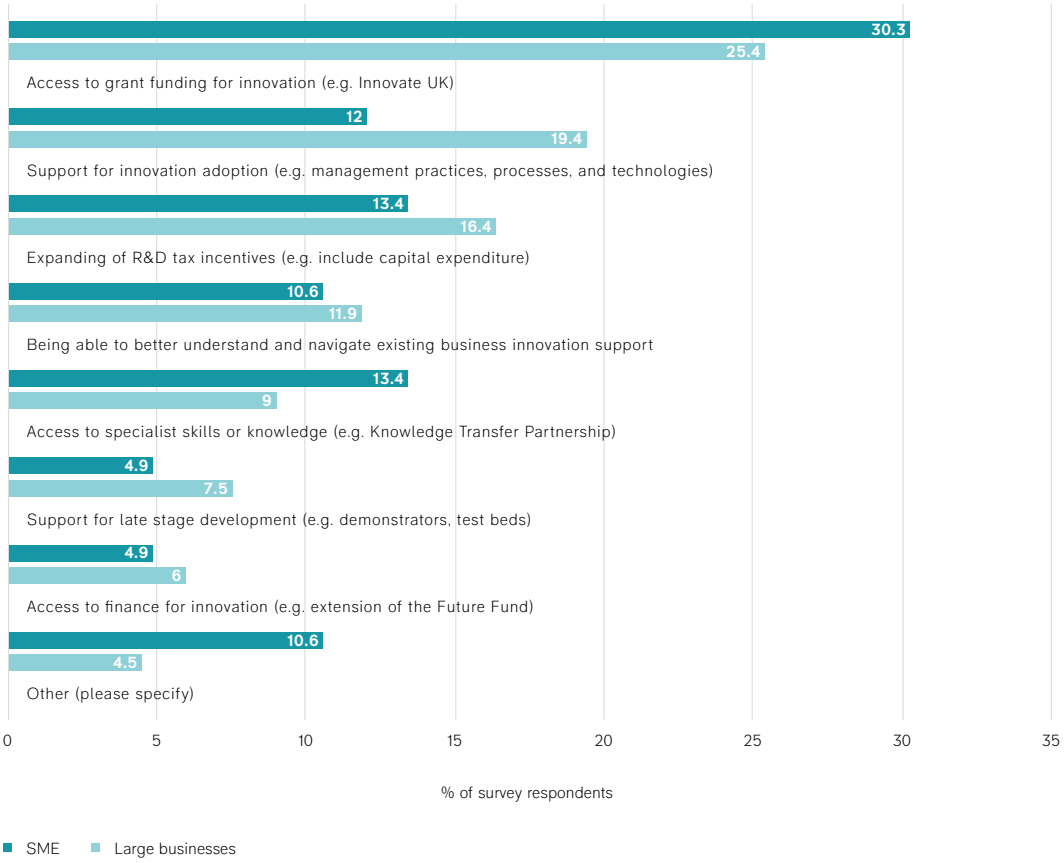
To support business innovation government policy should fight fires while having a future focus

Technology has supported businesses to survive and, in some cases thrive since the onset of the COVID-19 pandemic.

While there is much that businesses can do themselves, the crisis – particularly its impact on finances – has made investment in the future more difficult and many SMEs will not make the investment they need to in technology.

A short-term impact for long- term benefits: firms would prioritise government action on grants funding and support for innovation adoption

Which of the following would have the biggest impact on your company's ability to innovate more in the next twelve months?



Firms were asked to select one option.

To fight fires and tackle immediate capacity constraints government should prioritise the use of funding levers

HMT should deliver a time limited productivity voucher scheme to give SMEs the incentive to spend now on productivity enhancing technologies.

Learning from the mechanism of the Eat Out to Help Out scheme, Treasury should create and fund a voucher scheme for SMEs to access technology at a discount. Reflecting constraints on cash and capacity, this would be based on a principle that the administration for running the scheme sits with the technology suppliers, with discounts fully passed through to SME consumers. It should cover capital investment in software and other technologies but also subscriptions such as software as a service (e.g. cloud computing).

It should be complemented by other policies that help SMEs to use technology effectively when it is adopted (e.g. access to advice).

Just as businesses must move from tactical investments to strategic ones, the government should provide future focus for innovation adoption support

BEIS should establish a new council within UKRI, Accelerate UK, to bring strategy, scale and visibility to Government support for innovation adoption.

Support for innovation adoption needs strategy, scale and visibility with business. Current public support for innovation adoption sits between BEIS, DCMS, MHCLG and UKRI.

The CBI is proposing the creation of Accelerate UK as a new home for adoption. It could function as a new UKRI council tasked with national strategy and funding for innovation adoption that enables coherent local delivery. Accelerate UK would encompass strategy and support for adoption of tried and tested innovation as well as emerging tech. Its creation would signal the importance of innovation adoption, addressing a policy blind spot and the missing component needed for an end-to-end research & innovation system.

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About the CBI

Founded by Royal Charter in 1965, the CBI is a non-profit business organisation that speaks on behalf of 190,000 UK businesses of all sizes and from across all sectors, employing nearly 7 million people between them. That's about one third of the private workforce. This number is made up of both direct members and our trade association members. We do this because we are a confederation and both classes of membership are equally important to us.

The CBI's mission is to promote the conditions in which businesses of all sizes and sectors in the UK can compete and prosper for the benefit of all. With offices around the UK (including in Scotland, Wales and Northern Ireland) and representation in Brussels, Washington, Beijing and Delhi, the CBI communicates the British business voice around the world.

Our mandate comes from our members who have a direct say in what we do and how we do it

The CBI receives its formal mandate from 9 Regional Councils, 3 National Councils from Scotland, Wales and Northern Ireland plus 16 sector based Standing Committees. These bodies are made up of members in that region, nation or sector who serve a term of office. The chair of each Standing Committee and Regional and National Council sit on the CBI's Chairs' Committee which is ultimately responsible for setting and steering CBI policy positions.

Each quarter this formal engagement process across the CBI Council reaches over 1,000 senior business leaders across 700 of our members who have a direct say in what the CBI do and how they do it, from refreshing their workplan to discussing the key business issues of the day and re-calibrating its influence. Over 80% of the businesses represented on the CBI Council are outside of the FTSE350 as the CBI represents a wide range of sizes and sectors from the UK business community. This formal governance process is supported by a wide range of working groups, roundtables, member meeting and events that makes the CBI unparalleled at listening to and representing British business.

CBI Council in numbers

1000+

Committee and Council representatives

28+

Regional and National Council and sector based Standing Committees

50%

Representatives of the CBI Council at C-Suite level

80%

Of the CBI Council from non-FTSE 350 businesses

December 2020
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Product code: 12631

Produced by Nathan Brown and the Innovation team
To share your views on this topic or ask us a question, contact:

Nathan Brown
Senior Policy Adviser
nathan.brown@cbi.org.uk