

BE MORE MAGPIE

HOW YOUR BUSINESS CAN SOLVE PRODUCTIVITY
CHALLENGES WITH TRIED AND TESTED
TECHNOLOGIES

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UK businesses need to do more to improve their productivity. Low uptake of tried and tested technologies is an important facet of the productivity puzzle that can, and must, be tackled. UK business technology adoption levels are close to the EU average but far behind the front runners, lagging nearly a decade behind the Danes.

Better adoption of existing technologies could help businesses streamline day-to-day functions and create more time to concentrate on what's core: be that developing new products and services, or providing exceptional customer service. Getting this right would deliver a £100bn increase to UK GVA, and could help save many of the 120 days' worth of time per year every business spends on administration.¹

To achieve this, our report *From Ostrich to Magpie* argued that more businesses needed to start behaving like Magpies. They need to follow what successful firms already do, finding and adopting readily available technologies that will lift their productivity.

On one hand, Brexit acts as an imperative to invest: firms must be match fit to respond to the UK's changing relationship with the world. But now is also a better time to invest than ever before. More and more technology solutions are cloud-based and do not require large-scale one-off investments.

However, technology adoption presents its own challenges. This report explores how businesses have made a success of their investments, how they have overcome issues they faced along the way, and includes some top tips for other businesses thinking about becoming more Magpie.

“The best performing firms are often proud Magpies, and are willing and able to adopt tried and tested technology. But the UK does not have enough Magpies.”

¹ Sage (2017), *Sweating the Small Stuff: the impact of the bureaucracy burden*

FIVE TOP TIPS TO 'BE MORE MAGPIE'

1. **Diagnose the problems and opportunities** so you know what you want technology to deliver
2. **Engage your suppliers** – how can they help you solve the problem?
3. **Be cautious about customisation** – employ an 80:20 rule for technology solutions
4. **Involve your people** in the process
5. **Tap into your networks** – talk to others about how they've addressed the challenge

The UK suffers from a failure to adopt

Low take-up of readily available technologies and management best practices is driving the UK's productivity problem. If the UK had more firms behaving like Magpies, following what successful firms already do, and fewer behaving like Ostriches, not actively looking out for ways to improve, business and government could move the needle on the UK's sluggish productivity growth.

The best performing firms are often proud Magpies, and are willing and able to adopt tried and tested technology. But the UK does not have enough Magpies. Overall, the UK's performance on taking up digital technology lags European leaders. In 2015, the proportion of UK firms adopting cloud computing was nearly 30 percentage points below the EU's best performers. This underperformance has persisted over time. The proportion of businesses with websites, internet trading capabilities, CRM and ERP systems in the UK today is still below levels in Denmark in 2009.²

Not only does this impact productivity today, but it risks the UK's future economic success. Firms that are underinvesting in readily available technology now, are less likely to invest in cutting-edge technologies like artificial intelligence and blockchain in the future. If more firms act like Magpies now, the UK is more likely to be able to take advantage of cutting edge technologies, which are rapidly becoming more mainstream.

Are you an Ostrich or a Magpie?

For a business to be successful at taking up tried and tested technology and management practices, it needs the skill and the will to do so. Even if one of these is missing, that is enough to stop adoption. We have identified two distinct behaviours which have different impacts when it comes to adoption: Ostrich and Magpie. This does not rely on a firm creating innovation, and some firms may exhibit Magpie and Ostrich behaviour at different times.

MAGPIE

The Magpie has the skill and the will to adopt tested ideas and technologies:

The Magpie has a keen eye for spotting readily available technologies and uses management practices proven to lift productivity and pay. It is a strong follower of what works well in other companies, quick to take these innovations and successfully embed them within its own business.

OSTRICH

The Ostrich sticks to what it knows:

The Ostrich does not keep its head up and look for ways to improve. It struggles to follow what successful firms do well. In some cases, this is an active choice. But true Ostrich behaviour is exhibited by an inability to seek or find the technologies and management practices proven to lift productivity and pay. Or, even if successful, the Ostrich will find difficulty embedding them within its business.

