



CHAPTER 2

LEADING PROGRAMMES
BREAKING DOWN THE
BARRIERS FOR SCALEUPS

LEADING PROGRAMMES BREAKING DOWN THE BARRIERS FOR SCALEUPS

The needs of scaleup business leaders remain clear and consistent. With ambition to grow and scale even further and faster, they want: talented workforces; opportunities to share and learn from successful peers; wider access to markets both at home and overseas; and access to growth finance that is ‘patient’ and ‘smart’.

Many are looking to base their operations in supportive but flexible environments in which they can gain from the experience of others and be able to expand rapidly.

In recent years the number of scaleup initiatives and programmes which can meet these specific needs has grown exponentially. However, scaleup business owners, focused on the day-to-day efforts of running their companies, often do not have the time or resources to identify or search out the programmes that will have a real impact on their business.

A central role of the ScaleUp Institute is to identify what is working well in both national and local scaleup programmes and to share emerging best practices. This saves the scaleup leader time so they can focus on building their business.

We will only highlight exemplar programmes that have been able to provide evidence that demonstrates a measurable impact in addressing issues faced by leaders seeking to overcome the challenges we mentioned above.

Our historical approach has been to endorse well evidenced programmes with proof that they are making a significant impact on businesses across the country. We also highlight new programmes which look promising but where not enough time has yet passed to receive our endorsement. We refer to these as ‘ones to watch’ to ensure they are on our radar. We will not endorse any programme without having researched

and verified the evidence supporting the claims made.

This chapter of the Review reports the progress of the case studies we featured in 2016, but our main focus is to describe newly-endorsed case studies and highlight a number of ‘ones to watch’.

As well as signposting to scaleup business leaders that these high-impact programmes can facilitate their growth, we believe that they provide valuable lessons and insights about the development of impactful scaleup initiatives and ecosystems from which others can learn.

A significant element of most of these case studies is the valuable role played by account managers. It is now clear that those seeking to help scaleups need to be trained in what is required by these businesses because the needs of those leading growing businesses are dramatically different than those leading startups, SMEs or Large Enterprises. An account manager can use common frameworks developed elsewhere to ensure their programmes are relevant to scaling businesses. They can signpost to other private and public sector programmes known to be effective.

The ScaleUp Institute considers the Mayor of London’s International Business Programme an initiative that other City and Metro Mayors can replicate to strengthen their local economies by boosting the density of scaling businesses through access to new markets and customers overseas. It also has

valuable lessons for the Department for International Trade and the private sector on how to structure an effective international scaleup programme and trade missions that deliver meaningful results.

For raising aspirations and developing skills for the future, we recap on the work of Founders4Schools and feature Freeformers, which is helping employees develop digital mindsets and spreading digital skills across communities by giving young people opportunities through its novel ‘one_for1’ approach.

Executive education and leadership training remain a priority for scaleup leaders. Significant progress is being made by the programmes we featured in 2016: Goldman Sachs 10,000 Small Businesses UK and the London Stock Exchange ELITE have broadened their national reach, with ever deeper connections at local level.

This year we turn the spotlight on networking groups, business schools, and libraries which offer successful leadership training, mentoring and peer-to-peer networking for scaleups. The Supper Club, Cranfield Business School,

and British Library are all demonstrating models of engagement, impact and growth results for their business participants that others should seek to emulate.

At a time when ‘patient capital’ is at the forefront of policy, this report identifies a number of financial institutions that are offering smart long-term funding options attractive to scaleups. We hope to see more of these options as the outcomes of the UK Government’s ‘Financing Growth in Innovative Firms Consultation’¹.

Finally, we focus on exemplar infrastructure projects that put scaleup businesses ‘on the map’ by making them easier to engage with – such as the Cambridge Cluster Map – or by providing flexible, supportive environments – such as the Engine Shed in Bristol and Level39 in London.

In the following pages, we describe the case studies in more detail. The ScaleUp Institute is always looking to expand this directory of recommended programmes for scaleups and welcomes suggestions of further well-evidenced and high-impact initiatives.

	NEW CASE STUDIES FOR 2017		CURRENTLY ENDORSED CASE STUDIES
 TALENT AND SKILLS ONE TO WATCH	Freeformers		Founders4Schools  Google Digital Garage Lifeskills, created with Barclays
	Careers and Enterprise Company (CEC)		
 LEADERSHIP ONES TO WATCH	British Library – Innovating for Growth Cranfield Business Growth Programme Supper Club		London Stock Exchange, Elite  Goldman Sachs 10,000 Small Businesses UK
	Entrepreneurs Forum: Scale-Up Leaders Academy 		
	Platinum Group Strathclyde: Growth Advantage programme		
 ACCESS TO MARKETS	Corporate Stars Mayor of London’s International Business Programme: Go to Grow Sharing in Growth (SiG)		Silicon Valley Comes to the UK (SVC2UK) 
 FINANCE	Enterprise Capital Funds, British Business Bank Octopus Venture Titan VCTs Venture Debt: Barclays		BGF  London Stock Exchange, Elite Santander Breakthrough
 INFRASTRUCTURE ONE TO WATCH	Cambridge Cluster Map Engine Shed		Google Campus  Entrepreneurial Spark, NatWest
	Level39		
INTERNATIONAL			Manizales Mas  Scale-up Milwaukee Endeavour

¹ <https://www.gov.uk/government/consultations/financing-growth-in-innovative-firms>



TALENT AND SKILLS

NEW CASE STUDIES FOR 2017



Freeformers

CURRENTLY ENDORSED CASE STUDIES



Founders4Schools
Google Digital Garage
Lifeskills, Created with Barclays

ONES TO WATCH



Careers and Enterprise Company (CEC)

The size of the skills gap and its impact on scaleups has been consistently cited as the most significant barrier to growth since the inaugural 2014 Scale-Up Report. The importance of building and developing the pipeline of appropriate talent and skills is clear.

