



Is your business an Ostrich or Magpie?

A recent report by the CBI revealed that if more businesses were to display ‘magpie’ qualities by adopting the best proven technologies available rather than behaving like ‘ostriches’ and burying their heads in the sand so to speak, it believes that they could increase productivity and compare more favourably against international rivals.

Ostrich businesses can end up falling behind their competition, struggling with new technology and skills, and allocating little finance towards innovation. With proven technologies such as the cloud, mobile technology, cyber security and e-purchasing, the CBI argues that the government should be prioritising the new Industrial Strategy and help to fund local business support in these areas.

There is a startling variation in productivity within UK businesses and the report advises how to tackle this disparity.

Carolyn Fairbairn, CBI Director-General, said:

“While the eyes of the business world can often be on ‘the next big thing’ in cutting-edge technology, too many firms are missing out on what’s right under their nose. Failing to adopt the nuts and bolts technologies of today is leaving a yawning gap in productivity and pay between businesses.

“The UK needs more ‘magpie’ firms with the skill and the will to find and adopt the tried and trusted technologies and management practices that the best businesses showcase, and not get stuck in their ways. The impact could be a £100bn plus uplift in the economy and a narrowing of income inequality by 5%.

“The new Industrial Strategy is the perfect opportunity to address this blind spot in public policy. It must allocate funds to support businesses to adopt these readily available practices and technologies. Firms, supported by the CBI, will then provide the leadership to make sure best practice spreads to all regions and communities across the UK.”

The CBI’s research showed that in comparison to the G7 countries, the UK leads in three areas – integration with global value chains; collaborating externally to access information and operating in a mobile labour market. However the UK’s performance is weak in five, including exposure to strong competition, prioritising training and development, and securing finance for adoption of technologies.

The key is to convince 'ostrich' businesses to accept change, and adopt technology and management best practice. As the CBI suggests - the government and businesses must work together to improve the UK's sluggish productivity growth by closing the gap between the 'best' and the 'rest' of UK businesses.

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