

## Maximising the value of the UK strengths in research, innovation and higher education

November 13th 2013

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Aberdeen Asset Management

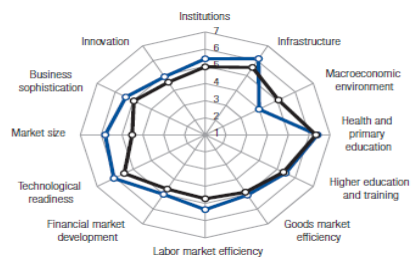
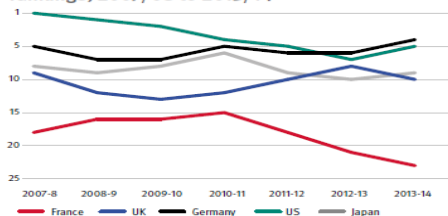
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## UK Report Card

- 10<sup>th</sup> Globally in WEF Global Competitiveness Report
- Top quartile in G20 E&Y Entrepreneurial Barometer
- CBI Business Environment Scorecard – B?

**Exhibit 1 World Economic Forum competitiveness rankings, 2007/08 to 2013/14**



WEF Global Competitiveness Report 2013/14

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## How do we term value?

- Jobs
  - Products/Profit
  - Human Capital & Skills
  - Happiness/Health
- Corporate sector, Government and Research Institutions are fundamentally intertwined in **Value Creation** and in **Value Capture** from research, higher education and innovation

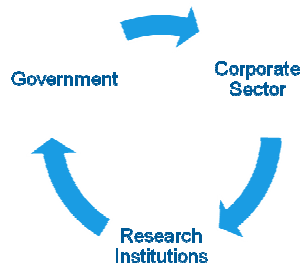
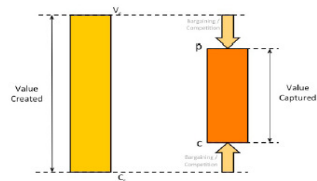


Exhibit 2 Value Creation and Value Division / Capture



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## A surprising consensus on strategy?...execution perhaps another matter?

- CBI "Raising the Bar, One Year On" *September 2013*
- BVCA "The Growth Initiative" *February 2013*
- Ernst & Young "Entrepreneurial Barometer" *August 2013*
- Fabian Society "All Of Our Business" *September 2013*
- Government Policy "Plan For Growth" *March 2011*
- PWC "The Future of UK Manufacturing" *April 2009*
- Jim Ratcliffe *October 2013*



**FABIAN SOCIETY**

**CBI**  
THE VOICE OF BUSINESS



Department  
for Business  
Innovation & Skills

**EY**  
Building a better  
working world

**BVCA**

**pwc**

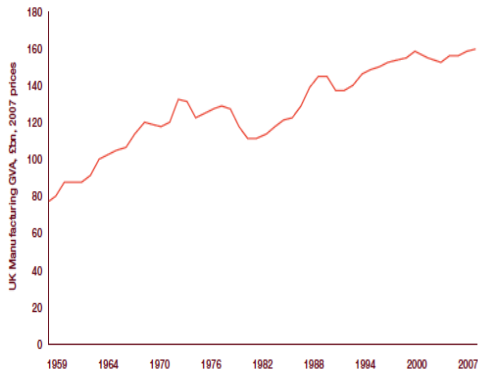
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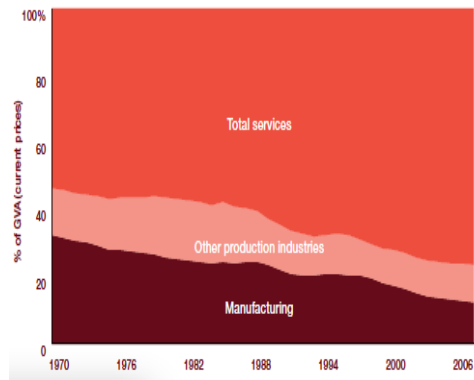
## Adaptation from UK Industry

