



A Walk in the Cloud

Productivity: The Play for Parity

Ellen Bencard, Walk in the Cloud Host

Ellen Bencard leads Accenture's marketing campaigns in the UK while also managing to nourish her journalistic roots as an established blogger on the arts, travel and fine dining. Her corporate work usually finds her behind the scenes, coaching her team to bring together big ideas, insightful commentators, exciting events and innovative channels in ways that inspire prospective clients. But this isn't the first time she's stepped into the limelight to show off her training as a reporter, writer and presenter. She's anchored a web-based YouTube series for BT called Top Tips for CIOs and was Northwestern University's on-site media spokesperson at the Royal Wedding of Prince Harry and fellow alumna Meghan Markle. Born and educated in the American Midwest, Ellen's lived in the UK since 1999 and is a proud dual citizen.

Richard Postance, Accenture, UKI Strategy and Consulting Lead for Clients & Transformation

Richard Postance is Accenture's UKI Strategy and Consulting Lead for Clients & Transformation. He has spent 20 years advising executives, regulators and large scale investors in Operations, Energy, Infrastructure and Utilities. He began his career at the intersection of innovation, engineering and data at a series of start-up ventures using insight and technology to deliver outcomes. He moved on to become the lead partner in a Big 4 Energy and Utilities Consulting Practice and was seconded for a period to the UK Government's Infrastructure Project Authority where he undertook a review across the UK's National Infrastructure Plan for productivity and performance opportunities.

Today he is focused on helping his clients and teams unlock the potential of technology and human ingenuity by bringing together digital automation, data and insight with human capability development to deliver concrete business results. He holds delivery and client facing roles on some of Accenture's most challenging projects from enabling large scale capital projects to delivering cutting edge mobile experiences. Richard holds a masters degree in Engineering and Computer Science from Keble College, Oxford. He lives in Guildford where he enjoys spending time with his family, running and riding motorcycles.

Intro: Walk in the Cloud

Ellen: The UK has a productivity problem. Statistics tell the tale we ranked 4th in the G7 behind the US Germany and France, a whopping 20% behind the Americans! What's going on and more importantly, what can we change to put the brakes on this spiral of decline? That's the topic for today's walk in the cloud. I'm your host Ellen Bencard and I'm here today with Richard Postance one of the authors of an Accenture report on this very hot and very concerning topic. Welcome, Richard.

Richard: Good to be here, Ellen.

Ellen: Richard first up are these numbers for real? My team works just as hard here in London as the team I left years ago in Missouri - is this just bad measurement?

Richard: Well, I'm glad you asked because productivity is a word that everyone thinks they know what they mean. It's used in self-help - you can't help but see in every social media platform. But what productivity means is how much is kept by workers per hour? and in that sense you realise that people who are doing high value tasks, people who are doing high value manufacturing. First, is lower value tasks perhaps serving in service industries? They don't earn as much money per hour. It's as simple as how much to workers keep of the value they generate.

And in that sense, American workers are driving a lot more dollars per hour than were able to do here in the UK.

Ellen: Okay, So this is clearly a much more complicated topic than most people think it is. So, let's start with your paper that says that technology can bring 33 billion pounds in business potential on this productivity issue. Now the IT industry has been promising technology and productivity for a long time. What's different now? Where are you getting that 33 billion?

Richard: Well, I think it's a fair call for a start, right? Technology does have amazing potential and let me start with that 33 billion number. I mean that 33 billion is huge. To give you a sense, is potentially doubling gross value add or the way we measure the UK's productivity if we deploy these types of technologies at this sort of level. Ellen: And what type of technology you talking about here?

Richard: So really this is about how do we use technology to allow the humans to do the most difficult stuff. So, if you think it's most easily sorted in a manufacturing sense, if you had people hand making all the items on the production line in the olden days instead, if you're able to use technology to automate many of those tasks, one person can now do the output of 10 people. That's productivity, but we apply it in five specific areas in the paper. So, it's not just manufacturing where that can take place. Service industries - how does someone use something like ChatGPT or AI to automatic respond to perhaps 80 or 90% of queries, but those that genuinely need a human in the loop use a human.

So that's a great example of how a human could drive 10 times more output. It's not just in service industries, it's across a whole range of processes in the papers and we take a look really at quite a specific detail about what tasks can be done by machines, what better by humans and that gives us this figure of 33 billion pounds.

Ellen: ChatGPT has brought generative AI into the news, but we know that AI has been around for a long time. Can I put ChatGPT to the side for a moment and talk about what's happening right now? Can you give me some examples of any industries or companies that are actually using technology to take productivity jumps today.

Richard: And I think that's a really good point about ChatGPT right? There's walk, jog, run and here in the UK we have suffered because we've had cheap labour. And we've had uncertainty. And these combination of these two in the face of uncertainty you don't normally make capital investments. And goodness knows of the UK we've had uncertainty, but we've also had cheap labour. The UK is the destination of choice because people often speak it as a second language, has meant we've had cheap labour. So, the UK has been really bad. We've had the same technology, but we haven't turned it into value. So where do that specific example is? If you have a large mobile workforce, how do I always get the right person to the right job at the right time? It's less sexy, right?

To get a right first-time rate of 90% not 70%. It doesn't sound as cool as ChatGPT, but actually reengineering your business. So that with the right data you get the right people do the job right first time. There is a good example of how technology can deliver real productivity. You can think of waste that would be avoided by people turning up to jobs they can't do.