In the 2016 Annual Review we noted how large corporates, charities, business schools, and universities, working alongside local authorities can help scaleups with talent acquisition. It is encouraging, therefore, to see how in 2017 larger corporates and scaleups are continuing to promote the agenda in developing school, student and employability skills. **LifeSkills**, created with Barclays, remains a notable exemplar programme. This year we particularly draw attention to **Freeformers**' 'one_for1' programme, which delivers one free hour of learning to a young person for every hour of learning it delivers to a business person in a larger company.

In this year's survey, one-third of scaleups (34%) ranked social skills as the most important for school leavers and graduates. More than three-quarters (76%) placed social skills as one of their top three skills followed closely by business and technical ability. With technical/digital skills remaining so vital it is essential that there is an expansion in programmes such as **Google Digital Garage**, which aims to nurture digital expertise among small and medium-sized enterprises, and **Freeformers**, which is creating a digital competency standard and access to free learning content that can be used by any scaleup.

In 2017, we dived deeper into scaleups' requirements for their future workforces. We asked for their views about crucial future skills. Critical thinking – the ability to analyse a situation and make

a decision – was deemed to be of the greatest value. Organisations such as the **Careers and Enterprise Company (CEC)** and **Founders4Schools (F4S)** are playing an important role in raising aspirations and awareness among students about the skills needed by scaleups now and in the future workforce. It is encouraging to see the expansion of F4S in 2017 alongside their launch of a work experience service, while CEC is in our 'one to watch' category as we evaluate the progress it makes across England with its Enterprise Adviser network and programme of school and business connections.

We hope others will learn from these programmes, emulate them and engage with them – the UK remains far behind on the skills needs of its workforce for scaling firms, and we need to redouble our efforts across the private and public sector to close the skills gap.

IMPACT
FOR
SCALEUPS

UPSKILLED
3,500

TALENT AND SKILLS
TRAINED
2,500

INCREASE IN SKILL LEVELS
55%↑

FRONTLINE STAFF HELPED
IN 12 COUNTRIES
40,000

Established in 2012 and now operating in 12 countries, the workforce technology company Freeformers is focused on building the digital economy by helping companies to develop the digital skills, behaviours, and talent that they need to be successful. They are making a difference by adopting a dual approach that combines training within companies and external training that prepares young people to make an impact in the workplace.

Freeformers accelerates the growth of the businesses they work with through digital transformation from within by developing digital competence and confidence. This is achieved through the use of a digital competency standard, created by Freeformers, and access to free content on their social learning platform that can benefit any scaleup. This approach sustains self-learning, group-facilitated sessions and peer engagement on a global scale.

DIVERSE DIGITAL TALENT FOR ORGANISATIONS

The **'Freeformers Adopt'** programme transforms a business from within by helping staff develop a digital mindset. Experts carry out a digital skills audit, linking it to the specific challenges of an individual business. **Freeformers** then provides a blend of bespoke coaching, technology and consultancy services. Its **'Pulse Platform'** allows a business or individual to measure the impact of transformation and mindset shift in real-time.

Through its **'one_for1'** programme, Freeformers delivers one free hour of learning

to a young person for every hour of learning it delivers to a company individual. **The Freeformers Academy** injects young, diverse, digital talent into organisations on a structured, one-year programme. The aim is to bring fresh thinking and new perspectives to the host companies, enabling them to overcome inertia and reach the audiences of the future. These young people are supported throughout with a structured training programme that includes 12 months of learning and paid work within an established business.

The Academy has already improved the skills of 3,500 young people through this programme, and is now placing them as change agents inside the companies they are working with.

To date, Freeformers has helped 40,000 frontline staff in 12 countries build confidence in digital skills and has trained 2,000 staff in head office jobs to adopt new ways of working.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

"I discovered the bridge between different languages – I'm a CEO and I now understand what my CTO is talking about."
PRIYA LAKHANI OBE
CEO, Century Tech

"Freeformers is helping us accelerate our non-digital teams to develop a digital mindset, have a clear process for innovation and understand how our digital products are built to ensure we move at pace."
SEAN CORNWELL
Chief Digital Officer,
Travelex

+ CALL TO ACTION

Scaleups can benefit from the work of Freeformers in their current employment base, while at the same time upskilling young people. Further larger corporates can also engage with Freeformers thereby accelerating their 'one_for1' programme. We encourage further collaboration.

