

Final report



Department for
Business & Trade

SME Digital Adoption Taskforce: final report

31 July 2025

Final report

The UK government SME Digital Adoption Taskforce membership includes:

- Alex von Schirmeister, Xero
- Anthony Impey, Be the Business
- Antony Walker, techUK
- Emma Jones, Enterprise Nation
- Ian O'Donnell, Federation of Small Businesses
- Jon Cowan, Sage
- Leigh Thomas, Intuit
- Melissa Di Donato, Kyriba
- Neil Ross, Public First
- Phil Smith (Chair)
- Shevaun Haviland, British Chambers of Commerce
- Simon Kenyon, Lloyds Banking Group
- Tera Allas, Pro Bono Economics

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Ministerial foreword

Small and medium-sized enterprises (SMEs) are the majority of UK businesses and make up the backbone of local communities. The government is committed to unlocking the potential of these businesses and providing the support necessary for them to thrive, grow and become more productive.

Adoption of digital technology is key to this, helping firms reduce administrative burdens and streamline processes. Wider use of digital tools such as customer relationship management (CRM) systems, resource planning software, or e-commerce, can have a significant impact for both SMEs and the broader economy. The Enterprise Research Centre has previously shown that we can see firm-level productivity improvements of 7 to 18 per cent per technology, depending on the product adopted.

That is why I am pleased to see the hard work of the SME Digital Adoption Taskforce come to fruition, with an ambitious action plan for government to consider. The taskforce's bold recommendations to improve policy making, business support, and communications and engagement, match the government's ambition to deliver economic growth across the country and kickstart a decade of national renewal.

I would like to thank the taskforce's Chair and members for their committed, collaborative and thorough approach. The group has demonstrated the importance of government working with industry experts to develop effective policy that can maximise the productive potential of SMEs and kickstart economic growth.

Gareth Thomas MP

Parliamentary Under Secretary of State (Minister for Services, Small Business and Exports)

Foreword by the Chair and executive summary

The UK SME Digital Adoption Taskforce sets a bold and transformative ambition: to make UK small and medium-sized enterprises the most digitally capable and artificial intelligence (AI) confident in the G7 by 2035.

This is rooted in the belief that SMEs are not merely contributors to the economy, they are its engine. With over 5.5 million SMEs making up 99.8 per cent of the UK's business landscape, enabling their digital transformation is both an economic imperative and a national opportunity. Even a one per cent productivity uplift across SMEs could add £94 billion annually to GDP.

The vision is underpinned by a conviction that technology - particularly AI - can unleash new waves of productivity, competitiveness and innovation. Our aspiration is not for incremental improvement, but a step-change in policy: to move from often fragmented and piecemeal initiatives to a coordinated, responsive and scalable transformation effort.

Despite the UK's global leadership in tech and AI, smaller SMEs can face persistent barriers to digital adoption:

- products often feel built for larger enterprises
- switching and adoption costs can be high
- many report lack of confidence or expertise to implement new tools
- digital support for SMEs can feel fragmented

The taskforce is uniquely strengthened by the presence of industry leaders who bring deep, practical experience from supporting SMEs on the ground, both in the UK and internationally.

Our insights - shaped by direct engagement with SMEs and informed by consultation across sectors - have ensured that proposed recommendations are not only ambitious but grounded in real-world challenges and opportunities. This collaborative, evidence-based approach reflects the taskforce's commitment to delivering solutions that are both practical and impactful.

The ambitions and recommendations set out by the taskforce are purposefully stretching. We are in the foothills of a new wave of digital adoption centred around new AI technology. While awareness of these new opportunities is high, the UK has historically been slow to turn awareness of new business technologies to applications.

This time must be different due to the scale of change that AI will create, and the scale of the opportunity that we must not fail to seize. I would like to thank taskforce members for their efforts in putting together this report, with particular thanks to Neil Ross from Public First and Mia Haffety from techUK for their careful drafting.

Ambitions for SME Digital Adoption by 2035

Our approach is underpinned by 2 long-term ambitions, along with 10 recommendations aimed at building an ambitious and responsive approach to SME digital adoption.

