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Transcript for AI for Services 2025 Podcast

Series 2, Episode 3

Innovation, actually

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Next Generation Professional and Financial Services Programme

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Speakers in this episode are (in order of appearance):

- Astrid Ayel, AI for Services Lead, Innovate UK Business Connect
- Dr. Tzameret Rubin, Senior Lecturer in Innovation and Management, Oxford Brookes Business School
- Martin Spring, Principal Investigator TiPS, Professor of Operations Management, Lancaster University Management School
- Jack Stanbury, Senior Project Manager, University of Bristol
- Jonathan Beaverstock, Principal Investigator Future Finance, Deputy Dean University of Bristol Business School
- Ketch Adeeko, Lecturer in Strategy and Entrepreneurship, University of Bristol

Transcript:

Animation:

Innovate UK, the UK's innovation agency.

Astrid:

Welcome to the AI for Services podcast series. My name is Astrid Ayel.

In this episode, we welcome our Innovation Adoption Accelerators teams. There are two Innovation Adoption Accelerators being delivered as part of our programme, and both are funded by the Economic and Social Research Council, ESRC. One is dedicated to professional services. It's called TiPS, which stands for Technology in Professional Services, and it is led by Lancaster University. And the other one is targeting financial services. It's called Future Finance and is led by the University of Bristol.

We have five academic experts today, so we can hear views from across the UK. Before we start, let me introduce you to our guests. From the TiPS team, we have Martin Spring, Professor of Operations Management at Lancaster University, and Tzameret Rubin, Senior Lecturer in Innovation and Management at Oxford Brookes. And from the Future Finance team, we have Jonathan Beaverstock, Professor of International Management at the University of Bristol, Jack Stanbury, who's the Project Manager of Future Finance, and Ketch Adeeko, Lecturer in Strategy and Entrepreneurship at the University of Bristol. Welcome to you all.



Tzameret, before we start, I'm turning to you because I think the audience will be thinking what is an Innovation Adoption Accelerator? They've probably heard of accelerator programmes before, but not of an Innovation Adoption Accelerator being led by a university. So could you let us know what it is?

Tzameret:

Thank you, thank you very much Astrid for the introduction. Yes, so normally when we say accelerator, people associate that to the technology side, to the supply side of technology. Only in the UK there are around 400 accelerators in specific fields. So our challenge was created by UKRI and ESRC just to help SMEs in particular in professional services to adopt technology. So how do you do that? We leverage on the concept of an accelerator and we built something that didn't exist before.

It's an Innovation Adoption Accelerator, when the emphasis is on the adoption side, right? That's what we're trying to do, to help those small/medium sized firms to adopt the glue that takes the technology - it doesn't matter which technology they choose - and glue that technology in going to digital transformation. And we have in our design in the TiPS accelerator, we have three forms of helping or accelerate innovation. And I'll let Martin describe what type of path we have.

Martin:

Thanks, Tzameret. Yes, the starting point was to realise that firms are at different levels of experience and maturity in adopting technology so we had designed the acceleration programmes accordingly. And we have one which we call foundational acceleration which is providing some short training support preceded by a diagnostic discussion to work out what firms can do. They're using a readily available technology that most firms have access to. And once they're trained in using it, they then seek to adopt it, try to adopt it in a particular small application in their firms. And they're supported in doing that. And like all accelerators, this culminates in a demo day where they demonstrate what they've done to the rest of the group.

The other two routes are called proof of concept and strategic acceleration, and they're longer. Proof of concept in particular uses the cohort mechanism and peer support as well as some mentoring and expert input and periodic progress review. So there's a structured programme of support from the academic team, from technical advisors and from one another. And again, culminating in an application typically of a more specific technology, so something that's specific to law or accountancy in a particular task in that area.



And then a very small number of firms who are still more experienced are doing some quite tailor-made programmes, again over about eight-ten months with academic input, very much focusing on their own particular project. There's some cohort and peer support, but that's less of an emphasis.

So we're letting the experienced firms really chart their individual path in that case. I should say that in both of those two cases, we're also providing some funding to help kickstart things like investing in licenses or procuring particular bits of consultancy support targeted at particular problems they may have.

Astrid:

Great, so it's really a free programme for firms and there's different strands depending on the maturity of firms in terms of their adoption of technology? But why are we doing this? What was the background to the programme?