UPDATES ON CURRENTLY ENDORSED CASE STUDIES FROM 2016



LIFESKILLS, CREATED WITH BARCLAYS

LifeSkills has been running for three years, helping 4.5 million young people prepare for the world of work. Over 83% of UK secondary schools, 65% of UK Further Education colleges, and 38% of universities have registered for the programme.

LifeSkills focuses on three key areas: work skills, people skills and money skills. Teachers and tutors have received more than 60 hours of free curriculum-linked employability resources. Interactive tools are provided for young people to learn in their own time or with their parents through a dedicated parents section. The programme also provides a virtual work experience tool helping young people to experience a day in the life of a business.

Each year the independent Work Foundation assesses the impact of the programme. The 2016 evaluation found that 83% of participants feel more confident to succeed in a job, 72% per cent are motivated to achieve more, 53% are more motivated to get a job, and 68% feel more confident about the future. Young people have taken positive action as a result, with 55% taking up volunteering or work experience.

FOUNDERS4SCHOOLS

Founders4Schools (F4S) builds smart connections between schools and the world of work. As an EdTech charity, it is dedicated to improving the ecosystem for scaleups by closing the skills gap. F4S works with enterprise advisors, school co-ordinators and head teachers in primary and secondary schools throughout England and Scotland to help their pupils aged 8 to 16 reach the milestone of at least four encounters with employers each year and to help their pupils aged 16-24 reach the milestone of 140 hours of work experience placements.

F4S works nationally and locally with organisations including the Science Park Association, the LEP Network, LinkedIn, Duedil, the CBI, FSB, IOD, Chambers of Commerce, LEPS, Local Authorities and CEC. National partners include the BBC, Barclays Bank, The Evolution Trust, Peter Cundill Foundation and Nominet Trust. Local partners include regional government such as Camden Council, as well as public, private and third sector business, and community support groups and networks.

Their programmes help educators to connect with successful, growing businesses through a wide variety of career and business encounters. Their work-experience service, Workfinder, which is available on mobile phones, puts the young person at the centre of the search process and enables them to gain work experience and apprenticeship roles with fast-growing businesses within their local communities. The programme is sustained by more than 2,000 partners and 35,000 business leaders of startups and scaleups who volunteer their time.

More than 95,000 young people have had on average two encounters with business leaders. After such encounters, 96% reported feeling inspired by the speakers, 87% said they wished to go into business (versus the national average of 60%) and 54% were keen to go on to study STEM subjects (twice the national average).

F4S is now working to recruit 300,000 business leaders onto the programme by June 2018.

GOOGLE DIGITAL GARAGE

Google Digital Garage provides UK businesses with free skills training and assistance to improve their digital capability, giving advice on how to use online tools from social media to maps and data analytics.

Google works nationally and locally with organisations including the Chambers of Commerce, LEPs and Job Centres. National partners include the Department of Culture, Media and Sport, Lloyds Banking Group and The Good Things Foundation. Local partners include regional government as well as public, private and third sector business and community support groups and networks.

In 2017, 2,000 people per week received training, both online and in person at pop-up venues across the UK. This is five times more people receiving training than in 2015. More than 200 locations have been covered, with major hubs in Leeds, Manchester, Sheffield, Birmingham, Cardiff, Glasgow and Newcastle.

Independent research has shown that 88% of participants made changes to the way they run their businesses online, 49% had seen an increase in website visitor numbers, and 32% had seen an increase in customer numbers.

CAREERS & ENTERPRISE COMPANY (CEC)



Since June 2015, the Careers and Enterprise Company (CEC) has been connecting schools, colleges and careers providers to the world of work, ensuring young people are prepared and inspired to take up the jobs of tomorrow. The CEC uses its “cold spots” analysis to target its resources in areas of England most in need of additional careers and enterprise support².

BUILDING LOCAL NETWORKS TO CONNECT SCHOOLS WITH WORK

Funded and backed by the Department of Education, the CEC’s mission is to join up the fragmented landscape of careers and enterprise. The focus is to enable the best programmes to scale up their work and do more in the areas where they are needed most.

CEC builds local networks to connect employers with schools and colleges, opening pupils’ eyes to the skills and competencies that business require. By providing meaningful work experience, employers help schools with work-related learning, co-delivered by teachers. 1,700 Enterprise Advisers (60% at CEO or senior management level), who are business volunteers located in LEPs work directly with school leadership teams to develop effective employer engagement plans and with local businesses to equip young people with the skills they need. There is a threefold increase in the number of schools and colleges with employer engagement plans in three months after

being appointed an Enterprise Adviser.

The CEC Fund provides grants to ensure effective programmes reach young people. Nearly £10m has been invested in more than 100 proven careers and enterprise programmes, matched by £11m from external funding with approximately 75% invested in “cold spot” areas. So far 250,000 young people have benefited and there have been 170,000 new encounters between young people and STEM employers. CEC also operates a Mentoring Fund which has invested £4m in 39 mentoring programmes. This funding will support 25,000 pre-GCSE teenagers at risk of disengaging from education by 2020.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

² <https://www.careersandenterprise.co.uk/research/publications/understanding-careers-cold-spots-2016>

BUILDING A TALENT PIPELINE



Scaleups continue to highlight their need for employees with the right skills and experience as their number one barrier to growth. However, there are ways we can raise aspirations and develop the skills of the future workforce.