This approach builds on the evidence base within our interim report, alongside further research by the taskforce:

Ambition	Context	Measurement
By 2035, the UK's SMEs should be the most digitally capable and AI confident in the G7	This is possible with access to the right business support infrastructure, financial incentives, skills and leadership to encourage uptake and maximise the use of digital and AI tools.	This will be measured by improving access to domestic and international data sources, through regular stakeholder feedback and iterative policy development based on evidence.
Seize the UK's already leading global position in the tech and AI sector	The UK's tech ecosystem has created over 185 unicorns and is valued at nearly £1 trillion. We can diffuse this expertise, creating products that better fit with SME needs. Empowering our SMEs to become global pioneers in digital and AI adoption.	The Small Business Plan, AI Opportunities Action Plan and Technology Adoption Review should mutually reinforce one another to improve digital adoption. Help to better align demand signals from SMEs with the AI developers, improving digital technology uptake. A minister responsible for SME Digital Adoption should coordinate government action, acting as a point of engagement and accountability on progress.

Ten Recommendations for the UK government

- 1. No.10 Downing Street should lead an effort to co-create a new public-private initiative to drive up SME digital and AI adoption:** a series of sequential roundtables in the mould of the ‘Tech City’ initiative should be convened, bringing together major industry players and SME leaders. These discussions should aim to deliver against our recommendations and co-create a new public-private initiative providing resources, expertise and other capabilities to increase digital and AI adoption among SMEs. These roundtables should aim to agree support for a new initiative over the next year.
- 2. Appoint a minister accountable for SME digital and AI adoption:** a minister should be assigned explicit responsibility for driving digital adoption among SMEs within their portfolio, ensuring clear leadership, scrutiny, coherence and progress across government departments.
- 3. Develop a scalable online CTO (Chief Technical Officer) as a service, providing AI-powered guidance and support to SMEs:** an AI-powered digital adoption support should be integrated into the Business Growth Service (BGS) and suited for all sectors and stages of digital maturity. This service should support with basic diagnostic tools and pointers to encourage SMEs to consider AI and digital products as they refine and develop their businesses. Significant focus should be on simplicity, usability and accessibility for SMEs.
- 4. Launch a cross-departmental evidence gathering exercise on firm-level financial support for SME digital and AI adoption:** financial barriers are a major obstacle for SMEs adopting digital and AI technologies. Evidence is mixed on which financial support is most effective and how to deliver it. The taskforce urges the government to conduct cross-departmental evidence gathering exercise. The focus should be on reviewing current incentive schemes, identifying effective business changes that encourage adoption, determining the best delivery routes for incentives, and maximising the return on investment for taxpayers.
- 5. Ensure the government’s BGS is explicit in its design to enable digital technology adoption:** the continued development of the BGS should contain a specific pillar, and advice, on technology selection, uptake, deployment and support. This must be communicated in business-friendly and SME-relevant language.
- 6. Launch a targeted awareness programme for digital and AI adoption:** this should target the SMEs most likely to take up business support for digital and AI adoption. This should align with the ongoing development of the BGS and

Skills England and should also utilise partner and local organisations to reach SMEs across all regions of the UK.

- 7. Commission new behavioural insights and gather data equivalent to the European Digital Economy and Society Index (DESI) to improve policy design and track progress:** this should help to better understand the behaviours that drive and inhibit digital and AI adoption, improving the design of policy interventions over time. This will mean working with the Office for National Statistics (ONS) and either rejoining the DESI or collecting and publishing equivalent data so that the UK has access to internationally comparable data on SME digital adoption. This will allow us to track our progress, measure impact and compare our performance and interventions with other jurisdictions.
- 8. Implement economy-wide reforms:** this should include common e-invoicing standards, the roll out of Digital ID, simplified regulatory frameworks for SMEs, a considered approach to digitising the tax system, and the rollout of fast accessible internet infrastructure to ensure there is a widespread, digital first approach to doing business.
- 9. Partner with trusted local and industry stakeholders:** this should include trade bodies, accountants and bookkeepers, tech firms, to co-deliver support and digital skills training - making digital transformation more accessible, credible, and relevant.
- 10. Embed a ‘test and learn’ approach to digital adoption:** pilot interventions, measure outcomes and adjust these based on SME feedback and evidence. This approach ensures both agility and accountability from the government.

