

The Productivity Leadership Group

Accelerating the Impact of Digitisation

Approach

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Our Methodology and Approach

Our Engagement Objective

The objective of our theme “Accelerating the Impact of Digitisation” was to gain consensus of how UK industry can take action to drive productivity through digitisation. To do this we aimed to engage with UK Industry to identify digital interventions that could improve productivity and propose some recommendations to accelerate their introduction and adoption.

We wanted to identify barriers currently preventing the adoption of digital solutions and recommend methods of removing or mitigating these constraints.

High Level Approach

Cross sector productivity and digitisation are both very broad topics. Early on in our work we decided that we would focus on the Digitisation of two sectors of the UK economy but follow a repeatable methodology that could be applied to all sectors by other groups and potential follow on work. We developed an approach that allowed us to gain real insight in some specific areas but also highlight general conclusions for the Digitisation of the UK economy.

Proposed Repeatable Methodology: The repeatable methodology we followed was an Analysis Led – Industry Consultation Process to identify target sectors, processes and Digital interventions to drive an uplift in UK productivity.

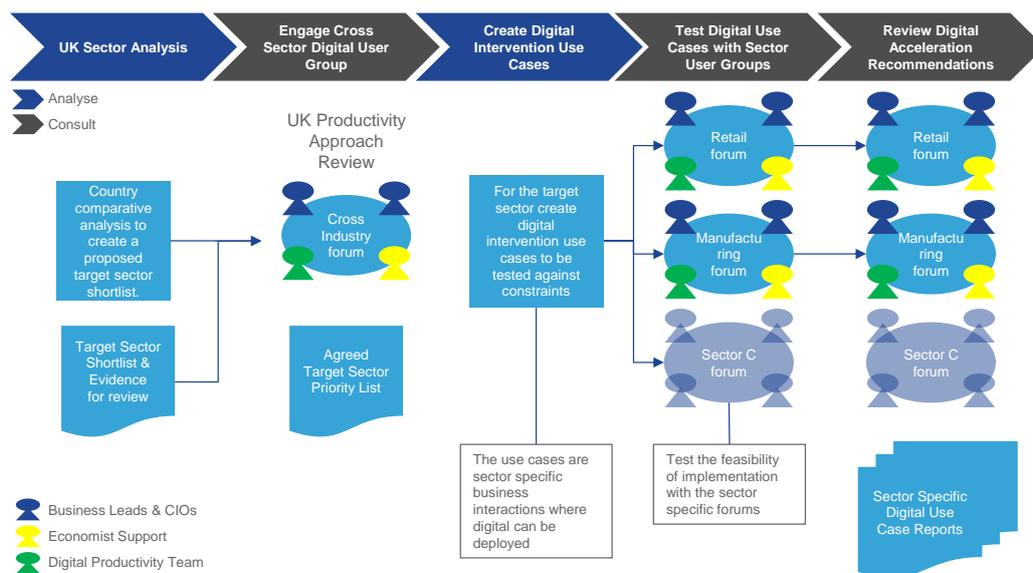


Figure 1: Methodology followed for the “Accelerating the Impact of Digitisation” productivity workstream.

In our work we completed the following steps:

1. UK Sector Analysis
2. Engage Cross Sector Digital User Group
3. Create Digital Intervention Use Cases
4. Test Digital Use Cases with Sector Specific User Groups
5. Review Digital Acceleration Recommendations

1. UK Sector Analysis

Our first step was to conduct some economic analysis to see which the best initial sectors were to target for digitisation. We wanted to select sectors that had the following criteria:

1. Large enough to impact the UK economy
2. Were already being disrupted by Digital to some extent
3. Have low productivity compared to the same sectors in similar western economies.
4. Have a significant spread of productivity from the highest performing companies to the lowest performing companies.
5. Have potential for further Digitisation.

The results of this analysis were included in our interim report (December 2015). In summary our selected sectors were **UK Retail** and **UK Manufacturing**.

2. Engage Cross Sector Digital User Group

We presented our Analysis and sector selection to a Cross Sector Digital user group forum that was convened on November 12th 2015. At the forum we had 25 attendees representing different UK business sectors and the IT industry. The group was formed with the assistance of the boards of the Tech Partnership and represented large and small companies from a range of UK sectors.

There was general agreement on the selection of Retail and Manufacturing to be target sectors for the next phase of work. There also a view that the wider business eco system should be analysed in that the Digitisation of end to end supply chains was a key opportunity and these spanned a number of traditional sectors. As described earlier in this report digital transactions and data sharing across B2B eco-systems such as manufacturing, transport, logistics, retail etc. was seen as a strong opportunity for improved productivity.

3. Create Digital Intervention Use Cases

In this phase of work we identified and created a number of Digital use cases for the two target sectors. We categorised them and identified their impact on productivity and potential barriers to adoption in the UK. These use cases are described in the final report.

4. Test Digital Use Cases with sector Specific User Groups

We established two further digital user groups:

1. UK Retail Digital User Group made up of 25 representatives from the UK Retail Industry.
2. UK Manufacturing Digital User Group made up of 25 representatives from the UK Manufacturing Industry.

We ran two separate sessions with these user groups to test the impact on productivity of the use cases and to understand the barriers to adoption in the UK.

5. Review Digital Acceleration Recommendations

The final stage was to review the recommendations with the wider user groups and consolidate the findings in the final report.

6. Next Step of the project

There is the potential to form an ongoing, business led, Productivity Council. This council could continue to promote the Digital adoption agenda and look to cooperate with Government to create a Digital Deal for Business. A proposed next step under this organisation could be to create an online tool that will support UK businesses with the analysis of their digital maturity. It could provide trusted guidance and support on how to proceed with their Digitisation journeys.