'BE MORE MAGPIE' – PROGRESS CHECKLIST

- 1. Diagnose the problems and opportunities** so you know what you want technology to deliver
- 2. Engage your suppliers** – how can they help you solve the problem?
- 3. Be cautious about customisation** – employ an 80:20 rule for technology solutions
- 4. Involve your people** in the process
- 5. Tap into your networks** – talk to others about how they've addressed the challenge

There has never been a better time to invest in technology

There has never been a better time for businesses to invest in technology. There has never been a better time to be a Magpie. The UK's decision to leave the EU creates an imperative to invest. Technology can drive greater efficiencies that will help companies to be 'match fit' as the UK's relationship with the world shifts and changes.

Getting 'match fit' means making sure your business runs as smoothly as possible, and freeing up time to concentrate on the areas that differentiate you from the competition, be it new products, great customer service or cutting-edge design.

Administration and repetitive tasks take time away from more valuable activities. Tried-and-tested technologies such as accounting software, HR software and CRM can give this time back, simplifying and streamlining back office functions. Adopting these technologies is not about differentiation, but freeing up the business time to focus on your core offering, your 'secret sauce'.

While Brexit creates the imperative to invest to get match fit, today's technologies make the investment to get there easier than ever. More and more technology solutions are cloud-based and do not require large-scale one-off investments. In particular, cloud-based solutions offer two key benefits for would-be Magpies, reduced risk, and increased resources.

- **Reduced risk:** The risk of technology investment is reduced as many cloud-based solutions operate on subscription models with limited up-front costs. This gives companies the ability to experiment, test and trial products to see if they suit their business models.
- **Increased resources:** not only do technologies that support back office functions free up business time, but cloud based products can also reduce maintenance requirements, with technical support and regular upgrades included in subscriptions. Finally, these technologies can enable businesses to access capabilities that previously would have been beyond their grasp. For example, some AI-based tools are now easily accessible, particularly for SMEs.

“The cloud puts large and small retailers on equal technology footing because they all have access to the same regular updates without the expense of maintaining an elaborate infrastructure.”³

3 Jeff Woolen, Wiggle CIO, quoted in Forbes <https://www.forbes.com/sites/oracle/2017/05/23/how-online-sports-retailer-wiggle-competes-with-the-big-kids/#3fc663144f7a>



'Be more magpie': learn from others about the best way to adopt technologies

While any investment has some risk attached, many other businesses have already invested in technologies that are readily available in the market. Successful magpie businesses will learn from others about how to get this investment right, and avoid some of the pitfalls.

This report presents our top tips from other businesses that have been there before.

This is the moment for all businesses to Be More Magpie!

**TIP 1**

Diagnose the problems and opportunities so you know what you want technology to deliver

Take your time before you adopt a new technology. Technology adoption will not be successful if you do not know what you want your technology to achieve.

Every business will be on a different stage of its technology adoption journey. Diagnostic tools can offer valuable insight into how your business compares against others, where the gaps are, and how technology could address those gaps. This can help you to prioritise your investment to suit the needs and requirements of your business.

Be the Business helps you understand: how good is your business?

With four out of five SME leaders believing that their business is as, or more productive than their peers, the Be the Business benchmarking tool has been developed to help leaders and managers to understand how good their business really is and where and how they can improve. Based on extensive research of the management practices that drive the UK's most productive firms, the tool enables firms with upwards of 10 employees, to assess where they stand; identify practical areas for improvement; and to build out simple and easy to follow action plans to bring these improvements to life.

The tool can be accessed on the Be the Business website – <https://www.bethebusiness.com/>



How Digital Ready Are You?

The Digital Catapult Centre has launched a diagnostic tool for businesses to take a detailed look at where they are on their digital journey. It enables them to assess and prioritise future actions.

The tool is built around a series of 70+ questions based on 10 competencies including the vision for a digitally enabled business; digital systems; manufacturing technology; supply chain integration; processes; skills; workforce enablement; operations; marketing.

Once completed, the tool helps identify next steps depending on where an individual company's strengths and weaknesses are shown to lie.

