**Business in the Parliament Conference 2023**

**Sustainable Recovery: Maximising the Opportunities of the next Decade**

**Workshop 1 Note - *Adoption of technology for SMEs – The challenge and the opportunity***

**Co-chairs:** Ivan McKee MSP, Minister for Business, Trade, Tourism and Enterprise
Jamie Halcro Johnston MSP and Fiona Hyslop MSP, members of the Economy and Fair Work Committee.

**Co-hosts:** Marc Crothall, CEO of Scottish Tourism Alliance and Joshua Ryan-Saha - Director of Traveltech for Scotland

**Panellists:**

* Ronnie Sommerville – Founder, 5pm.co.uk and simpleERB.com
* Mary Campbell OBE – Founder and CEO, Blas
* David Clelland – Founder and CEO, Olivia Technologies
* Lesley Judge – Project Manager, Traveltech for Scotland and Interface; Women in Tourism
* John Snyder - Founder CEO Rose Hospitality

**Summary**

Fiona Hyslop welcomed everyone to the workshop and explained that the session would explore some of the common barriers to the adoption of technology that small and medium enterprises (SMEs) face and give an opportunity to discuss how these might be overcome.

Marc Crothall introduced the panel of speakers. He recognised that Scotland’s tourism strategy: “[Scotland Outlook 2030](https://scottishtourismalliance.co.uk/wp-content/uploads/2020/03/Scotland-Outlook-2030.pdf)” was a portal for collaboration between the industry, Scottish Government and Agencies. He said that if Scotland is to achieve the aim from the Strategy to be the world leader then technology is just as important as skills and output. The challenge is not just for the tourism sector; all businesses need to look to the future.

Joshua Ryan-Saha shared a short scene setting presentation entitled “The need for Technology Adoption (and Innovation) in Tourism”. He highlighted some of the key barriers, which included time, confidence and money. He also referred to some of the key drivers of adoption which included:

* the pandemic response with the knock-on effect of an increase in the adoption of tech;
* the climate crisis;
* costs and staff recognising that this is an acute issue that will be with us for the long term, and the need for reinvestment in Scotland to ensure financial transactions are kept in Scotland.

Marc highlighted some of the aspects that had worked previously including exposure to tech innovation, intensive sustained support, and community and collaboration.

He also highlighted the barriers some businesses had to adapting to new technology, including: the time to consult the different options; the cost; and the confidence that the tech will benefit the business.

Participants then heard short presentations from the each of the panellists, setting out their views on the barriers faced by businesses looking to adopt technology and actions that they had put in place in their own businesses as potential solutions.

John Snyder of Rose Hospitality highlighted the need for good data awareness to help manage businesses on a day-to-day level. He demonstrated how his company had developed a platform and shared it with staff to give them a better idea of the position regarding sales and stock.

Mary Campbell of Blas explained the importance of skills to economic development. She also highlighted the issue of the time it takes to process the paperwork when hiring a new employee (for example the length of time it takes to obtain a birth certificate). She said that in other countries all the relevant paperwork (certificates, educational achievements etc) is digitised so taking on staff is a quicker process.

David Clelland of Olivia Technologies highlighted confidence in tech as a barrier.

Lesley Judge (Traveltech for Scotland and Interface; Women in Tourism) raised the topic of co-ordination between SMEs. Standalone training can be effective but it is a very time and resource consuming process for a small business. Collective collaboration, however, can overcome these issues and help with sharing best practices and increase confidence. Business leaders may not be aware of their tech needs or have the skills to know what tech is best for their businesses. Working as a collective, however, they can identify solutions and trial technology.

This was echoed by Ronnie Sommerville (5pm.co.uk and simpleERB.com) who used the example of shipbuilding businesses on the Clyde in the 1900s. They accounted for 20% of the total tonnage in the world at the time and achieved this through both formal and informal sharing across innovative networks. Nowadays Zoom and Teams can be used to save time and share knowledge. He used the example of a survey by Microsoft Office where 80% of respondents asked for a function to be added to excel without realising it was already available.

This was followed by a panel discussion, which was wide ranging and suggestions were made to address the issues covered.

**KEY POINTS DISCUSSED**

* **Need for networks**

The sharing of information and knowledge helps avoid duplication of effort. Innovation networks would allow for greater advancement of sectors – sharing ideas, sharing challenges and frustrations, working collaboratively. Some businesses need education - an example was given of a business who were about to spend £6,000 on some new tech and when they discussed it further it was realised the product was not fit for their purpose.

Peer to peer support and learning was a possible solution – the panel felt we should be encouraging sectors to work together. How do we do that with the support available? How do we do more of this?

Digital spaces and shared learning and lessons can help to facilitate this. Cluster building is another key aspect on innovation strategy. ILG groups are also a key tool, with the Chairs group well placed to compare best practice.

* **Confidence**
* Businesses are afraid of what they don’t know – investment is challenging, and businesses need support to know that their investment is in the right area.
* **Skills**
* Lack of confidence can be due to lack of skills. There is not enough funding or support to deliver and embed skills into businesses once funding/investment ends. Industry is asking for help – but agencies need to step up to support and need to respond (Skills Development Scotland was mentioned in particular for lack of engagement).
* **Alignment**
* There is a need for funding and support to be more holistic. There is funding for digital interventions but not funding available for other areas such as marketing. More needs to be done at an early stage to align the different functions of a business.

**Outcome**

The group felt that sharing best practicewith colleagues and fellow business leaders in SMEs was a solution to the costs and concerns of adopting tech in the future.

**Specific Action**

The Minister for Business, Trade, Tourism and Enterprise was keen to understand more detail about the engagement challenges with Skills Development Scotland.

The Minister for Business, Trade, Tourism and Enterprise closed the meeting thanking everyone for attending such a good session.