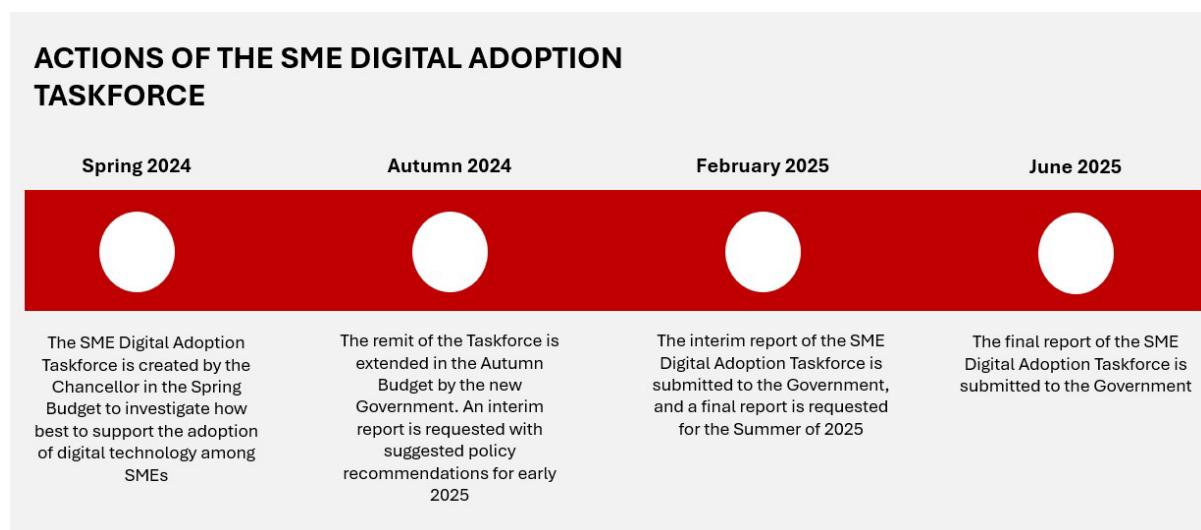
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Actions from the SME Digital Adoption Taskforce

The Department for Business and Trade (DBT) launched the industry-led SME Digital Adoption Taskforce in April 2024. Our task has been to explore how SMEs can be supported to increase their adoption of productivity-enhancing digital technology available on the market. Such technology includes CRM systems, e-commerce, accounting and AI products.

In the Autumn 2024 Budget, the remit of the taskforce was extended by Chancellor of the Exchequer the Rt Hon Rachel Reeves MP. The taskforce was asked to produce an interim report for the government, which was submitted to ministers in early 2025. This was to be followed by this final report in the summer of 2025.

The aims of the taskforce's reports are to produce practical steps and recommendations to enhance SME adoption of digital technology for the consideration of ministers as they develop wider government policy.



Over the past year, the taskforce has met regularly, gathered evidence, and used our panel of experts to arrive at practical recommendations for the UK government.

Interim report - A theory of change to boost SME and digital adoption:

After reviewing domestic and international evidence, our interim report proposed a theory of change blending **cross cutting** and **targeted interventions** to boost SME digital and AI adoption. This will be a long-term effort that will need to be iterated over time.

We outline the theory of change presented in our interim report, as well as our 5 initial recommendations:

- **Cross cutting interventions:** broad-based policy reforms, including standardising e-invoicing deployment and digitising the remaining parts of the small business tax system, and pushing a digital by default approach to doing

business such as through digital ID will help raise the digital baseline for all 5.5 million SMEs.

- **Targeted SME support:** systemic change will be driven by upgrading the government's approach to small business support and guidance. Singapore's Go Digital, New Zealand's Digital Boost and Denmark's approach to SME support should act as templates for targeted intervention and direct guidance support to SMEs. To aid this, the government must enhance access to domestic and international data to monitor progress, adapt policies, gain behavioural insights on technology adoption, and regain access to comparative data like DESI.

Interim report - Five key recommendations:

Recommendation	Description
Create a single point of accountability within the government to drive digital adoption	Successful digital adoption requires government ambition, accountability, and scrutiny. Senior accountability should be designated with a minister, a council, or named body.
Create an AI-powered support tool available to all SMEs	The government should develop an AI-powered tool for SMEs, offering diagnostics, guidance, and signposting to specialised support, inspired by other successful digital adoption and growth programmes.
Better access to data for monitoring and evaluation	Good data to track digital adoption rates will be vital for policy development and measuring our progress. The UK should leverage the ONS and collaborate internationally collecting data equivalent to the European Digital Economy and Society Index (DESI) to allow for effective international comparisons.
Develop comprehensive understanding of how to drive demand for digital adoption using behavioural science	SMEs struggle with tech adoption due to time constraints and lack of understanding. Further research is needed to identify specific behavioural nudges that can raise engagement with digital adoption support.
Establish standards for e-invoicing.	Establish common standards for e-invoicing in the UK and encourage awareness among UK businesses.