- 1 ENGAGE EARLY WITH SCHOOL CHILDREN.** Inspiring and motivating young people – including at primary school stage – helps them to make informed choices about subjects that guide their future career paths. After participating in Founders4Schools (F4S) initiatives, a significantly higher proportion than the national average said they wished to go into business or were keen to go on to study STEM subjects.
- 2 CREATE WORK PLACEMENTS.** Currently only 8% of young people take part in work experience placements at the moment, yet research shows that this level of exposure to the world of work makes young people more employable and more successful. It also showcases to young people what work opportunities exist in their local communities and helps create a talent pipeline for businesses.
- 3 FOCUS ON THE LOCAL ECOSYSTEM.** Know your local priorities, and target resources accordingly. Connect employers with schools and colleges in a local network to identify opportunities for engagement and open the eyes of pupils to local opportunities in scaling businesses. A city-to-city, local-to-local approach shows significant results as exemplified by F4S. In one project in Stirling, Scotland, a 10-fold increase in student-employer encounters brokered on a monthly basis was recorded.
- 4 COMMIT SENIOR RESOURCES.** Involvement of CEOs and senior managers adds credibility and weight to employer-school engagement plans and demonstrates the organisation's commitment to growing skills and talent.
- 5 USE EFFICIENT PLATFORMS.** Use digital resources to highlight work opportunities in scaling businesses and reduce the cost of connecting business leaders to their local schools, while increasing the productivity of teachers and the attainment of students. An educator using conventional tools to connect with business leaders in their community takes five hours on average. They achieve the same goals in fewer than four minutes when using a digital resource such as F4S the first time and 15 seconds thereafter.



LEADERSHIP

NEW CASE STUDIES FOR 2017



British Library –
Innovating for Growth
Cranfield Business
Growth Programme
Supper Club

CURRENTLY ENDORSED CASE STUDIES



Elite, London
Stock Exchange
Goldman Sachs, *10,000
Small Businesses* UK

ONES TO WATCH



Entrepreneurs Forum:
Scale-Up Leaders
Academy
Platinum Group
Strathclyde: Growth
Advantage programme
Cambridge Network,
School for Scaleups

The 2017 ScaleUp Review reinforces the importance of building leadership capacity in high-growth companies. Seven out of ten scaleups say that leadership development is “vital” or “very important” to the continued growth of their business and cite the ability to better access **local** peer-to-peer networks, effective leadership development programmes and mentorship schemes as essential.

Established national scaleup programmes such as Goldman Sachs *10,000 Small Businesses* UK and the London Stock Exchange’s Elite are testament to the value of structured executive education programmes, involving leading academic organisations, in building leadership capacity. For example, alumni of **Goldman Sachs 10,000 Small Businesses** UK are three times more likely to create jobs than other UK small businesses and have grown revenues by an average 81% per year. The UK cohorts of the **London Stock Exchange’s Elite programme** have increased average profitability by 33%.

This year we have also endorsed the **Cranfield Business Growth Programme (BGP)** for its work in high-quality executive education. Since 1988, more than 2,300 participants have been through the programme, and on average, they grow their profits year-on-year by 40%.

The importance of high-quality programmes that enable scaleup leaders to link with peers based locally on a similar growth journey is increasingly recognised. **The Cambridge Network’s School for Scaleups** and **Strathclyde’s Growth Advantage Programme (GAP)** differ in their approach but share core elements: active and deep engagement with a local business school and the facilitation of peer-to-peer networks and support driven in classroom and alumni environments. These programmes are ‘ones to watch’ in coming years.

Universities, Business Schools and corporates are not the only organisations to have infrastructure that can be deployed for the development of leadership talent in scaling businesses. **The British Library’s Innovating for Growth** programme leverages its unique assets and expertise in intellectual property management to enable ambitious business owners to scale to greater heights. To date, this programme has supported over 300 diverse scaling businesses. 43% of participants in last year’s cohort were female-led businesses and 39% were Black, Asian and Minority Ethnic (BAME)-led businesses. This focus is endorsed by the ScaleUp Institute for its reach into a truly diverse community of scaleup leaders.

Scaleups are also clear that local access to experienced talent and peers with the experience of growing a business is vital to helping the business develop further. In fact, nine out of ten scaleups believe peer-to-peer networks are vital sources of help when growing their business.

The Supper Club, which we re-endorse in 2017, has championed peer group networking and learning for the past 14 years. They have built a successful and important scaleup programme which facilitates peer introductions and provides access to people with relevant experience in scaling a business.

We are also encouraged by the growth of local peer learning environments in which

communities of growth-oriented owners and business leaders can develop.

For example, the **Platinum Group**, which was formed by the Black Country Chamber of Commerce, sustains peer-to-peer learning and shared experiences among scaleup leaders in a number of priority regional sectors. Swindon and Wiltshire with its **Inspire Elite** programme has shown the value scaleups place on such a network.

