



Britain “on track to become a scaleup nation”: our fastest growing companies optimistic about their future growth despite the uncertainties of Brexit

EMBARGOED UNTIL 0001 ON 5 DECEMBER 2016

The UK is currently on track to become a ‘scaleup nation,’ according to the 2016 ScaleUp Review conducted by the ScaleUp Institute.

The 2016 survey of ScaleUp CEOs, published in full today, reflects that more than four out of five (83%) scaleup leaders expect their growth to continue despite the uncertainties created by Brexit. It also found two out of three survey respondents are already exporters; Europe and North America remain the core markets of focus for those seeking international expansion, followed by Asia.

These developments are encouraging, however, leaders still cite key barriers to growth in relation to developing leadership capacity, access to corporate buyers at home and abroad and access to the right talent and skills for their scaling businesses.

ScaleUp Headline Survey Results 2016 :

Building leadership capacity when growing fast: 88% of scaleup CEOs agreed that they would be able to grow their business faster if it were easier to develop the leadership talent at the firm. Scaleup leaders also place great importance on local support: more than seven out of ten said they would be able to grow faster if were easier to find **effective mentoring and professional support schemes** near them. The survey also showed a growing desire to see local universities and business schools develop executive education programmes tailored for scaleups and their teams.

Attracting large corporate companies as customers both at home and abroad: 86% of scaleup CEOs agreed that they would be able to grow their business faster if it were easier to attract larger corporates as customers in the UK

Access to talent and the right skill sets from schools and graduate leavers: 82% of scaleup CEOs agreed that they would be able to grow their business faster if graduates and school leavers had the skills needed to meet customer demand including business and general management alongside technical abilities.

One of the critical factors that can unlock private and public support is the ability to identify these businesses on a timely basis so that they can get the right level of local support at the right time.

The 2016 ScaleUp Review has 10 recommendations for action across the country, with the number one priority being the better use of data held nationally to identify our UK scaleups on a more timely basis. 90% of scaleup leaders want key HMRC data more readily shared - on an opt-in basis - across public and private sectors in order to attract essential support to continue their expansion.

Commenting on the 2016 ScaleUp Review, Sherry Coutu, CBE, Chair of the ScaleUp Institute and author of the 2014 ScaleUp Report said :

"I am pleased to report that there is an increasing proportion of scaleup companies per capita in most communities across a variety of sectors in the UK.

Closing the scaleup gap helps citizens by driving local jobs and opportunities.

However, as the review highlights, we have found regional disparity in the number and density of scaleups per capita on a community-by-community basis across the UK. In some communities there has been a widening of the scaleup gap, while others enjoyed decreases in the scaleup gap. To make Britain work for all, we must close the scaleup gap throughout the country in coming years.

A key factor enabling us to drive down this regional disparity lies in using data held centrally by government to draw attention to the communities closing their scaleup gaps, so their achievements can be celebrated, and so that the techniques they used to remove barriers that hinder their scaleups can be shared with leaders of communities suffering from a shrinking number of scaleup companies.

I am confident that the recommendations in the review will make Britain work for all of us.

I invite all stakeholders interested in the prosperity of our citizens, to join us in mapping the best interventions across the UK that remove barriers hampering the growth of scaling businesses. Working together we can continue the excellent progress made in the last 2 years to close the scaleup gap identified in the 2014 ScaleUp Report. We look forward to collaborating with you. "

Notes to Editors:

About the ScaleUp Institute

The ScaleUp Institute is a private sector-led organisation that is focused on closing the 'scaleup gap' by creating a supportive public and private sector ecosystem that enables scaleup companies to fulfill their potential. It builds on the pioneering research and recommendations published in the 2014 ScaleUp Report, collaborating with policy makers, corporate partners and educational establishments to make a real and identifiable impact. The ScaleUp Institute is supported by Goldman Sachs Foundation and 10,000 Small Businesses UK, BT, Better Business Finance, Business Growth Fund, Google, the London Stock Exchange, Innovate UK, Olswang, Smith & Williamson and a range of other advisory, finance, research and industry sector parties. It is chaired by Sherry Coutu CBE and its CEO is Irene Graham.

The 2016 ScaleUp Review and Survey available at <http://www.scaleupinstitute.org.uk/scaleup-review-2016/>

The scaleup survey was conducted in September 2016. It was completed by more than 300 CEOs of scaleup businesses across the country in over 16 different sectors - which employ more than ten staff and are growing revenues or employee numbers at more than 20% per annum. A copy of the full ScaleUp Review and Survey is enclosed and online at <http://www.scaleupinstitute.org.uk/scaleup-review-2016/>.