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You can download the interim report [here](#).

Final report of the SME Digital Adoption Taskforce

The objective of this final report is to take the evidence base created in our interim report and develop our thinking further. The interim report identified a clear gap between aspiration and execution, with many SMEs also overestimating their digital readiness. We make recommendations for how the government's major policy interventions, such as the BGS, Industrial Strategy and Small Business Plan, could best enable digital adoption.

In our final report we have split our approach across three areas:

- **Cross cutting interventions:** major economy wide interventions that aim to raise the digital floor for all SMEs
- **Design principles for the BGS:** ensuring that the government's planned business support service delivers targeted interventions to best encourage digital and AI adoption
- **Coordinating SME policy across government:** clear responsibility and accountability vested in a named minister

Our recommendations address key barriers to SMEs digital adoption including:

- (1) Adoption often looks too hard and costly.
- (2) A lack of expertise and execution support.
- (3) Switching from one technology to another can feel too high risk.

The state of digital technology adoption among SMEs in the UK:

Despite the UK's world-class tech sector, UK SMEs lag behind our G7 competitors on the uptake of digital tools and AI. Many overrate their readiness, hampered by time, cash and know-how gaps. This leaves a gap between businesses aspiration and execution. Accelerating adoption is vital if the UK's 5.5 million SMEs are to stay competitive and drive national prosperity.

- the UK ranks 25th worldwide for future digital readiness in the IMD 2024 index, while research by Be the Business shows that UK SMEs invest less in new technology and management than their G7 peers
- forty-three per cent of SMEs surveyed by the British Chambers of Commerce in 2024 said they have no plans to use AI, compared to 48 per cent in 2023
- innovative SMEs recorded 14.8 per cent revenue growth the Federation of Small Businesses research shows

- increasing SME productivity across the board by just one per cent over 5 years would add £94 billion annually to GDP, according to Be the Business
- international best practice shows that targeted and sector relevant support programmes have the greatest impact
- effective management and leadership that encourages new technology uptake and experimentation is a key factor in SME digital adoption

Further research:

Since our interim report, further research, including from Lloyds Bank on the taskforce, and external reports from Google and Microsoft, have helped to expand our evidence base. The findings include:

- SMEs want guidance and impartial advice on AI technologies that they could adopt and would welcome an AI powered advisory tool.
- Financial incentives to support digital adoption remain a key concern, with barriers to accessing and navigating existing financial support. R&D tax credits also remain a concern for many SMEs.
- Mixed evidence on which financial support, grants and/or tax relief, SMEs find most useful to support their digital adoption.
- Local initiatives, such as regional AI and digital champions and tailored digital adoption programmes, can address unique regional challenges and encourage AI uptake among SMEs.
- Short, practical training sessions that demonstrate specific AI applications within job roles can increase employee confidence and incentivise use of AI.
- SMEs with clear internal policies permitting AI use are more likely to adopt AI tools. Conversely, ambiguity or lack of guidance often leads to hesitation among employees.
- SMEs where leadership actively support and communicates the benefits of AI adoption see higher engagement and implementation rates among employees.
- Tailoring AI tools to address specific challenges within sectors (e.g., inventory management in retail) leads to more effective adoption and utilisation.

Cross cutting interventions

Following our interim report, the taskforce discussed how we could further promote digital adoption in the UK and what steps the government could take in partnership with industry to drive increased digital technology uptake, as well as exploring the opportunities that AI presents to SMEs.

Convene and support a series of roundtables in No.10 Downing Street to deliver on our recommendations and co-create a public private partnership on SMEs digital and AI adoption

Using a model similar to previous initiatives such as ‘Tech City’, we recommend that the government hosts a series of sequential roundtables in No.10 Downing Street.

The Prime Minister should invite SMEs and their representatives, as well as leaders from major industries to convene, discuss and co-design a public-private vehicle that provides support for SMEs to adopt new digital and AI tools. This new public-private partnership should aim to boost SMEs digital adoption over the next year.

Throughout our work, we had held a firm belief that the private sector could play an important delivery role, guided by the experience of SME leaders on the ground and with support from government. With the most significant convening power in government, No.10 is best positioned to lead this effort, creating a partnership approach to best draw on the resources and expertise of the private sector.