The tool is available here – <https://drl-tool.org/>



TIP 2

Engage your suppliers – how can they help you solve the problem?

Determining the challenge or opportunity your business needs technology to address is an important first step. The next is understanding which technologies can deliver those benefits for you.

Online research and discussions with peers are useful tools, but ultimately, engaging directly with suppliers is a key way to get to grips with what their solutions can offer.



CASE STUDY

A PARTNERSHIP APPROACH DRIVES SUCCESSFUL TECH ADOPTION FOR VIZOLUTION AND THEIR CUSTOMERS

Vizolution provide a suite of Digital Engagement solutions including vScreen which enhances telephone contact with digital engagement. For example a customer who is applying for a new product/new phone would see the options available, the associated pricing and additional product option, accept the terms and conditions and ultimately sign the contract on screen while they are making the call. The software enhances productivity by providing greater clarity for consumers, and creating much faster processes; a customer no longer has to wait to receive something to sign by post. It also improves regulatory compliance by ensuring that customers have acknowledged the required T&Cs.

Vizolution typically work with their customers by first of all trying to define the business problem they can assist with and understanding the issues they are trying to solve, be it improving compliance, growing sales, reducing fulfilment cost and time or increasing customer satisfaction. Once this is agreed they will workshop the problem with the client, and pilot the product in a small part of their business. This helps ensure the software will work for the business, demonstrates that it adds value, and can help engage employees in the process.

Vizolution will work with their client and their employees with regular incremental software delivery to ensure everyone is engaged as the final software is developed and deployed. They find it works best to have people involved and get feedback as they go along.

O2 worked with Vizolution to improve their retention process, to ensure customer loyalty and opportunities for cross-sell were maximised. They used technology accessed via a simple browser to enable their agents to show, share and get documents signed whilst on the call with the customer. During the piloting phase, customer satisfaction increased 27% and retention improved by 20%. They highlighted that the collaborative approach meant Vizolution really understood their business needs which meant they could deliver a solution that met their objectives.



TIP 3

Be cautious about customisation – employ an 80:20 rule for technology solutions

Customised technology solutions can offer unique business benefits and – if a technology provides something that is core to your business’s USP – can sometimes be the right option. However, when it comes to digitising back office functions, customisation can add unnecessary time, cost and complication to a technology adoption process.

A technology may not deliver everything your business needs, in exactly the way you want it, but will it deliver 80% of what you need quickly and efficiently? Or could it solve a very specific problem cheaply?

“Don’t worry too much that there might be something better out there: if you’re better than you were, and you didn’t have to go through a long tendering process, it doesn’t really matter if it’s an 80% right decision.”

– Brian Palmer, CEO Tharsus

Not all technology adoption has to be time-consuming or complex, some business apps – for example time management software – can be downloaded at a very low cost and may even have free trial periods that can enable experimentation. In these instances the risk associated with an initial investment can be very low.



CASE STUDY

THARSUS USES AN APP TO HELP HIRE MORE PEOPLE

Tharsus started with their objective, which was that they needed to be able to handle a growing number of vacancies.

They considered using an app to support this, and looked at a few options. In the end they chose Breezy, on the recommendation of another business in their sector. Tharsus took the approach that they wanted something that would help them address their key challenge quickly, and the app achieves this. While there may be something better out there, choosing and adopting something without a lengthy tendering process has allowed them to improve process in a small space of time and at a low cost.

Key advantages that Tharsus concentrated on were that the contract terms weren't onerous and they could choose to extract all their data at a later date if they wanted to. Tharsus are also developing a rulebook for app adoption, which includes checking that anything they adopt will comply with regulations like GDPR, which is vital when processing personal data.

Tharsus have found the app very easy to adopt and start to use. It's working well and is supporting an evolution of the way the business hires people. Key advantages are that it simplifies listing on various job sites, increases the visibility of the number of vacancies across the organisation, and helps hiring managers move quickly when someone applies.