In 2014, the number of scaleups in the UK was 10,754. The annual target was set to achieve one additional net scaleup per capita on a national basis. It is encouraging to report that the number of businesses in the UK that can be classified as scaleups rose to 11,575 in 2015, which exceeds the target set. This is according to the ONS Business Structure Database based on IDBR (figures may differ by small amounts from those published in ONS outputs due to the application of rounding methodologies).

The 2016 ScaleUp Recommendations are listed here

Recommendation 1

We recommend that 'scaleup status' is officially recognised as a formal business classification and that national datasets are utilised to allow the verification of a company's 'scaleup status' so that national, local, public and private sector organisations can collectively drive economic growth more easily.

Recommendation 2:

We recommend that local stakeholders have funding they receive from central Government tied to whether or not their strategy addresses closing the scaleup gap and whether or not this strategy is working.

Recommendation 3:

We recommend that central Government make a Minister accountable for closing the scaleup gap and local governments and local stakeholders should make someone responsible for the same.

Recommendation 4:

We recommend that the Department for Education and Local Enterprise Partnerships use their convening and promotional power to guarantee that students at schools, colleges and universities come into contact with the top 50 scaleup business-leaders within 20 miles of their establishment. Additionally, that an API to the National Pupils database, with suitable protections, is made available so that the impact of these interventions can be measured.

Recommendation 5:

We recommend that a 'Scaleup Visa' be made available in communities where there are 100 + scaleup companies to enable scaleup leaders to recruit staff they need to increase their capacity to grow.

Recommendation 6:

We recommend that national and local stakeholders prioritise the signposting of high quality mentorship programmes and develop effective matchmaking between peers and non-executive directors who have scaled businesses before. Local and national educational institutions should prioritise the introduction of high-quality flexible courses designed to help scaleup leadership teams with their development needs. Better connection should also continue to be made between national programmes and local ecosystem leaders to encourage scaling business leaders to apply to courses with known impact.

Recommendation 7:

We recommend that public bodies report on the level of procurement they source from, and the collaboration they have with, scaleup companies and their funding should be tied to increasing this amount.

Recommendation 8:

We recommend that large companies report on the level of procurement they source from scaleup companies and the collaboration they have with scaleup companies. Any procurement contracts with Government should require an increase in the amount of business undertaken with scaleups.

Recommendation 9:

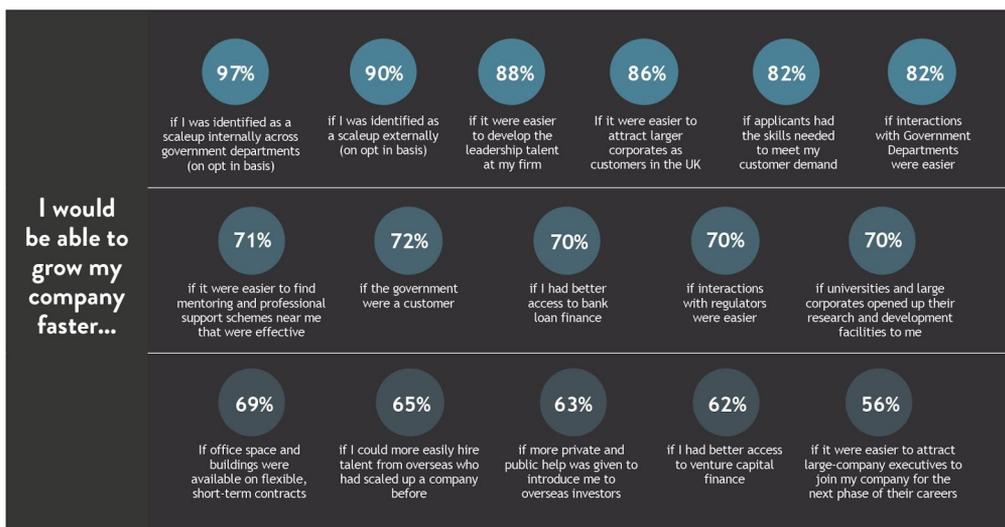
We recommend that agencies that interact frequently with scaleups, such as the Border Authority, Listing Authority and HMRC, have fast-track procedures for scaleups and report on these in relation to peers in other countries.

Recommendation 10:

We recommend that Government and industry ensure that progress is made closing the finance gap and ensure that education on growth finance is included as a core curriculum in all local scaleup leadership courses.

SCALEUP UP SURVEY 2016 AT A GLANCE

Views from more than 300 scaleup leaders



<http://www.scaleupinstitute.org.uk/scaleup-review-2016/>

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