Launch a cross-departmental evidence gathering exercise on firm-level financial support for SME digital and AI adoption

Financial barriers are routinely identified by SMEs as one of the top barriers to adoption. These were routinely identified during the development of our interim report. However, there is mixed international and domestic evidence about what kinds of financial support provides the greatest impact, how best these are delivered, and which approach provides the greatest return on investment for the taxpayer.

Given the salience of this issue across stakeholders, and emerging evidence that financial barriers also play a major role in AI adoption, the taskforce recommends that the government launch a cross-departmental evidence gathering exercise to gather and examine evidence on potential financial incentives for SME digital and AI adoption, and how these could be effectively delivered.

The evidence gathering should focus on 4 pillars:

1. Review the effectiveness of current and past incentive schemes on SME behaviour (such as the R&D tax credit scheme) to understand where a technology incentive may be most effective.
2. Consider what behaviour and business changes can be most effective to boost technology uptake.
3. Seek to identify the most effective routes for delivery, for example, a direct-from-government incentive or one that can be supported or delivered through parts of the small business ecosystem (i.e., accountants, bookkeepers or other business service providers and advisors).

4. Establish how to maximise the return on investment for taxpayers and the role of any joint financing between the public and private sectors.

Embed a ‘test and learn’ approach to digital adoption support

Piloting interventions, measuring outcomes, and adjusting based on SME feedback and evidence, ensuring both agility and accountability, are seen as vital to us for the government’s approach to SME support and digital adoption.

We therefore encourage the government to take a ‘test and learn’ approach to policy development, including through the Small Business Plan, BGS, digital adoption pilots, and other tech adoption policies.

This must be backed by good data, from domestic as well as international sources, as well as a readiness for ministers to scale-up high performing interventions and close those that are not showing good results.

Our recommendation to improve the government’s access to data will be critical for this. Interventions can take time to permeate and gain traction within the SME community. Good evidence, alongside regular feedback from SMEs will therefore be necessary to make good judgement calls and determine which interventions may need to be scrapped while avoiding retiring some prematurely that may show promise over time.

Launch a targeted awareness programme for digital adoption support

To engage and shift behaviours, an activation campaign will need to be created to target businesses most likely to benefit from digital adoption support.

The taskforce points to the success of campaigns like ‘Made in the UK, Sold to the World’, a cross-cutting, national export promotion campaign that built brand recognition and supported businesses in exporting to Europe.

Businesses who have already shown openness to business support should be the targets of any activation campaign as they are the most likely to take up support, share successes within their networks and create case studies for future waves.

Such an approach should consider both national levers as well as where the programme can draw on local networks and organisations such as trade associations, chambers of commerce and other local business support organisations.

Take a partnership approach to the delivery of Digital Adoption Support

Government is not always the best body to deliver digital adoption support. The evaluation of 'Help to Grow: Digital' showed that one of its major failings was not involving accounts, bookkeepers, trade associations and other key parts of the SME ecosystem to support with delivery.

In future, digital adoption support should seek to leverage a range of organisations to get support, including for digital upskilling, to SMEs quickly and through trusted channels.

Design principles for the BGS

The UK government is launching its BGS which will aim to consolidate government support for businesses into one location.

The service will be iterated over the next 18 to 24 months to increase its capabilities. To ensure that the BGS can best support SMEs to digitise and adopt technology, we set out design principles that we believe the BGS should include:

- **Sign-post external support:** Government is not always the best source of information for businesses, therefore the BGS must seek to signpost to trusted external sources to provide businesses with additional support. This should not only include geography and sector, but also business needs, including specifically on technology adoption and support.
- **Specific guidance on technology adoption:** The BGS should include a specific pillar focused on technology support, this should be put in common business language such as 'tools that I need to start or grow my business' and provide advice, as well as signposting support for choosing, acquiring and deploying relevant technologies.
- **Create the capacity for plug-ins to the BGS:** The BGS should act as a hub for business and allow various tools to be plugged into the service. For example, the taskforce's proposed future CTO as a service programme should have a role complimenting the support provided by the BGS. It is also likely that a range of other tools such as creative, marketing and exporting tools are likely to play a role.
- **Leverage SME service providers and partners to help launch the BGS:** The government should work with technology providers, banks, trade bodies, accountants and bookkeepers to publicise the launch of the BGS. For example, asking that major providers of services to SMEs write to their customers to inform them of the BGS's launch to help increase awareness and engagement. Communications from trusted service providers and advisors is likely to have

as significant impact on awareness and first impressions.