Ellen: Now, I don't want you mentioning any specific client names here because this is the kind of stuff people would keep under wraps, but can you give me any examples of the types of projects we might be working on right now that are helping people?

Richard: Sure.

Ellen: What changes are people making?

Richard: So, you can think of an example where we've got of large client that is rolling out a massive fibre network. Doesn't sound like the sort of thing that you be applying tech. I mean – these are people who wear orange everyday okay? We're working with them and by many small increments, applying the right data, the right insights in the right place in partnership with them. Help them save 400 million pounds and able to deliver a 25% productivity increase. I mean that is such a step change and it's great for the UK because actually it enables us to deliver our infrastructure for less. . It's is great for the people employed because it means we can afford their wages.

But it's also great for the companies because then they are able to go faster, which is not the flipside to this productivity equation. In a world where we've got constrained talent productivity doesn't just help you get it cheaper it helps you do it faster.

Ellen: Every wave of new technology, from the hoe to the spinning Jenny to now, people are always afraid my job is going to go away. And it sounds like what you're saying there is that the jobs get better, more productive. Can you talk a little bit more about that?

Richard: Yeah, for sure.

Ellen: Can you put fears at ease a little bit?

Richard: I think you have to begin by recognising that change is always scary. Change is always scary for the people involved. Now if you recognise that change is scary, there are ways to approach it, ok? There is the potential for people to have more skilled jobs where they do more of the things that the real problem solving elements and less of the things that are more mundane. But equally there are possibilities, and I've seen it where people don't think about those human elements and projects come to a grinding halt. Because ultimately - Productivity is about increasing the productivity of the workforce you have. Not creating the workforce you'd like to have. And why that matters is you've got to take the people with you on this journey.

Ellen: So, let's talk about skills there because if people aren't complaining about productivity in this country, they are often complaining about education and talent. Do we have the skills that we need to work with the next generation of technology in the UK? And if we don't? What do we do to get it?

Richard: I think of it in two layers actually Ellen, I think there's the leadership skills of executives and boards, ok? In the UK, I think we could be a lot better at setting an ambition for what a business looks like enabled by digital. I see in my global work organisations that are much, much braver in setting a digitally enabled future as part of their vision.

Ellen: And what differentiates them? Different Questions, Different personalities...?

Richard: Well I think its the other things I'd say on the list. Partly you've got ambition, I think you've got bored scepticism on investment. I do think that the over promise and under deliver of many technology projects has been a problem. But actually, you've then got execution and delivery. Because I do think that execution absolutely matters and I think it's a muscle you have to build. I think many of us respect some of the behaviours we see in the German manufacturing sector, for example. They seem to be able to repeatedly build production lines that make great use of technology, that create high quality goods at a great price point.

Again, the US with a very large market with a common language and a few barriers is able to invest in technology, whereas I see in the UK we've been a bit slower at that - to get that tremor of the right ambition. The right investment, but then the execution and delivery that makes it actually all happen.

Ellen: So that's the board. Let's talk about the workers now. What about the skills for the people on the frontline?

Richard: That's why I come back to that point about uncertainty and the particular thing we've had in the UK about the ability to import talent if needed. Almost I don't know if you've have heard the idea of a golden constraint. People that don't have English as their first language don't have an endless pool of workers that speak their local language. So, they have to invest in skills, partly here in the UK with the uncertainty of the future, as I said, and perhaps the ability to get immigrant workforce that allowed us to not invest in skills. So, there is a gap, I would say, but smart companies are recognising that they have a business transformation agenda enabled by technology and talent not a technology agenda.

Ellen: I want to ask about cost. Because cost is usually not enabling but restraining. We've been dancing around recession whether or not we're technically in it and technology usually means investments. Is cost gonna hold the UK back?

Richard: I think if it's done in the old fashioned way, yes, If you think about the old fashioned way you would say, Ellen, I'm going to do this project for you over the next three years, give me 10 to millions of pounds and at the end of those three years I will magically reveal some results. I think all of us have realised that that doesn't really make great sense, does it? Whereas with modern techniques that are highly iterative, okay and it's about execution. I have an ambition. I secure first wave. I deliver results that builds momentum. So iterative approaches I would suggest are fundamental to unlocking that cost. It will cost money. But the scale and potential of value that's there is huge and I think that will be what will differentiate the winners from the losers. Those that are able to set, invest in and execute that digital ambition.

Ellen: So, I love ending our walk on a positive note and it sounds like there is there's a good future to be worked for there.

Richard: Absolutely! And I think the thing is, we're not suggesting people do something that has never been done. We're actually just saying there are people doing this already. All you need to do is copy that successful template of: a digital ambition, incremental investment and iterative delivery that focuses on execution. It's absolutely there, and again, as a UK resident and adopted UK resident, I think it's a real moment of opportunity for us.

Ellen: Well, I have both passports these days, and I would very much like them to be at parody on the productivity stakes. So, thank you for taking a walk with me today, Richard. And to all of you out there listening to us a favour. If you like our podcast, click on whatever is offered in the platform you're using to show that. Help others discover us, and if there's something specific you'd like me to discuss. Drop me a suggestion at ellen.bencard@accenture.com and I will go through our massive list of clever people here and find somebody who can talk about it.

Ellen: And now, everybody back to work, we've got some productivity to make up! See you next time.

Outro: Walk In the Cloud