
The Great British Enterprise Challenge

Unleashing the UK's enterprise potential through digital accounts



Barriers to entrepreneurship

This paper presents an idea to help the nation fulfil its entrepreneurial potential - creating digital "Enterprise Accounts" that will provide budding entrepreneurs and SMEs with the tools to support their ambitions.

The idea relates to two well-evidenced problems that hinder business start-ups and business growth:

- **The inaccessibility of information, advice and guidance prevents businesses from starting and growing.** For example, 28% of respondents to our polling stated that they didn't know where to start to set up their own business, and that the process seems confusing.¹

- **There is huge untapped entrepreneurial potential across the UK.** Our analysis suggests that there are over 70,000 people across the country who have the ideas, skills and desire required to set-up a business, but who fail to do so. Equally, there are over 1.6m SMEs that could be supported to achieve growth ambitions, that would otherwise be left unfulfilled.²

This represents an enormous missed opportunity. It is also an opportunity that has been missed over a number of years, evidenced by the strategies of successive governments having similar themes around encouraging enterprise culture, fostering start-ups and building growth capability.³



28%

More than 1 in 4 people in the UK (28%) are prevented from setting up a business because they do not know where to start and the process is too confusing¹

70,000

Over 70,000 people across the UK have the ideas, skills and desire to set-up a business, but fail to do so¹

1.6m

1.6m SMEs could be supported to fulfil their growth ambitions¹

96%

96% of UK businesses are microbusinesses, consisting of 0-9 employees²

38% and 27%

38% of small businesses and 27% of micro businesses have sought business advice in the last 12 months, significantly down from numbers on the previous BEIS survey (59% and 46% respectively)³

55%

55% of businesses that receive advice and information do so face-to-face, 12% do so over the phone and only 8% via email³



¹ Atos, September 2018, The Great British Enterprise Opportunity, https://atos.net/wp-content/uploads/2018/09/The-Great-British-Enterprise-Opportunity_Report.pdf

² House of Commons Library, December 2018, Business Statistics, <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06152>

³ BEIS, June 2018, Small Business Survey 2017, <https://www.gov.uk/government/collections/small-business-survey-reports#2017>

Taking the opportunity with digital platforms

A lack of information, advice and guidance for entrepreneurs may be a longstanding problem. But the problem is given a new context by digital technology. While digital has radically disrupted how businesses start, market, sell, invest and recruit, it has not yet disrupted how they access support. Instead, businesses still prefer face-to-face interactions with consultants, business advisers or accountants.⁴

It would be too much to suggest that digital technology can replace face-to-face relationships that have been built over a number of years. Yet there is a compelling argument to say that digital platforms could provide a game-changing complement to traditional forms of business support.

Digital platforms facilitate a connection between the users of a service and the provider of it. Having been widely adopted in consumer markets, the use of platforms to deliver public services, or the development of platforms as a partnership between private and public organisations, is growing. Examples of platforms being used by the private sector or by public/private partnerships are:

- **HMRC tax services.** Created in 2013, the tax platform is now a key part of the infrastructure through which HMRC operates its online tax services. For example, the platform is used to facilitate the submitting of online self-assessment returns.⁵

- **The Pensions Dashboard.** With multiple jobs over a lifetime, people are likely to have multiple pensions with different providers. The Pensions Dashboard is a platform that will allow people to see all their pension pots in one place, aiding their understanding of the income they can expect in retirement.⁶

What would a digital platform that provides information, advice and guidance to businesses look like?