- **Monitor take-up, analyse barriers, and adjust SME outreach:** Beyond launching BGS, on-going communications from the government and partners will be needed. Experience from business support programmes across the public, private and third sector shows that there is no single communication approach that works—but ‘no communication’ beyond a launch is insufficient. Instead, the government will need to analyse the effectiveness of its outreach efforts and amplify and target messages in different ways over time to ensure large-scale take-up.

Co-ordinating SME policy and support across government

In addition to the BGS, the government will need to ensure that its wider SME interventions are co-ordinated and pulling in the same direction. In our interim report we considered the best approach to this and recommended a senior point of responsibility within the government.

Further to this, given the growth of SME and technology adoption support that is likely to be announced over the coming months, we believe that our initial recommendation should be strengthened to call for a named minister to be given responsibility and accountability for SME digital and AI adoption.

Alongside the creation of a named minister, the government should also:

- **Publish a governance structure and organogram:** This should show the relationship between government departments, the Industrial Strategy Council, BGS, Skills England and other relevant bodies, relevant to SME Digital and AI Adoption. This will help both the government and external stakeholders to navigate the system more effectively and identify gaps to better support the government’s ongoing efforts. We have included an initial draft of this in Annex 1.
- **Create a strong enabling environment:** The SME digital and AI adoption minister should coordinate its policies on digital ID, open finance, Making Tax Digital, e-invoicing and prompt payment to support a highly digital business environment.
- **There should be an explicit connection between the outcome of the ‘Cross-government Review of Technology Adoption’ and SME Digital and AI adoption:** This should ensure that all efforts for technology uptake across the economy are co-ordinated and not duplicative.

Final recommendations of the SME Digital Adoption Taskforce

Bringing together our interim findings and the additional evidence we have gathered, our final report proposes 10 recommendations to create a new approach to digital and AI adoption.

These recommendations aim to meet our twin ambitions:

- making the UK's SMEs the most digitally capable and AI confident in the G7 by 2035
- leveraging the UK's already leading global position in the tech and AI sector to drive SME growth

Taskforce Recommendation			Targeted intervention	Cross-cutting
1	No.10 Downing Street should lead an effort to co-create a new public-private initiative to drive up SME digital and AI adoption	A series of sequential roundtables in the mould of the 'Tech City' initiative should be convened, bringing together major industry players as well as SME leaders. These discussions should aim to deliver against our recommendations and co-create a new public-private initiative providing resources, expertise and other capabilities to increase digital and AI adoption among SMEs. These roundtables should aim to agree support for a new initiative over the next year.	X	
2	Appoint a minister accountable for SME digital and AI adoption	A minister should be assigned explicit responsibility for driving digital adoption among SMEs, ensuring clear leadership, scrutiny, coherence and progress across government departments.		X
3	Develop a scalable online CTO as a service, providing	This should be integrated into the BGS and suited for all sectors and stages of digital	X	

	AI-powered guidance and support to SMEs	maturity. This service should support with basic diagnostic tools and pointers to encourage businesses to consider AI and digital products as they refine and develop their businesses. Significant focus should be on simplicity, usability and accessibility for SMEs.		
4	Launch a cross-departmental evidence gathering exercise on firm-level financial support for SME digital and AI adoption	Financial barriers are a major obstacle for SMEs adopting digital and AI technologies. Evidence is mixed on which financial support is most effective and how to deliver it. The taskforce urges the government to conduct cross-departmental evidence gathering exercise. The focus should be on reviewing current incentive schemes, identifying effective business changes that encourage adoption, determining the best delivery routes for incentives, and maximising the return on investment for taxpayers.		X
5	Ensure the government's BGS is explicit in its design to enable digital technology adoption	The continued development of the BGS should contain a specific pillar, and advice, on technology selection, uptake, deployment and support. This must be communicated in business-friendly and SME-relevant language.	X	
6	Launch a targeted awareness programme for digital and AI adoption	This should target the SMEs most likely to take up business support for digital and AI adoption. This should align with the ongoing development of the BGS and Skills England and	X	