Strong, trusted peer networks between scaleups can have a powerful impact on their individual performance, so they must be fostered. But no network can be an island. It is vital that local peer networks and leadership programmes are aware of, and connect into, national scaleup programmes. Equally, national programmes must embed themselves with local infrastructures to create a virtuous circle for our scaleup business leaders.

UPDATES ON CURRENTLY ENDORSED CASE STUDIES FROM 2016



GOLDMAN SACHS 10,000 SMALL BUSINESSES UK

Since 2010 Goldman Sachs *10,000 Small Businesses UK* programme has helped accelerate the growth of high-potential small businesses through practically-focused business and management education. Each year three cohorts participate in the programme. Since its launch, more than 1,300 businesses have benefited from this programme.

As well as high-quality education delivered by university partners, the programme offers networking and peer learning opportunities. Competitively-selected businesses have the opportunity to take part in over 100 hours of education – both online and residential – funded by the Goldman Sachs Foundation.

A recently published impact report that showed that *10,000 Small Businesses UK* alumni were three times more likely to create jobs than other UK small businesses and grow revenue at 81% per year. 77% had increased training opportunities provided to staff, 64% launched a new product or service in the year after completing the programme, and 70% had sought external financing.

A recent survey showed that compared to just 19% of the general UK business population, half of the 10KSB alumni are exporting, with 71% of these planning to increase their exports over the next 12 months, and 17% of those not exporting intended to start in the next 12 months.

ELITE, LONDON STOCK EXCHANGE

ELITE was established to link scaleups with industry experts, corporate advisory and investor communities. The 18-month programme provides a range of structured modules to help scaleups prepare and structure for further growth in new and international markets as well as external investment.

The first programme was set up in Italy in 2012, the UK programme in April 2014 and an international programme established a year later. Over the past four years the programme has helped over 600 companies from 25 countries to expand, connect to the right network and explore different capital options.

Focusing on the two cohorts of UK companies that joined in 2014 and completed the programme, the growth data shows:

- Average turnover growth increase of 24% – profitability increase of 33%
- €4.6bn raised by companies
- 10 companies listed on a public market

To strengthen the current ELITE offering and facilitate easier access to capital, ELITE Club Deal was launched to link companies to professional investors with a host of funding options, including shares, bonds and convertibles.



IMPACT FOR SCALEUPS



“Innovating for Growth” is a relationship-managed programme, designed and delivered by the British Library Business & Intellectual Property Centre (BIPC) and selected private sector partners. Participants are owners of established businesses that have been trading for more than one year and have aspirations to grow their business through innovation.

The BIPC has an 11-year track record in supporting entrepreneurs and business owners to start and run successful businesses. The cornerstone of their service is free access for entrepreneurs to the UK’s most comprehensive collection of business and intellectual property information, combined with free and affordable workshops, one-to-one advice, mentoring and networking events. These training elements are designed to give people the vital skills and knowledge they need to run a viable business. To date, over 550,000 people have used the centre (including repeat visits), with independent research showing that businesses that use their services are four times more likely to be successful and sustainable than the national average³.

Innovating for Growth was launched in 2012 in response to demand from ambitious businesses owners using the BIPC who wanted support to innovate, create jobs and fulfil their growth potential. The three-month bespoke programme consists of six modules, delivered on a one-to-one and workshop basis comprising at least 21 hours of support. The programme is delivered by BIPC staff and selected private sector partners. It also helps entrepreneurs to make the most of the British Library’s expertise in IP management and business research.

Each business owner is paired with a account manager who oversees the engagement, acts as a counsellor and refers participants to relevant services. They can draw on customised business and market research and IP advice to produce a viable business growth plan. There are regular reviews after completion of the programme to track progress against the plan and measure outcomes in terms of new processes and services developed, turnover, Gross Value Added (GVA), and job creation.

Participants also become members of the “Growth Club,” which features events and peer-to-peer networking. The British Library now has an alumni network of over 300 scaleup businesses and has reached out to a diverse community of business leaders. Notably, in last year’s cohort 43% of the participants were female-led businesses, 39% were Black, Asian and Minority Ethnic (BAME)-led businesses.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

“We received bespoke, expert guidance, advice and reassurance as well as a priceless opportunity to step back from our growing business and understand our long-term focus. Since the course, sales are up threefold. *Innovating for Growth* has fast-tracked our performance by several years while the Business Centre’s resources, particularly with regards market research and IP continue to be one of the most powerful tools in our business toolkit.”

WARREN POLE
33 Shake

“*Innovating for Growth* was the lens which helped focus our plans. I would recommend this programme to any entrepreneur, but especially those who are less experienced in leading and growing a business.”

RICHARD SINCLAIR
SNO



CALL TO ACTION

Other programmes are encouraged to learn from the reach of this programme into a truly diverse community of scaleup leaders.

³ Source: Adroit Economics, July 2012 and July 2015.



CRANFIELD SCHOOL OF MANAGEMENT: BUSINESS GROWTH PROGRAMME



IMPACT FOR SCALEUPS

ON AVERAGE IN LAST 3 YEARS:



JOB CREATION

14% ↑



REVENUE GROWTH

19.1%



INCREASED PROFITS

41%



INCREASED SALES (AV)

21.2%



LEADERSHIP AND OPERATIONAL CAPACITY

Stronger leadership capacity reported



CONNECTIONS

made through peer-to-peer networks and with over 2,300 alumni



ACCESS TO MARKETS

15.9% more businesses are exporting

Cranfield's Business Growth Programme (BGP) is a well-established leadership development programme for ambitious owner-managed businesses with the potential for growth. Since its inception in 1988, more than 2,300 participants have been through the programme.