TIP 4

Involve your people in the process

Creating a culture of innovation is a challenge for many businesses. While 90% of companies told the CBI they thought they had a culture of innovation, only 45% said their people had the time to innovate.⁴

Getting this culture right is hard, but it's crucial. Giving people the time to understand the technologies you're trying to implement, why you're looking at those technologies, and how they would use them can make all the difference.

If the people that have to use a technology don't 'get it' it just won't work. On the flip side, done well, adopting technologies that make the day job easier can be a great tool for employee motivation.

Market Gravity helps businesses use Design Thinking to develop new approaches that engage colleagues across a business

Design Thinking an interdisciplinary, collaborative and experimental approach to innovation which creates human-centered solutions. It can be a hugely useful tool for solving business challenges in a way that engages your people.

Market Gravity find the practical power of Design Thinking is in its direct application towards good decision-making that builds on customer and colleague needs. Too often there are too many viable ideas on the table at any one time, each with their own merits, but not one can claim to be better than the other. Rapid experimentation using Design Thinking practices allows for these ideas to be tested and whittled down to provide a direction that everyone on the team can rally around.

As an approach it enables businesses to get closer to customers and their needs, but also closer to their fellow colleagues.

CASE STUDY

DESIGN THINKING HELPS NORTHUMBRIAN WATER BENEFIT FROM A BREADTH OF IDEAS

Northumbrian Water Group uses design thinking to crack some of its most complex problems.

Design thinking involves deliberately using divergent and convergent thinking to examine potential solutions, and it requires engagement of employees from across a business, as well as broader engagement. To achieve divergent thinking, Northumbrian Water deliberately recruits the most diverse group of people possible for its design sprints, while limiting its own bias and influence by ensuring that less than half of the participants are from the company.

The company has used the methodology for tackling everything from redesigning the billing experience through to reducing the risk of pollution incidents in heavy rainstorms.

“During the brainstorming, we will scan for similar problems in other industries,” said Alastair Tawn, one of the Innovation Leads in the business.

“This has led us to some really interesting insights. For example, in our search for a way to respond more quickly when customers report a problem, we explored a range of smartphone video applications that might allow us to see what the customer sees.

“In the end, due to a wide variety of reasons, including data protection, we had to develop our own application, Utileyes, which can often help us to save time and cost by removing the need for an initial exploratory visit.” This is an example of taking technology that already exists, improving on it and adapting it for us, rather than simply adopting it.

“We always ask ourselves ‘what has changed’ during these sessions and a big one is that in excess of 90% of our customers have a high definition camera in their hands,” said Alastair. *“We asked ourselves how that might help us and, in this case, the result was Utileyes, which is now recognised with national awards.”*

Design thinking then is firmly entrenched in Northumbrian Water and the engine for how it achieves performance step-changes. So much so that it even has an annual festival, which runs this year in Newcastle from the July 9th to 13th.

CASE STUDY

TRAINING AND DEVELOPMENT AT INTEGRITY PRINT SUPPORTS THE ADOPTION OF TECHNOLOGIES NEEDED TO BREAK INTO NEW DIGITAL MARKETS

Integrity Print is a well-established manufacturer of high volume business forms. With printed products being replaced by digital alternatives, and turnover from traditional work declining, management recognised the need to deliver business change.

A key area for transformation was the ability to handle and process client data, but Integrity lacked both the equipment and credibility in managing data. A new division was set up as a beacon of excellence within the organisation, with investment made in high quality, tried-and-tested equipment, and software allowing Integrity to offer a secure print and mail environment. Integrity had an existing workforce that demonstrated both loyalty and a passion for print, but still needed to achieve a cultural shift as the business changed its focus. This required a programme of training and development, and a change in working practices. Employees were actively engaged in the process to evaluate and improve business process. Workplace education and third-party site visits were encouraged to ensure the adoption and buy-in of industry best practice.

Developing digital print production has given Integrity Print the confidence to engage with a wider customer audience. Around 20 per cent of turnover now comes direct from end users, compared to 5 per cent three years ago. The development of a digital, data driven service has contributed to sales of £6m per annum and will grow to a minimum of 20 per cent of Integrity's turnover in the next two years.