		should also utilise partner and local organisations to reach SMEs across all regions of the UK.		
7	Commission new behavioural insights and gather data equivalent to the European Digital Economy and Society Index (DESI) to improve policy design and track progress	To help us better understand the behaviours that drive and inhibit digital and AI adoption, improving the design of policy interventions over time. This will mean working with the ONS and either rejoining the DESI or collecting and publishing equivalent data so that the UK has access to internationally comparable data on SME digital adoption. This will allow us to track our progress, measure impact and compare our performance and interventions with other jurisdictions.	X	
8	Implement economy-wide reforms	This should include common e-invoicing standards, the roll out of Digital ID, simplified regulatory frameworks for SMEs, a considered approach to digitising the tax system, and the rollout of fast accessible internet infrastructure to ensure there is a widespread, digital first approach to doing business.		X
9	Partner with trusted local and industry stakeholders	This should include trade bodies, accountants and bookkeepers, tech firms, to co-deliver support and digital skills training - making digital transformation more accessible, credible, and relevant.	X	

10	Embed a ‘test and learn’ approach to digital adoption	Pilot interventions, measure outcomes, and adjust these based on SME feedback and evidence. This approach ensures both agility and accountability from the government.		X
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Recommendations for future policy development

Beyond our recommendations, the taskforce considered further policy interventions that we believe hold merit and should be further considered by the government.

These did not make our final 10 recommendations due to limited time for the taskforce to investigate, but we hope raising them here can create wider interest within and outside of government.

- **Kitemarks for digital and AI competency:** the creation of a badge, certificate or kitemark for SMEs to show that they demonstrate a certain level of digital competence, helping nudge other companies to match their competitors.
- **Reducing SME hesitancy in adopting digital tools by ensuring clear, transparent, and practical processes for data portability:** SMEs have indicated concerns about service ‘lock-in’, unclear switching costs, and process complexity as barriers to initial adoption. The Federation of Small Businesses (FSB) have noted that this is one of the reasons adoptions does not happen in the first place. To address this, the Department for Science, Innovation and Technology (DSIT) and DBT should seek advice on effective measures to enhance transparency, standardisation, and data portability for software that requires large data input from SMEs.
- **Review the potential role of ‘Connected Hubs’:** mirroring the Irish government’s successful scheme aimed at building digital and business infrastructure in rural and sub-urban communities.

Annex 1: Co-ordinating SME policy across UK government

Enabling bodies	Role relating to SME digital adoption
Department for Business and Trade	
<u>SME Digital Adoption Taskforce</u>	Brings industry stakeholders together to address digital adoption barriers amongst SMEs.
<u>Small Business Council</u>	Removes barriers to growth for SMEs and explore access to finance.
<u>Industrial Strategy Advisory Council</u>	Brings together experts from UK businesses, academia and trade unions to inform the development of a new modern Industrial Strategy.
<u>Made Smarter Commission</u>	Provides the leadership of the Made Smarter initiative in the UK.
<u>British Business Bank</u>	UK government economic development bank supporting SMEs with finance options and wider business advice services across all sectors.
Department for Science, Innovation and Technology	
<u>Innovate UK</u>	UK innovation agency providing seed funding for innovation.
<u>Digital Skills Council</u>	Provide expert advice to address the UK's evolving digital skills needs and ensure the workforce is equipped for the digital economy.
Department for Education	
<u>Skills England</u>	Bringing together key partners to meet the skills needs of the next decade.

Annex 2: An Action Plan to deliver on the recommendations of the SME Digital Adoption Taskforce

Recommended pace of action:	
Over the next six months	Red
Within the next year	Yellow
Ongoing	Green

Taskforce Recommendation		Pace of action	Responsible Department
1	No.10 Downing Street should lead an effort to co-create a new public-private initiative to drive up SME digital and AI adoption	Yellow	No. 10 Downing Street and DBT
2	Appoint a minister accountable for SME digital and AI adoption	Red	DBT
3	Develop a scalable online CTO as a service, providing AI-powered guidance and support to SMEs	Yellow	DBT
4	Launch a cross-departmental evidence gathering exercise on firm-level financial support for SME digital and AI adoption	Yellow	DBT, DSIT and HM Treasury
5	Ensure the government's BGS is explicit in its design to enable digital technology adoption	Red	DBT
6	Launch a targeted awareness programme for digital and AI adoption	Red	DBT
7	Commission new behavioural insights and gather data equivalent to the European Digital Economy and Society Index (DESI) to improve policy design and track progress	Red	DBT and DSIT
8	Implement economy-wide reforms	Green	All government departments
9	Partner with trusted local and industry stakeholders	Yellow	DBT

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10	Embed a ‘test and learn’ approach to digital adoption		DBT and DSIT
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