

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2538

### Title: SME Tech Adoption Pilot

#### Executive Summary:

Approval is sought for the expenditure of £20,000 from the London Economic Action Partnership (LEAP) Growth Hub budget to pilot a business support programme focused on digital skills training and supporting small businesses to adopt technology and digitise their business.

The programme will include a combination of business diagnostics, digital transformation workshops, peer-to-peer learning and individual one-to-one support (coaching, mentoring, or advice), with a focus on providing tailored advice to small businesses on technology adoption and guiding them through their software buying journey.

The programme will be delivered as a pilot to test different approaches to helping small and medium-sized enterprises (SMEs) better use existing and emerging digital technologies to improve productivity and promote growth. The outcomes of this programme, including the extent to which it results in increased rates of technology adoption and productivity increases, will inform subsequent business support programmes.

#### Decision:

That the Assistant Director of Economic Development approves expenditure of up to £20,000 to provide digital skills training to encourage technology adoption amongst London's small businesses.

#### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Alex Conway

**Position:** Assistant Director, Economic Development

**Signature:**



**Date:**

18/10/21

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. This proposal is to pilot a business support and digital skills training programme that will provide hands-on support to a cohort of SMEs in key sectors hit hardest by Covid-19 to adopt technology, including diagnostics, workshops, individual one-to-one advice and peer-to-peer learning.
- 1.2. This pilot will build on the existing Technology Adoption Service (TAS), which was approved under cover of MD2518 and launched on the London Business Hub in March 2021. Delivered in partnership with the Greater Manchester Combined Authority, it aims to help SMEs search for and deploy technology tools to improve productivity, increase efficiencies and help drive growth, as well as bringing some operational aspects online. In providing this service to SMEs, the tool helps overcome some of the key barriers to technology adoption and productivity in 'everyday economy' sectors (such as retail, hospitality, tourism, health and social care and construction) including difficulty finding or researching the right solution and the lack of awareness about the value that technology can bring.
- 1.3. SMEs cite that a key barrier preventing technology adoption is lack of expertise, advice and execution support on implementing a technology solution for their business. Some SMEs want to consult with an expert in the first instance, but affordability is a huge challenge.
- 1.4. Supporting business digitisation, adaptation and diversification will help London's SMEs 'go digital', supporting recovery from the impacts of Covid-19 for sectors in London's 'everyday economy' that have been hit hardest by the pandemic, including retail and hospitality. Measures include adoption of e-commerce platforms; sales software, such as customer relationship management software; and marketing automation; which are known to result in productivity increases of up to 20 per cent for businesses.
- 1.5. A procurement will be conducted to invite proposals on a delivery structure for the programme, based on existing best practice. The selected delivery partner will support the recruitment of SMEs onto the cohort; design a diagnostics and digital maturity assessment; source technology experts to provide one-to-one tailored advice; and conduct evaluation monitoring to track the impact of the programme after completion.
- 1.6. This decision form requests approval to provide £20,000 in funding to deliver this digital upskilling pilot targeted at SMEs across lower-value sectors that have been most impacted by Covid-19.

#### **2. Objectives and expected outcomes**

- 2.1. The proposal is to pilot a business support and digital skills training programme that will provide hands-on support to a cohort of 20 SMEs in key sectors hit hardest by Covid-19 (retail, hospitality, culture and creative) to adopt technology, including workshops, peer-to-peer learning and sector-specific use cases. It will address the toughest 'pain points' from acquisition and data management to adoption and migration.
- 2.2. Individual one-to-one support (coaching, mentoring, or advice) will also be provided directly by the programme. These sessions will focus on providing tailored advice on technology adoption,

from business diagnostics to choosing the right solution and implementing the technology across data management, as well as culture change, training and so on. The TAS will be introduced to support SMEs with the software selection process.

- 2.3. The output of this programme will be a cohort of approximately 20 small businesses that will receive individual one-to-one support. The delivery structure of the programme will be co-designed with the selected consultant or delivery partner through a competitive procurement activity.
- 2.4. The programme will be delivered as a pilot to test different approaches to helping SMEs better use existing and emerging digital technologies to improve productivity and promote growth. The outcomes of this programme, including the extent to which it results in increased rates of technology adoption and productivity (as well as softer outcomes around increases in leadership capabilities and confidence), will inform subsequent business support programmes.
- 2.5. The outcomes of this programme are:
  - improved business understanding of how technology can support business improvement, and increased confidence in investment, measured through evaluation monitoring
  - investment in, and adoption of productivity enhancing technologies increases firm resilience (longer-term)
  - greater productivity – output per hour and output per worker – as a result of investment in technology