"It has been mission critical that we transform our business to survive in a challenging market. It is imperative that the pace of change is not affected by technologies or business practices that are not yet proven. We made the decision to invest and implement the available technology that could deliver an immediate business impact, and have an immediate and measurable impact on our bottom line."

– Mark Cornford, MD, Integrity Print

Remember: Ostriches cannot fly—
without embracing the potential of
digital technologies, businesses will
be left on the ground.

Be more Magpie!





TIP 5

Tap into your networks – talk to others about how they've addressed the challenge

The internet opens up a world of information, but sometimes Magpies need advice! Networking with others is a great way to learn what successful technology adoption looks like, what pitfalls your business might face along the way, and how they can be avoided. Engaging with organisations like Be the Business, Trade Associations and – of course – the CBI is a great way to learn from others.

Be the Business brings together businesses to share best practice

Set up and supported by some of UKs' most progressive businesses, from Amazon, BAE Systems, to Fifteen Cornwall and John Lewis, Be the Business is the start of a UK wide movement of businesses leaders and managers who want to share and benefit from the small pragmatic practices that will help them build more effective businesses. Collectively these changes will help the UK to be more productive and competitive in an ever changing world.

Joining Be the Business is free and is open to anyone with a desire to improve the performance of the business they are leading or working in. Today you can get involved in a number of ways:

- Taking the Be the Business Benchmark to identify areas for improvement and build action plans to bring these improvements to life
- Signing up to "Putting What Works to Work" a monthly digest of real business practices developed and used by other Be the Business members covering areas from Working Capital to employee engagement.
- Applying for Mentoring for Success, a program that matches businesses looking to implement more significant changes with a blue chip mentor who can help them; or Productivity through People, which provides a combination of theory and practical shared learning to help raise management and leadership capabilities.

To find out more and sign up to be part of Be the Business simply visit – <https://www.bethebusiness.com/>

techUK offers support and networking on the technology adoption journey

It is techUK's ambition to see every sector of the UK economy to become a digital sector. At the heart of this is bringing government and the technology sector together to discuss how to create the right environment to empower businesses to adopt and use the technologies. This takes place in a variety of forums from running small workshops to marquee events like Supercharging the Digital Economy, focusing on digital adoption across retail, transport and communications infrastructure.

techUK also provides valuable and practical guidance to its members on technology adoption and considerations through insights, reports, and events which promote and encourage the uptake of current and future technologies across our various programmes: from AI and Blockchain to cyber security, BiG Data, IOT and more. We also work closely with members and stakeholders to try and mitigate the perceived risks of adopting technologies through training sessions and demos. Recently, for example, we ran a 'blockchain masterclass' to empower management to realistically assess the risks and the opportunities on blockchains/cryptocurrencies to make informed decisions about the future of their business. These sessions ensure that our members have the confidence to explore new technologies.

As Steve Vallis, Channel Partner Manager for Mercato Solutions said *"techUK helps share best practice between organisations, highlight successful stories of digital transformation and connect industry partners with technological solutions. As the tech sector continues to grow techUK is helping ensure that the full economic potential of technology is harnessed across the economy."*

THE CBI CAN HELP YOUR BUSINESS BE MORE MAGPIE

Connecting Business

The CBI brings businesses together to learn from innovation experts and share best practice. We do this through a far-reaching events programme including our highly regarded conferences and roundtables that facilitate more in-depth discussions.

Providing Insight that Matters

With a wealth of insight, from research papers, case studies, and articles in our member magazine Business Voice, we provide you with the relevant insight to help you grow your business.

Setting the Business Agenda

We engage with and represent our members on innovation issues. When you talk to us, we listen. We take your concerns and needs forward, influencing government policy to shape the innovation business agenda.

To be part of the collective voice visit: www.cbi.org.uk/membership

Congratulations, you've followed the steps, and you're officially Being More Magpie. But the journey can't stop there. Sharing best practice with your peers and adopting new-to-business ideas is best considered a continuous process. The most successful Magpies keep learning and remain curious about new options for improving the way they run their business.

For further information on this report,
or a copy in large text format contact:

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