UK Manufacturing output (Gross Value Added), 1958-2007



Source: UK Office for National Statistics

Manufacturing as a % of UK GVA

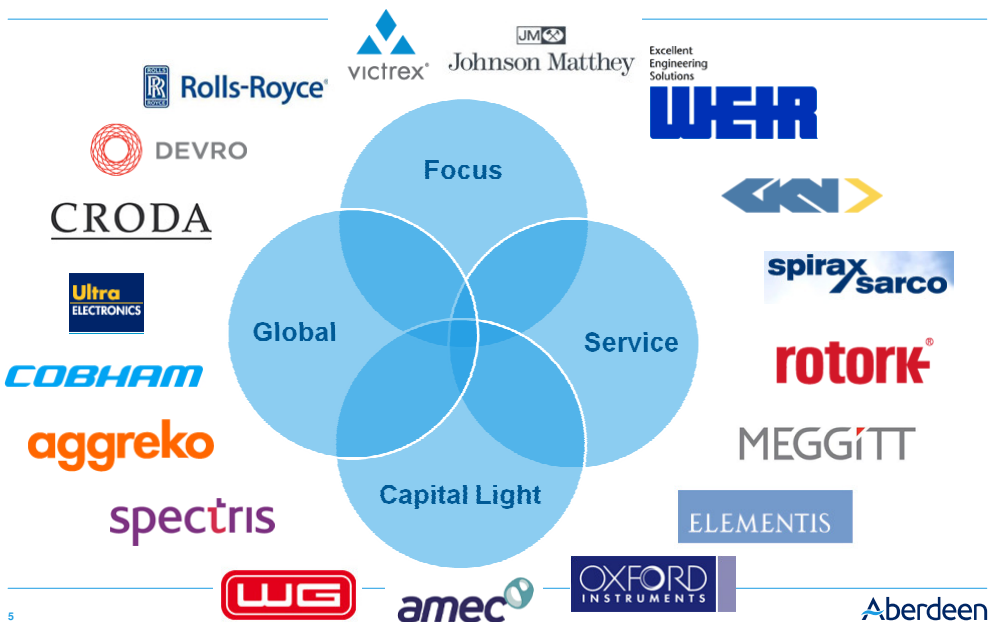


PWC "The Future of UK Manufacturing" April 2009

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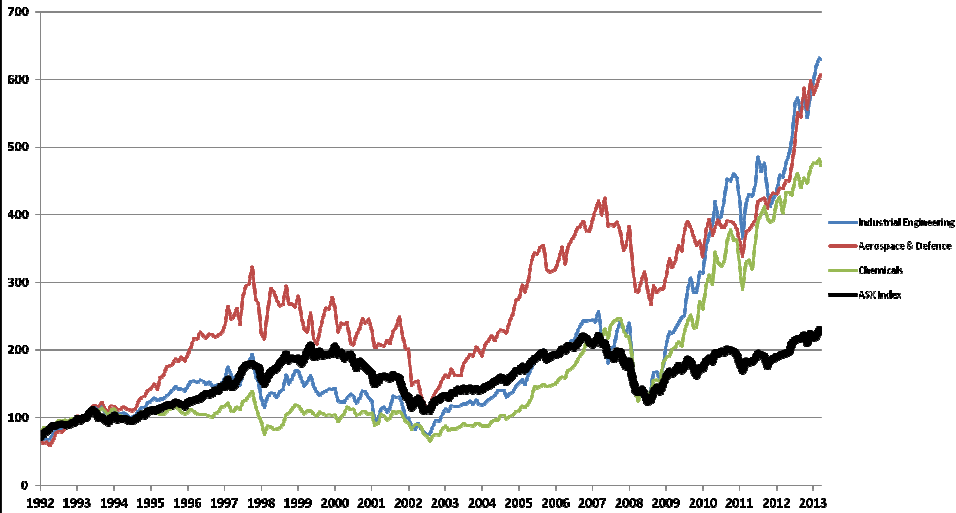
## UK industrial companies have adapted



