

REIMAGINE
CHALLENGE



Cabinet Office



Reimagine Challenge: **Trade**



Reimagine Support for British Exports

Responsible department:
Department for International Trade

Departmental challenge:
How can the capacity, capability, appetite and ambition of UK businesses be developed to satisfy overseas market demand for their products? How can we reimagine boosting Britain's exports?



Introduction

For the last two years, KPMG has worked with Whitehall departments to address some of the biggest policy challenges facing the government – building joint teams to investigate social or economic issues and devise workable solutions.

Under the Reimagine Challenge programme, KPMG specialists and staff from across the civil service work together over a period of months to research specific policy areas. With the guidance of senior departmental leaders and the support of KPMG's data, design and digital teams, they develop evidence-based, pilot-ready proposals for tackling departments' public policy goals.

I've always been hugely impressed by the quality of the ideas, and am delighted to join this year's judging panel as KPMG's representative – replacing Kru Desai. The panel also includes Permanent Secretaries and Director-Generals, and is chaired by Civil Service Chief Executive John Manzoni. And whilst the winning teams receive active Cabinet Office backing to turn their plans into reality, all of them also end up strengthening the wider operation of government – building connections, developing skills, improving understanding, and feeding into departmental policy-making.

As we launch the 2018 Reimagine Challenge, we're publishing the 2017 teams' final submissions. In many cases, civil servants continue to develop these ideas inside government – so if you see something that chimes with your own goals or requirements, then drop me a line and we'll put you in touch with the team.

The Reimagine Challenge exists to help solve complex, far-reaching public policy challenges by bringing people together.

Nicholas Fox
Head of Government

So what's the idea?

According to CBI research, if just 7% of UK businesses in a position to export did so, then the trade gap would close and there would be increased tax receipts and greater growth of businesses – increasing their resilience and creating jobs. Imagine what this could do for wider economic development in the UK.

The problem is, it's just not happening. It is not for a lack of government advice and resource. There are many different forms of support available to firms that wish to export, but as several major reports have found they are underutilised. A recent HSBC study, *Exporting for growth: the SME perspective*, published last autumn, concluded that:

“SMEs often describe difficulties getting export advice – it can be contradictory, key information may be missing, and they often have to deal with more than one person, with all the complexity that entails.”

We corroborated the findings of these reports by asking businesses involved in export to explain their customer journey through the current processes. We asked businesses looking to export what information they felt they needed and what support they expected from government.

And business said:

“The amount of information is overwhelming, within four clicks I was lost.

Why can't I just visit one simple website to get help with exporting?

I would like the option of different levels of support, I would happily pay for that service.

Why do I have to interact with lots of different departments and provide the same information multiple times?”

Our innovative solution is to offer a one-stop-shop platform for business, reconnecting the citizen with 'One Team Government'.

Business will experience a streamlined and bespoke service, one service. The new platform will draw together existing support and regulatory processes from across the public sector; it will deliver an enhanced offer by efficiently and effectively

reworking and leveraging existing posts, processes and expertise in government (led by DIT), as well as providing a market place for accessing relevant private sector resources; and it will compliment and advertise exciting new initiatives such as Infrastructure Exports UK.

Businesses will be able to navigate their way to realising growth in overseas markets simply and quickly. The platform will use directed questioning and a triage system to ensure that the support is tailored and information relevant to the business' needs. Support categories will include completion of legal and process requirements, provision of country and market information and matching to funding and mentoring.

Importantly, businesses will be able to choose from a tiered support framework with the higher tiers being a paid for service. Thus meeting the requirements of businesses and generating revenue for government. The different levels of support offered will range from online information to dedicated, strategic interactions with experts.

Our solution is a step-change in government partnership with business, bringing customer service to the heart of the government's approach. It is realistic and easy to implement since the knowledge businesses need is already available, but inter-departmental processes and the myriad of information offered indiscriminately currently make it hard to access.

The result would be a multi-faceted solution for a multi-faceted problem that helps businesses overcome their crisis of confidence and the fear factor currently attached to exporting.

Businesses will experience a frictionless process whilst government will benefit from an increased number of businesses turning to exports as part of their growth model. Importantly this interaction will produce data and represents a virtuous circle. Use of data and customer feedback will amplify results for businesses and for government objectives.

More businesses engaging with the new system means more export opportunities are realised, reducing the trade gap and the paid for services that the system offers generate revenue to offset running costs.

Who did you consult, and what did they tell you?

We identified barriers and complexities that need to be removed, support services that could be reworked or supplemented, and revealed that a more targeted approach could allow the government to assign resources more effectively, producing a better return on investment.

To ensure our solution really meets the needs of business and government, we engaged with potential exporters and the bodies that represent them throughout the process.

An official at the DIT stated *"there should be one global growth digital interface' and the message to SME's should be 'if you are an ambitious company then use this tool and get these interventions"*

A trade policy official we met at No 10 said that our solution *"really sits well as part of the industrial strategy' and 'the idea feels very much in the right space'. 'In the export space, this is heaven for me, the bit that is missing"*

In her book *Go Global*, Emma Jones attributes a 'crisis of confidence' and 'the fear of the unknown' as two of the big

drivers behind why only 75,000 out of a possible 4.5 million small businesses in the UK were exporting in 2010. Commenting on our solution Emma stated *"this would be amazing"*

The CEO of a Fintech SME told us – *"this solution of a one stop shop website will reduce the drag that I experienced when trying to grow globally"*

What are the key obstacles, and how would you address them?

Of course, elements of our solution are already available elsewhere. UK-based and in-country advice and support is currently provided through international trade advisors, the Exporting is GREAT website and Local Enterprise Partnerships.

However no existing effort addresses the prime issue businesses raised – ease and accessibility. Our revolutionary solution draws on the positive aspects of existing support, revising these to meet businesses needs more effectively and ensuring that support is easily accessible and tailored to the needs of each individual business. The platform's data sharing will be compliant with data protection legislation (including once the EU General Data Protection Regulation comes into force in May 2018).

Providing a professional customer service through the platform will mean overcoming traditional barriers to cooperation and instead ensuring all relevant government departments and agencies are working together coherently in order to provide the most effective, seamless and efficient service for businesses.

In some areas this will necessitate a culture change in regard to data sharing and inter-departmental working. We fully recognise the context in which our solution sits and have worked closely with the Department for International Trade in formulating our solution, and explored our thinking with the Department for Business, Energy and Industrial Strategy and No 10, among others.

What evidence do you have that this proposal is efficient and scalable?

Our solution is flexible, allowing it to provide an access route to numerous different types and levels of support, provided by both government and the private sector.

Our solution is quick to adapt to change. With Brexit negotiations ongoing, it is impossible to anticipate what impact our withdrawal from the EU will have on trade. As decisions are taken, the platform will apply their implications.

Our solution can monitor, evaluate and learn from the outcomes of the services and support provided, as well as adjusting to create efficiencies and cost savings.

Our solution is scalable and can be tailored to suit businesses of different sizes and with different needs, ensuring that each business gets the support that's right for them.

Our solution would be able to draw on budgets already allocated to boosting exports. As a result, a substantial proportion of funding required for our solution would be met from planned spend.

For businesses that already export, our solution will mean support and information available for them to grow further that is more efficient and much easier to access and negotiate. The greater efficiency and ease will also encourage far more businesses to embrace exporting as part of their growth strategies. Closing a trade deficit of £112bn is no mean feat, but our solution will make a huge difference.

Team members



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www.kpmg.com/uk/reimaginegovernment

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