DEVELOPING LEADERSHIP CAPACITY

Typical participant businesses have been operating for at least three years, with turnover between £1 and £10m. The nine-month programme is delivered in modules over four weekends. Between modules, participants develop their strategy of change for the business and make immediate improvements and after the final module they present their new strategic plan to a panel of BGP team members and independent advisors. Three months later, participants reconvene to review progress against the plan.

Participants are allocated a business counsellor who is dedicated to working with them and who will visit their business. Counsellors are often entrepreneurs, who have developed, grown and sold their own businesses. During the programme participants also benefit from peer group input, challenge and support.

After the programme, alumni may also join regionally-run BGP Clubs providing a network of support and mentoring. Alumni also support the programme by sharing their personal experience with current participants, providing funding and scholarships, as well as mentoring and support networks.

For the past three years the BGP Barometer has measured programme outcomes. This demonstrates how BGP businesses grow their sales, revenue, profits and job opportunities faster than their peers. BGP businesses are also optimistic about future growth opportunities in imports, exports, jobs, profit and sales. On average BGP companies grow their profits year-on-year by 40%.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

"After 16 years of trading the business has doubled in value over the last 18 months. Growth and profits are all up versus the corresponding period last year. The Cranfield BGP course is and will probably remain the single best investment decision I have ever made."

TONY LOWES
Managing Director,
Leveredge Telecom
Services

"We were learning from real business challenges and identifying real opportunities for our own business."

TRISTRAM MAYHEW
Founder and Chief
Gorilla, Go Ape

"In the first full year since BGP, our profits went from zero to £1.5m."

RICHARD SALVAGE
Founder, Shield Medicare

+ CALL TO ACTION

A high-quality programme which demonstrates the value of linking scaleup leaders with peers both in a classroom environment and onsite at the business. Others can learn from the measurement and impact analysis of the programme.

STRATHCLYDE BUSINESS SCHOOL: GROWTH ADVANTAGE PROGRAMME



The Growth Advantage Programme (GAP) at Strathclyde Business School is an executive education and structured peer-learning programme. Launched in 2015 and supported by Santander Corporate and Commercial, the programme is for the leaders of Scottish businesses with a minimum turnover of £1m and ambitions to scale up.

WORKING WITH PARTNERS TO CREATE A GROWTH ADVANTAGE

GAP brings together a range of stakeholders: Entrepreneurial Scotland, the Institute of Directors in Scotland, Scottish Enterprise, and Highlands and Islands Enterprise, who signpost their growth companies to GAP.

Over a ten-month period, participants in each carefully-chosen cohort attend five two-day workshops covering different topics but sharing a common theme – Creating a Growth Advantage. Strathclyde Business School faculty, external speakers and panellists deliver the programme. Each workshop concludes with participants creating a 60-day action plan.

The GAP Programme Director provides general signposting and support to ensure participant scaleups can grow faster by avoiding growth traps. There is regular engagement

with GAP alumni through the Growth Advantage Club as participants are encouraged to promote and share their growth journey.

Participants have credited the substantial impact of the programme to its role in supporting them to bring greater clarity to their business, sharpening their value proposition, extracting more value from current operations and creating synergy from their portfolio of products and services.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

WHAT MAKES A GOOD LEADERSHIP PROGRAMME?



Building a cadre of skilled scaleup leaders is vital. It requires combining classic principles of executive education with structured peer group learning, while taking into account the time pressures of running a high-growth company.

- 1 **HAVE A CLEAR AND MODULAR CONTENT STRUCTURE** which focuses on developing individual leadership capabilities and on developing the business.
- 2 **THE VALUE OF ACCOUNT MANAGERS.** Scaleups have different needs at different stages of a life cycle, therefore, having an account management structure to a leadership programme that offers ongoing guidance, feedback and connectivity is a clear aspect of the impactful leadership programmes we have seen.
- 3 **BE CLEAR ABOUT TIMESCALES AND THE LEVEL OF COMMITMENT.** Most leadership programmes span between nine to 18 months, involving approximately ten days of face-to-face learning reinforced by online tools.
- 4 **ALLOW PLENTY OF TIME AND SCOPE FOR FEEDBACK AND DISCUSSION WITH PEERS.** The building of a trusted peer network is essential.
- 5 **USE THE PROGRAMME TO INTRODUCE SCALEUPS TO INDIVIDUALS WHO CAN PROVIDE INSPIRATIONAL, FRESH PERSPECTIVES.** Invite role models to participate in classroom sessions, recognise the value of scaleup to scaleup advice and the need for individual coaching and mentoring.
- 6 **BEING LOCAL IS IMPORTANT.** Leveraging local resources for these programmes is a critical factor in fostering and strengthening the local scaleup ecosystem and scaleups value the local delivery of leadership programmes. National programmes such as Goldman Sachs *10,000 Small Businesses* UK and London Stock Exchange's Elite have made specific efforts to nurture local ecosystem engagement and ties.
- 7 **DURING THE PROGRAMME, KEEP THE PARTICIPANTS TOGETHER** and encourage networking outside of the actual workshops and events via social media or simple email groups.
- 8 **LET THE PROGRAMME GO TO THE COMPANY, AS WELL AS THE COMPANY TO THE PROGRAMME.** On Cranfield's Business Growth Programme, "counsellors" (typically other entrepreneurs) will visit every business on their premises to understand the business fully and meet key stakeholders. Consider the options to include leadership 'teams' versus just CEOs.
- 9 **BUILD A VIBRANT ALUMNI NETWORK.** While the experience will create many personal friendships and professional relationships between participants, successful leadership programmes work hard to create "clubs" and other opportunities to get together after the programme has finished.
- 10 **IMPACT ANALYSIS IS VITAL FROM THE BEGINNING** to demonstrate the strength of the programme and to generate continuous improvement, shared learning and best practice. Regularly monitor and evaluate the programme to ensure outcomes are met – not just on the financial performance and growth of the business, but on the increased confidence and knowledge of the individuals.