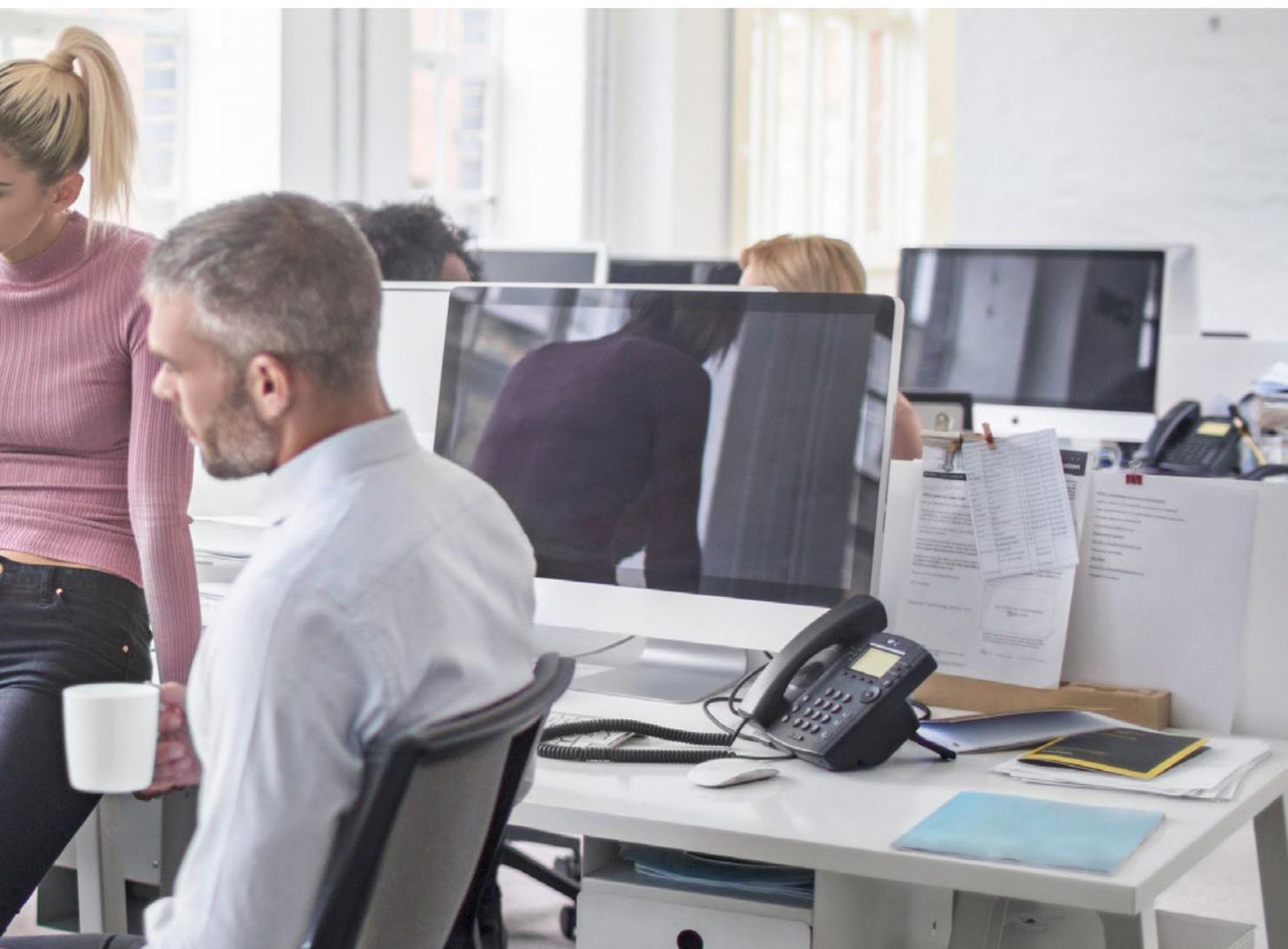


Enterprise Accounts

A digital platform – which would provide the structure for a business to access an “Enterprise Account” – could aggregate and personalise information, advice and guidance for businesses. Some suggestions for what services an Enterprise Account could provide are as follows:

- **Companies House services.** For example, a company could register and complete its annual confirmation statement.
- **HMRC services.** For example, businesses could receive nudge-type reminders for when tax bills need to be paid.
- **Accountancy services.** For example, providing reminders when invoices have not been paid, or for managing business expenses.
- **Company performance information.** For example, providing a breakdown of sales data, allowing a company to analyse its output, seasonal trends etc.
- **Signposting to business finance options.** For example, open banking could lead to new suggestions for growth financing.
- **Provision of mentor schemes.** For example, a platform now allows people to access a GP consultation via video link on a smartphone. The same idea could be used to connect businesses with mentoring expertise.
- **Access to government support schemes.** For example, government grants and subsidies could be promoted and applied for.
- **Highlighting training opportunities.** For example, raising awareness of training providers in the local area that are offering courses relevant to a business.
- **Communicating a change to the business environment.** For example, highlighting that new regulations are coming in, or existing obligations are about to change.

This provides the basic concept of Enterprise Accounts. But for the idea to be workable requires much more detail.



Testing the idea

Thoughts from Fintech, finance and rep bodies

The use of digital technology to overcome barriers to enterprise was discussed at a roundtable in Westminster with representatives from fintech firms, large financial institutions, business trade bodies and the Economic Secretary to the Treasury, John Glen MP.

There were five conclusions from the discussion:

- 1. Barriers to enterprise are not homogenous.** The barriers can vary according to a wide variety of factors. One example is that different parts of the UK have different entrepreneurial mindsets - these mindsets have developed over many years, meaning they are hard to change. Another example is the perennial problem
- 2. Financial illiteracy constrains growth.** This starts at school, where the fundamentals - such as the effect of compound interest - are not taught. But aside from the education system, the financial services industry has a role to inform and educate whatever stage of a lifecycle a business is at.
- 3. Networks are important.** Creating ecosystems whereby business support and advice can be found will help local areas to foster enterprising activity. This is especially true for what the entrepreneurs of the future want - those leaving school today
- 4. The potential of fintech is huge.** Fintech can help entrepreneurs and SMEs of all different types and of all different growth ambitions. Yet there is a sense that fintech is currently only utilised by a relatively small number of organisations. Much more needs to be done for fintech solutions to be widely adopted by other institutions.
- 5. The role of government is open to debate.** The Government has done a lot in the past to support business growth and entrepreneurship. It is not clear what government can and should do to support unproven digital projects. The only thing that is clear is that government should be an enabler of enterprise.