Martin:

I worked on a previous project, also funded by ESRC and Innovate UK, which was called Next Generation PSF, Next Gen PSF. And we looked again at law and accountancy firms and it was more to do with exploring the current state of affairs and very specifically, more specifically, about AI adoption. But we learned a lot from that about the kind of challenges that firms have. We use some design thinking methods to bring those to the surface. So that informed our design here. So we drew on those insights really to identify the challenges that firms have and therefore design the intervention in the accelerators.

We'll work with overall perhaps 50, 60 firms in the accelerator directly, but the next stage and the longer term aim toward the end of the project is to extend that out, propagate the ideas and embed them in how other firms beyond those that we work directly with can learn from what we've done, and the professional bodies like the Law Society can pick up some of our ideas, work with them and help their members. So it's about in the end reaching and hopefully changing the whole sector.

Astrid:

Yeah, great. I mean, it's a wonderful uptake for this first programme to have already 60 firms involved and great that the knowledge will be disseminated across the sector. But Jack, can I turn to you and hear about Future Finance, which is the accelerator targeting financial services. What is it? Can you introduce the programme?



Jack:

Yeah, absolutely. So there's a lot of similarities between what we're doing and what TiPS is doing with it fundamentally being about supporting businesses to adopt something or implement something new. But yeah, essentially we're focused on the financial services sector. So we have three target sub-sectors within that as well. So primarily looking at financial advice, insurance and lending within the financial services sector.

So what we we're doing is combining quite a significant package of research which explores the barriers and drivers to innovation adoption within those firms. And then we're delivering the accelerator as kind of a separate piece of work, but very much aligned to what the research is telling us, which is very bespoke and very led by what that research is telling us. So we don't have predefined paths that businesses will go through, but rather it's a member's network.

So for any business that falls within kind of that criteria that I've just outlined can join and become a member of the accelerator and access any of the support that's available through that. Upon entry to that programme, they undertake what's called the Innovation Potential Assessment, which assesses them against six different kind of key dimensions of business operations. And that enables us to actually really quite simply tailor the programmes and training that we're delivering off the back of it to meet those needs.

So some of the themes that come out of it are things like leadership or change management, that kind of area. There's stuff around the actual ability to identify new technologies and horizon scan on your own. And then there's also the more specific technology application work that we do too.

So the support that comes through the accelerator comes in the form of, well, being part of a peer network is a huge benefit, part of it, but also training programmes. We have events that follow the themes that are coming out from the research to raise awareness. And we also have consultancy to support with the implementation of technology when it's been identified - or technology or innovation when it's been identified.

So there's a few different elements that we deliver within the accelerator. But yeah, each journey for each business is bespoke essentially. And we have an accelerator manager who oversees that journey, I suppose, and is the kind of key conduit between the businesses and the universities that we're working with. So we do have four universities on board as well. So we have expertise across all of those four universities. It's just making sure that we're providing the right support at the right time, I suppose.



Astrid:

Yeah, great. And just the assessment of where the firm is must be very valuable for the businesses just to know where they stand. Jonathan, can you tell us a little bit more about the partners involved within the programme?

Jonathan:

Yes, I can. The partners are very significant parts of the co-production of the accelerator and other activities. We are fortunate enough to work with organisations like the UK FinTech National Network, FinTech West and FinTech Scotland are very much involved in the programme.

The SetSquared partnership, which is a very successful set of incubator partnerships in the South of England, they're helping us to develop and craft our training and our guidance to SMEs. But I think what is really significant is that we're tapping into a range of financial service and dare I say professional services organisations. So organisations like Hargreaves Lansdown, organisations like NatWest, EY, Burges Salmon the law firm.

We've got some specialist FinTechs like Seccl, Ethical Equity. And an important part of the partners is also to have a footprint in the sort of local and regional technology innovation space. So organisations like techSPARK, TramShed, and quite recently we've cultivated quite a strong relationship with the Institute of Financial Wellbeing and also the Network of Credit Unions in England and Scotland.

And these organisations, as I said, are really significant because, you know, we rely on their feedback, their advice, to help us craft and develop bespoke training and advice packages for those organisations going through the collaborative challenge programmes and the accelerator, but equally at strategic level many of them are on our advisory board and on our steering group. So we have sort of, we have our finger on the pulse of technology and innovation and technology and financial services, but also with regard to the financial service organisations themselves.