THE SUPPER CLUB: PEER TO PEER NETWORKS



IMPACT
FOR
SCALEUPS


JOB CREATION
11,499


AV SALES GROWTH
34%↑


ACCESS TO MARKETS
INTRODUCTIONS AND CONNECTIONS
20,160

The Supper Club is a 14-year-old membership community of entrepreneurial founders and CEOs of high-growth businesses. Members' companies range from £1m to £100m in sales, with average turnover of £18m and average growth of 34% year-on-year. All individuals considered for membership must have an ambition to scale their business.

PERSONALISED PEER SUPPORT

The Supper Club organises 25 monthly events and engages 400 members each month with peer learning, social networking and member services. In 2016, more than 20,000 introductions and connections were made between members, partners and alumni of The Supper Club and its wider network.

Members learn from their peers at roundtable events while a dedicated membership team manages year-round online and offline support and connections. Members are actively matched on personality, experience and expertise at appropriate events and forums to make the most of peer learning. The aim is to enable members to make timely and informed decisions about running and scaling their business. Technical experts run masterclasses and workshops on everything from leadership to financial management. The Supper Club also works with partners to provide corporate finance and growth capital options to its members.

Founders can also access more personalised monthly forums with mentors, coaches and advisers. The Club has a special interest group for members launching or expanding in the US, and holds "Directors Day" events for senior managers working in founder-led businesses to enable them to step up into leadership roles.

The Supper Club also runs an early stage investor group – The Investment Club – for members to invest in, advise and mentor high-potential startups. It works in partnership with some of its members to provide further support, such as discounted office and meeting space.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

"Connections through The Supper Club have directly helped us increase our turnover by 15%."

ANDREW HOOKWAY
Founder & CEO,
Extech IT

"The Supper Club is the sum of many valuable things but the most important to me is the sharing of information – issues faced, opportunities presented, with a peer group of business founders and entrepreneurs in a completely open, trusting and fun environment. It was a revelation for me and a revolution for my business."

GRAHAM PAINTER
Founder, Cream

CALL TO ACTION

Dedicated account management is at the heart of this programme. Others can learn from the active matching of scaleups to appropriate peers and forums.

THE PLATINUM GROUP



The Platinum Group was formed five years ago by the Black Country Chamber of Commerce, supporting peer-to-peer learning and shared experiences. The initial cohort covered the manufacturing, logistics and freight sectors, and, following their success, a second group for service sector companies has been launched.

PROGRAMMES AND SUPPORT

Members share knowledge with each other through peer-to-peer discussions with qualified leadership coaches, invitations to policy

meetings and best practice sharing at “director mornings”. There are also dedicated forums on finance, HR, sales, operations, apprenticeships and international trade.

CEOs and owner-managers come together five times a year for one-day meetings, with quarterly meetings for management team members so that the MD or business owner is not the only beneficiary of the experience. Each event is hosted on-site by a member company and is often followed by an opportunity to tour the premises and learn about new initiatives.

The Platinum Group has helped members to access funding to support expansion and grow premises, capabilities and people.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

PEER-TO-PEER NETWORKS



SCALEUP
INSIGHTS



Scaleup leaders consistently tell us about the great value they derive from learning from their peers. Strong, trusted peer networks between scaleups can have a powerful impact on their individual performance, and they must be fostered.