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In some areas the results have been spectacular



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But it's not just in traditional sectors

PEARSON

MailOnline

LLOYD'S

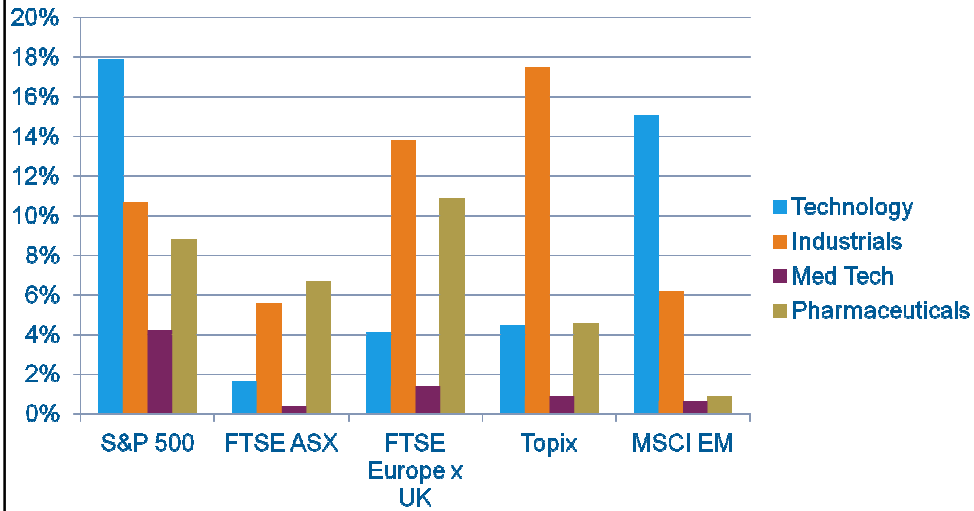
But there has been a real cost to adapting to a rapidly changing global economy

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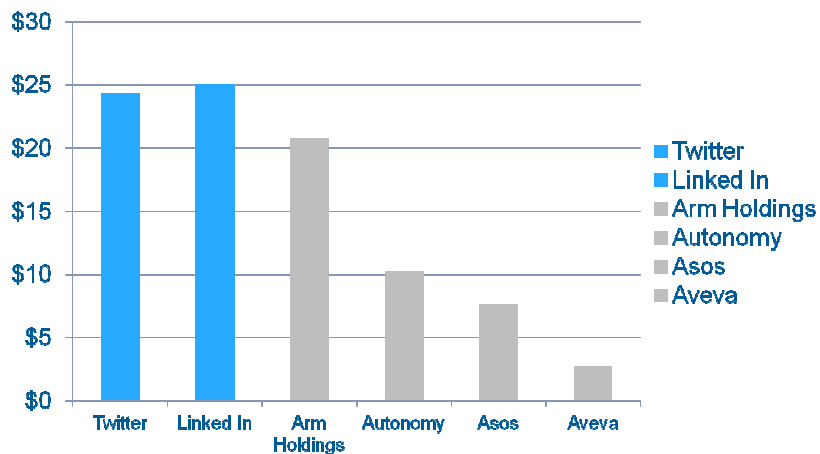
### A lack of radical innovation?



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### Recent US Technology IPOs vs Best of British Tech



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## Culture

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'Boris Island' design plans: Pictures of proposals for London airport revealed



THE KAY REVIEW OF UK EQUITY  
MARKETS AND LONG-TERM  
DECISION MAKING

Interim Report

FEBRUARY 2012

PRIMARK

It is all about a culture of risk, financial, political, reputational.....

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## Blurred Lines

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## Questions

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How do we create a greater risk taking culture?

What role do we want government to play?

How do we measure success?

*"Worldly wisdom teaches that It is better to have failed conventionally than to have succeeded unconventionally"*

**John Maynard Keynes**

## Disclaimer

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The views expressed in this presentation should not be construed as advice on how to construct a portfolio or whether to buy, retain or sell a particular investment.

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