Conclusion and recommendations

Progressing the idea

There is a clear rationale for Enterprise Accounts – and clear places to start for the services that Enterprise Accounts could provide. The next stage to progressing the idea is developing the detail of Enterprise Accounts and setting out how they can be road-tested. The following recommendations will help to do this:

- 1. A road-map for the delivery of Enterprise Accounts should be created.** The barriers to implementing Enterprise Accounts need to be understood and then overcome. This includes understanding the technological requirements needed to make Enterprise Accounts a viable proposition. It also includes whatever legislative requirements are needed to turn the concept of Enterprise Accounts into a reality.
- 2. The role of government should be as an enabler of Enterprise Accounts.** This would mean adhering to principles of open data to provide access to information that can be used to aid business support, for

example, by enabling the use of Companies House or HMRC data. It would also mean playing an active role in the promotion of Enterprise Accounts – some government agencies have the ability to communicate with large proportions of the UK business community (this is especially important given the next recommendation).

- 3. Enterprise Accounts should be part of any plan to make UK SMEs more digital.** We know that too few UK businesses are taking advantage of digital technology. For example, UK firms lag behind those in Germany and France in the adoption and use of business management software.⁷ We also know that barriers to adoption of digital technology arise from a lack of digital skills and from a confusing landscape of business support⁸ – both are things that Enterprise Accounts can help to address.

- 4. A pilot programme for testing Enterprise Accounts should be designed.** This could mean focusing on a particular region or a particular sector. For example, Enterprise Accounts could be tested exclusively with manufacturers in the North West. This would also allow testing how Enterprise Accounts might work to cater for specific local needs, which is regarded as an important component of business advice and support.⁹

As much as we intend to respond to these recommendations ourselves as we develop our thinking on Enterprise Accounts, we also welcome any views others have on the subject.

If you have any comments or suggestions, then please get in touch at the following e-mail address: jerry.ashworth@atos.net

About the author

Steve Hughes is an Associate Economist at WPI Strategy. He was previously the Head of Economic and Social Policy at the think tank Policy Exchange, and published reports on increasing savings rates and reducing youth unemployment. Before Policy Exchange he worked at the Bank of England, where he helped manage the regulatory system that governs cash distribution in the UK. He has previously worked as an economist at the British Chambers of Commerce where he advised on tax, international trade and SME finance policy, and in Parliament, where he researched HM Treasury and Department for Work and Pensions legislation as it passed through the House of Commons.

References

- ¹ Populus Polling results, fieldwork 20-21 August 2018
- ² Atos, September 2018, The Great British Enterprise Opportunity, https://atos.net/wp-content/uploads/2018/09/The-Great-British-Enterprise-Opportunity_Report.pdf
- ³ See for example, this 2004 paper from the DTI: <http://webarchive.nationalarchives.gov.uk/http://www.berr.gov.uk/files/file39768.pdf>
- ⁴ Small Business Survey 2017, <https://www.gov.uk/government/statistics/small-business-survey-2017-businesses-with-employees>
- ⁵ HMRC, February 2018, Testing services on the tax platform, <https://hmrcdigital.blog.gov.uk/2018/02/07/testing-services-on-the-tax-platform/>
- ⁶ Association of British Insurers website, <https://www.abi.org.uk/products-and-issues/its-public/issues-in-long-term-savings/the-pensions-dashboard/>
- ⁷ DCMS, March 2017, UK Digital Strategy, <https://www.gov.uk/government/publications/uk-digital-strategy/4-the-wider-economy-helping-every-british-business-become-a-digital-business>
- ⁸ BEIS Select Committee, November 2018, Small Business and Productivity, <https://publications.parliament.uk/pa/cm201719/cmselect/cmbeis/807/807.pdf>
- ⁹ IBID

About Atos

Atos is a global leader in digital transformation with 120,000 employees in 73 countries and annual revenue of € 13 billion.

European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions through its Digital Transformation Factory, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting-edge technologies and industry knowledge, Atos supports the digital transformation of its clients across all business sectors. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos Syntel, Unify and Worldline. Atos is listed on the CAC40 Paris stock index.

Find out more about us

atos.net

atos.net/blog

Let's start a discussion together