### **3. Equality comments**

- 3.1. Equality issues will be considered as part of the design and rollout of the pilot programme. Officers have reviewed the evidence on technology adoption and innovation across lower-wage sectors, where there is a higher proportion of women and Black, Asian and Minority Ethnic employees. This project, alongside the TAS, will be the first step in piloting an approach to enabling technology adoption across these sectors and examining the impact this can have on productivity and wage growth, which will be built into the project evaluation.
- 3.2. There is a significant risk that minority groups will be disproportionately impacted by the ongoing crisis, and many will face specific barriers to accessing support available from HM Government. This project, as part of the London Business Hub support offer, will work with its delivery partners to: ensure a significant level of engagement with community and faith groups, in order to access harder-to-reach communities to avoid discrimination; and make sure there is equality of opportunity. We will also use the Business Hub's extensive contacts within minority and women-owned business networks to disseminate messaging and support available to these communities. This will include translation of materials and use of diverse communication channels.
- 3.3. The online information provided as part of the programme will sit alongside the wider Business Hub offering, which includes specific events for women; Black, Asian and Minority Ethnic people; and other under-represented groups.

#### 4. Other considerations

##### *Project risks and issues*

<b>Risk description</b>	<b>Owner</b>	<b>Probability (Low, Medium, High)</b>	<b>Impact (Low, Medium, High)</b>	<b>Mitigation</b>
Difficulty recruiting SMEs onto the programme	Technology Policy & Delivery Lead	Low	Medium	In order to ensure the maximum return on investment in terms of companies on-boarded onto the programme, we will reach out to partner organisations; and to sector-specific and small-business-focused media. We have existing pipelines of businesses ready to invest in technology, and with grant funding available to do so through the Pay It Forward London, Back to Business Fund and London Business Hub channels.
Low adoption rates	Technology Policy & Delivery Lead	Low	Medium	We will ensure that delivery partners procured have the necessary expertise to support technology adoption through the entire diagnostics, software research and implementation journey, so that every company in the cohort accesses the right knowledge on productivity-enhancing digital tools.
Delays in procurement	Technology Policy & Delivery Lead	Low	Medium	We have engaged with the market and potential suppliers to ascertain that there are providers for this intervention.

##### *Strategic Fit*

- 4.1 The objectives and outcomes of this intervention are fully aligned with the commitment set out in the Mayor's Economic Development Strategy to support businesses to invest in new technologies across the 'Everyday Economy' in sectors such as retail, construction, hospitality and tourism.
- 4.2 Covid-19 context:
- The project provides support to help businesses build back better through digitising, diversifying, and innovating in response to the challenges posed by Covid-19. The role of technology adoption and business management practices in enhancing productivity across London's SME base forms a key part of the Mayor's wider approach to economic recovery. This will be reflected in the forthcoming Economic Recovery Strategic Framework.

- One recommendation of the London Assembly Economy Committee report, [London's Christmas economy and COVID-19](#), is that the Mayor should establish a programme that provides practical support to help SMEs begin trading online or improve their existing online presence; and enables businesses to offer click-and-collect services. This intervention will support this goal directly.
- This proposal therefore forms a part of the Mayor's response to supporting London's economy through the current crisis, of which the LEAP and the London Business Hub are vital elements and trusted channels of support.

4.3. No conflicts of interest were noted in the drafting and clearance of this decision.

## 5. Financial comments

- 5.3. The proposed cost of up to £20,000 for this project be funded from the LEAP Growth Hub budget for 2021-22.
- 5.2 The proposed allocation of £20,000 is based on the requirement of delivering one-to-one support for at least 20 SMEs, including support on recruitment and post-programme evaluation. In the event, further investment is required to support the programme, this will be subject to further LEAP endorsement and the Authority's decision-making process.

## 6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	October 2021
Delivery start date [for project proposals]	November 2021
Final evaluation start and finish (self)	January 2022
Delivery end date [for project proposals]	January 2022
Project closure: [for project proposals]	February 2022

## Appendices and supporting papers:

None

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

### Part 1 – Deferral

#### Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: Publication should be deferred until the contract is awarded to the selected supplier, to secure best value in procurement.

Until what date: February 2022

### Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

#### Is there a part 2 form – NO

### ORIGINATING OFFICER DECLARATION:

Drafting officer to  
confirm the  
following (✓)

#### Drafting officer:

Joshua Brathwaite has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 18 October 2021.

✓

### ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

18/10/21