Astrid:

Yes, and what do you look for in the financial services firms that you're helping? What do you look for in order to help or assist them?

Jonathan:

Well, there's a number of issues that we're looking for. Organisations are signing up to our diagnostic tool. So, you know, that gives us and them some understanding of where they need help. And equally,



we're using our peer network and our community through the UK FinTech network and through institutes like the Institute of Financial Wellbeing for them to help us identify organisations, primarily SMEs, that, you know, require some help and advice with regard to innovation adoption. I think there's a number of attributes. One is, you know, the fact that they are SMEs. The second thing is that they're in parts of the financial services community that isn't necessarily, you know, the vanguard of technology. So, you know, the constellation of SMEs around advice, the constellation of SMEs or not-for-profits that are involved with, you know, community-based finance, credit unions, and equally, you know, looking at the friendlies and the mutuals, you know, that service particular sorts of markets that may not be too savvy with innovation adoption.

Astrid:

I think the TiPS accelerator has already started the programme. So some firms have already been part of the programmes for several months now. Have you seen some progress? What have you witnessed within the firms that have taken part of the programme so far?

Tzameret:

So we started the old path, three paths in our accelerator. I can speak about the foundational path where we finished recently cohort one, we just started cohort two. And we can see already that some firms have been through significant transition. For example, there is a small company, they are from Loughborough, and they provide financial service, financial planning, accountancy and legal, and the two participants in our accelerator were two lawyers and they are not technical at all, and they were not leading any decision, strategic decision, about the digital transformation.

But following their participation in our accelerator, they realised they can lead across the organisation the digital transformation because it's not really about technology, which technology you would use, it's about designing a process, it's about connecting different units within the organisation, so that what they realise is there are shared services across the organisation, but they are not really connected. Every segment in the organisation is doing something in a different way. So there is a way to leverage on their resources to offer something or to use or to apply services across. So now they went through a change in their strategy about digital strategy, they found some new resources to convince their directors to allocate new resources for digital transformation.

That's only for participating in a few months in our accelerator. And there are several other examples where they learn how to think through what is the bottleneck of a process that is currently happening



now within the organisation and then do some kind of reverse engineering and look for a solution for themselves. And they can use it for designing one process, and then they can scale it up with other processes. So different application and different usages.

Astrid:

That's amazing that we're already seeing how a firm can transform and not, as you say, it's not actually about the technology, but it's about culture change and also, I guess, having the confidence to change things. And this is another part that I wanted to touch is that perhaps some of our guests are thinking, why is the Economic and Social Research Council involved in the programme? And the role of social science and the value that social science can bring to innovation and adoption of technology. So Jonathan, how could you sort of summarise what can social science bring to the sector in terms of innovation adoption?

Jonathan:

I think it can bring a number of very important things. One is the disciplinary excellence of a whole range of different disciplines. So with Future Finance we have scholars in entrepreneurship, in innovation, we have legal scholars, we have geographers, we have entrepreneurial scholars, and I think they bring their own research frontiers into the project. That's really significantly important. Essentially innovation adoption is very much about behavioural change in organisations and the cultural changes around change and that's significantly important in understanding some of the internal and some of the external issues. And I think there's another important point about the role of regulation and the regulatory frameworks present in future and the way in which organisations need to navigate through those regulatory issues and of course, you know, the role of the social sciences, whether that be through lawyers or through economists, I think it's a significantly important part of this process. I think also there's another issue about the way in which the social sciences, you know, are looking for the benefit of society. So it's not just about productivity gains. Importantly, what also is important is the benefit to society and those societal issues. Future Finance has started in the South West of England and in Scotland and from those two places, you know, we're scaling up. And it's important to have a regional lens on the different challenges of innovation adoption in those particular places. So again, different lenses to look at the same problem.



Astrid:

And so, yes, so your programme is also going to deliver research. So, Ketch, I just wanted to touch on the type of research that you'll be undertaking as part of Future Finance.

Ketch:

Thank you. Yes, well, there's a wide range of research outputs that will come about through this programme. We have case studies that we will look at where we will identify particular organisations that will give us an understanding of the barriers and challenges that financial services face. We'll also be able to feed some of that knowledge into the development of the accelerator itself.

