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Leveraging Data for Improved Productivity

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If productivity growth highly correlates with GDP growth, this means sectors with productivity gains can help achieve overall economic growth, says Aneesh Chopra, Chief Technology Officer of the United States. Chopra identifies three sectors in need of major productivity gains: healthcare, education and government. He also explains that many of the gains could be achieved through improved management of data.



Transcript

I'm going to share with you a graphic that was presented by McKinsey maybe two or three months ago, and it looked at the American economy and it identified the fact that productivity growth highly correlates with GDP growth. That is sectors of the U.S. economy that can deliver productivity gains will actually help us achieve that overall economic growth position. What this graph shows you though, is that few sectors of the U.S. economy have accounted for a disproportion of share of our productivity growth. And it's the sectors that you know; computers in the like, that have achieved worst luck consistently, and other sectors that have incorporated the kind of pressures that is the story of productivity. But I circled three on this graphic that have been either flat to negative on productivity growth; government as a sector, health care as a sector, and education as a sector, together accounting for 20 percent of the nation's GDP. If we are to achieve the long-term economic growth prospects, we will have to do so by unlocking these hidden opportunities for productivity gains. And one insight as to how one achieves productivity gains in a sector is in an MIT study that was published even earlier than that this year, looking at how firms in an industry outperform each other and it incorporates the notion that data-driven organizations, data-driven decision-making allows those firms to be much productive. In fact, they found that companies that are instrumented actually can achieve five to six percent productivity gains.

So one of the themes in this question about wireless infrastructure, is also a theme around liberating information so we can instrument sectors of the economy.