So what's quite wonderful about the way that social sciences will interact with this programme is that we will see a dynamic understanding come to play and also see it reflected in the activities and the training that the different organisations who take part in the accelerator can benefit from.

So these case studies can follow through the journey of participants of the accelerator to see how they adopt the innovation, how they grow in doing so. There are also focus groups that are taking place. We're also seeing that that is enabling us to interact with community groups, so get a very engaged approach to the research as well.

Astrid:

Yeah, that would certainly be valuable for businesses also trying to provide solutions to firms. I think lot of the times this is the crook, isn't it? Is to find what are the business challenges where technology can help. But you were talking about community groups. Can you tell us a little bit more about that and the financial inclusion element of the programme?

Ketch:

Yes, of course. So part of the programme is looking not just at technology adoption, but also trying to encourage financial inclusion and understand how financial services can improve their accessibility. So there will be groups within society that perhaps have less interaction with financial services or underserved groups within the landscape.

And so this programme is hoping to identify through the research where those gaps are and how they can be resolved and addressed through technology. So it's trying to link all of that together. And by having sort of connections within the different community groups, we can hear unheard voices, so to speak, and have them be part of building the solution.



Astrid:

That's very exciting. So when do you plan for that research to be published?

Ketch:

Well, the research takes place alongside the accelerator. So as I said, it's a dynamic interaction. We are feeding themes through into the accelerator, but also researching the accelerator at the same time, all the people that are going through. So publications will take place, you know, sort of, we're midway, almost midway through. So here in out we will have publications in terms of white papers that have been produced. You know, that's research that is ongoing. And then academic papers later on.

Astrid:

Great! So basically just keep in touch because there's going to be reports and research coming out throughout the programme.

But can we now touch on sort of the main challenges of adopting innovation in the sector and perhaps sort of comparing notes between professional services and financial services? Although they are linked, I think one positive of our programme is that we're bringing them closer.

So Martin, you mentioned that through the last programme for Next Generation services, you had already undertaken research to look at the barriers of innovation. I was wondering if you can highlight some sort of key barriers that you found from the last programme, but also from the current accelerator programme you are running.

Martin:

I think that there's some things that are to do with the state of the supply market. The technology market is quite fragmented. There's no sort of small number of obvious solutions. Firms think they ought to do something but don't know where to start because the market is quite immature in that sense.

So in some ways our destination is to try and make it a little bit easier to navigate for the firms. So that creates a bit of an obstacle in knowledge terms in knowing what to do. And I should say, and we haven't stressed this, we include in our team a technology consultant as a co-investigator alongside the academic team. So we have some expertise there who are very familiar with working with those technologies and can help firms do a bit of that navigation.



There's some cultural or institutional factors that relate to the professions generally, and law and accountancy in particular. I've heard many times in the previous project lawyers saying, "no, we must get nothing wrong". So there's an instinctive, it's a bit like the Hippocratic Oath in medicine, I think they're really concerned about making errors which can have serious implications. And so there's a question of being able to trust the technology, being able to trust what the vendor's telling you about the technology. So how we overcome those concerns about the technology is another obstacle. And then there are some structural incentive obstacles as well because of the way partnerships work. And there's not a tradition of or established practice of making big investments in capital equipment like there might be in other sectors. Both for reasons of unfamiliarity and perhaps selfishness maybe even. There's a reluctance among professional service firms to put their hands in their pockets and make significant investments in technologies until they can see and be persuaded of the benefits for them as partners and for the business. So those are a few and I'm sure there are more besides.

Astrid:

I mean, yeah, there's definitely an opportunity to reduce costs. But are you also seeing, like in financial services, that there is a desire to grow the customer base and perhaps offer services to those who weren't seeking, who cannot afford legal services or small firms that might not have financial advice as much as other larger firms?

Martin:

And that's particularly evident again from the prior research that we did. I would say very few. I mean the rhetoric around AI is it's going to take people's jobs away, but very, very few cases I can think of where, you know, labour reduction and simple efficiency savings were the objective or the outcome. So in many, many cases, most cases, I would say there were opportunities that arose from using technology to developing services, work better, more effectively with customers, to even change the business model and the relationship with customers.

Particularly in accounting, I think there's evidence of the way in which technology can help accounting firms provide services more efficiently for very small, perhaps not so well organised, unsophisticated customers who need accounting services and the technology can help those sort of customers access good quality professional services that they might previously not have been able to.

So yes, there's a sort of social benefit and just helping businesses in the UK go about their business more effectively and at lower costs. There's sort of indirect benefits in that way as well.



Astrid:

Great. And so what are we seeing from financial services in the programme so far? Do those barriers resonate? Are there any others that we are seeing? Jonathan, do you want to add to those?

Jonathan:

Thank you Astrid, I will add. I think some of the points that Martin makes are very generic across financial services given they are knowledge intensive organisations. In many of the events and in some of the research, you know, there are big question marks around trust, around GDPR, around regulation, particularly consumer duty, FCA regulations.

And, you know, what was surprising to me was in some cases the reluctance of organisations to adopt innovation because it's not what they've always done. We've always done this and we always want to do this. We don't necessarily have the resources to invest in innovation. How are we going to find time to invest in innovation when time is money and money is time? So I think some sort of local sort of internal issues to organisations about scaling resources.

And I think the second major point, and Martin alluded to this, was just sort of an information knowledge deficit on what technology is in the market and what innovation and digital technology is in the market to help these organisations. And this is why in Future Finance, we're very much engaged with FinTechs, those organisations that have successfully adopted innovation, to help the SMEs through these particular journeys. And I think this is an important role that our different partners and stakeholders are playing in the project.

Astrid:

I guess this is also where the trust element comes because if there is lack of knowledge of what is possible, then there will be a trust issue that then will lead to firms not wanting to go there. So it's all sort of interrelated and that's where universities can have such a good place to play because it's an impartial view of what is possible.

Well, I think we're coming to the end of our time, but I just wanted to finish by asking you, like every guest that will come to our podcast, any piece of content that you like to share that you think would be interesting for our audience. I'm guessing you will direct us to some excellent piece of research. Martin, what would you like to suggest?



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Martin:

Can I have two? One, I would say there's rather a good toolkit on the previous project website, so NextGenPSF, which captures quite a lot of what we found about some of these barriers and issues in adoption and how to overcome them.

And then a book that I found useful is by Noah Waisberg and Alexander Hudek, who started Kira, which is a tech company that make software that law firms use. And it's called AI for Lawyers. And it's a good combination of the technology and the business rationale for using AI in law.

Astrid:

Perfect. We'll share those links. And Jack, are there any particular content that you'd like to share?

Jack:

Yeah, definitely. So we've quite recently produced a specific white paper for financial advisors, which is looking at the upcoming trends and technology trends within that sector specifically, and looking at how those technologies can be explored and implemented. So it covers things like common pain barriers that we found through our research, what the technologies are and a bit of an overview of those technologies, but also practical ways that businesses can start exploring how to implement that. So that is available. You can find it on our LinkedIn or you can find it on our network if you join that. But it also has links to programmes that we're delivering well. So it kind of is a good summary of the work that we've done in that particular sector. And we will be following it up with similar papers in all the other sectors that we're working in as well. So that's definitely a good place to start.

Astrid:

And from TiPS, Tzameret?

Tzameret:

Yeah, we are recruiting now firms - accountancy and law firms, small medium sized for our third cohort. And so please apply through our website, TiPS Accelerator. There is a green button just to click and fill in the expression of interest and we'll come back to you. And follow our output on our website for TiPS. We share lots of information there as well.



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Martin:

I could just add, we ran a festival of technology adoption in January this year, 24, and so we think we ought to make it a tradition. So there'll be another one in 25, in January, February, which will coincide with all our acceleration programmes coming to their demo day so that we should have a lots of stories to tell by early next year.

Astrid:

Brilliant. There's something to look forward to. I was going to ask, is the cohort open for all paths? So it doesn't matter which stage of technology adoption you are at?

Martin:

No, the only one where we're still recruiting is the foundational acceleration, the shorter training based one.

Astrid:

Yeah, first, the sort of basic.

Martin:

It's interesting though because although it turns out that's typically for smaller firms, even some of the bigger firms who have been involved in other areas of the activity are kind of interested also in getting some of the basics right. So I think that's something we've learned that different levels of requirement can exist even within the same firm. So it's not necessarily just for small firms.

Astrid:

Okay, great. Well, thank you so much everyone for joining our episode and we'll stay in touch with both accelerator programmes. We'll share the links and we'll see you at the next episode. Thank you very much.

Animation:

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