- 1 PARTICIPANTS SHOULD ALWAYS DRIVE THE AGENDA FOR DISCUSSION,** not sponsors of the network or by those who organise or facilitate the meetings. Some also make use of the premises of members for their locations of meetings to share best practice.
- 2 EFFECTIVE CURATION REALLY MATTERS.** The Supper Club actively matches its members on personality, experience and expertise at appropriate events and forums in order to optimise peer learning.
- 3 HAVE A MIX.** Peer networks work well as both cross-sector and sector specific groups. Trust between individual members is built more effectively and quickly if they are not commercial competitors. The Platinum Group ensures that “members do not compete in any way to maintain the trust and openness that has been developed.”
- 4 INCLUDE SCALEUPS AT DIFFERENT STAGES OF BUSINESS GROWTH.** Scaleup leaders learn more effectively from peers who have encountered similar issues to their own, and recently.
- 5 KEEP IT LOCAL.** Peer groups want the engagement without the disruption to their day-to-day running of business.
- 6 DISCUSSIONS MUST BE CONFIDENTIAL.** Effective peer groups discuss their plans, strategy, finance and people in an open and frank environment. One peer group shares detailed financial data about their performance.
- 7 PEER NETWORKS ARE NOT JUST FOR CEOS.** Some scaleup programmes run similar groups for other management team members.
- 8 MAKE EACH MEMBER ACCOUNTABLE TO THE GROUP.** Scaleup peer networks report on their progress to one another, testing plans and assumptions. A strong peer network is like “a trusted board of advisors, holding you accountable for turning good intentions into great results,” says one scaleup leader.



ACCESS TO MARKETS

NEW CASE
STUDIES
FOR 2017



Corporate Stars
Mayor of London's
International Business
Programme: Go to Grow
Sharing in Growth (SiG)

CURRENTLY
ENDORSED
CASE STUDIES



SVC2UK

Exporting is one of the main enablers of scaling. It leads companies to innovate, access new markets and develop new management models. Over the past three years, the challenges of accessing domestic and international markets have climbed up the agenda in scaleup leaders' minds.

In the 2017 Scaleup Survey, exporters identified two major barriers to exporting more: access to customers and partners overseas, and having the right people to win overseas sales.

These findings reinforce the value and importance of trade missions that are tailored around the needs of scaleups. The 2014 Scaleup Report noted that trade missions to other countries should include more scaleup companies. Through such missions, scaleup leaders can be introduced to relevant connections and potential partners as well as build up their peer networks. Their growth intentions and objectives for participating on a trade mission are very different from startups or large, established corporates.

Participation on trade missions with genuine stature and credibility is critical for scaleups, helping them open the right doors and secure high-level access – as the Mayor of London's International Business Programme, Go to Grow, attests. This programme demonstrates how other UK City Mayors can help their local scaleups in their international growth and should be emulated by others.

Corporate collaboration is a further priority area for scaleups: sharing information on how scaling businesses

can improve their ability and opportunity to connect with larger buyers and more easily integrate into their supply chains is essential. In 2016 the ScaleUp Institute worked with Nesta to assess corporate behaviour as part of our joint *Scaling Together* report¹. Here we highlight some of the essential attributes of the companies seen as exemplars in the manner in which they work with fast-growing companies and from whom others can learn.

We also revisit the Sharing in Growth initiative set up by the aerospace industry as an example of a scheme that provides concentrated training and development over four years, targeted at raising the performance of UK aerospace suppliers (with at least £10m turnover) to world-class standards. The programme is consistently tackling the barriers to growth by providing training and support in leadership, strategy, manufacturing processes and business planning. 90% of sampled companies who participated in the initiative have made significant changes to their vision, mission and values, and have defined product market groups.

¹ *Scaling Together: Overcoming Barriers in Corporate-Startup Collaboration*, 2016, Nesta, the ScaleUp Institute, Siddharth Bannerjee, Simona Bielli and Christopher Haley.
<http://www.scaleupinstitute.org.uk/research/scaling-together/>



GO TO GROW

MAYOR OF LONDON'S INTERNATIONAL BUSINESS PROGRAMME



IMPACT FOR SCALEUPS


JOB CREATION
438


£12m
IN NEW DEALS BY
FIRST 100 COMPANIES


ACCESS TO NEW MARKETS
San Francisco, San Diego,
Chicago, NY, Beijing, Shanghai,
Helsinki, Cologne, London


FINANCE
£51m

DELIVERING INTERNATIONAL SUCCESS

Launched in 2016, the Mayor of London's International Business Programme Go to Grow aims to help 800 London-based scaleups to expand internationally over a three-year period. Participant companies come from the technology, life sciences, and urban sectors.

PLANNING, MENTORING AND PARTNERING

Scaleups join the programme for 12 months and receive access to mentors in London and in overseas markets, corporates, workshops and trade missions. After the first year, CEOs remain on the programme as mentors to other entrepreneurs at an earlier stage of their own scaleup journey.

Participation on trade missions with genuine credibility is critical for scaleups, helping them to open the right doors and secure high-level access to potential customers. International trade missions play a central part in the programme's activities. In 2016, eight trade missions were organised to San Diego, San Francisco, Chicago, New York, Cologne, Barcelona, Helsinki and China. Those to Chicago and New York were led by the Mayor of London, Sadiq Khan, and the Deputy Mayor for Business, Rajesh Agrawal. In 2016, the programme also supported more than 60 cohort companies on business visits to China and India.

At home, guidance is provided through mentoring sessions and workshops. 'Linking

up' is a strong feature of the programme: scaleup leaders are connected to VCs, corporates, mentors and other scaleup CEOs. Monthly "Meet the Mentor" roundtables provide expert advice and guidance, while "Meet the Corporates" sessions offer bespoke workshops to help cohort companies increase their customer base. The mutual support and peer-to-peer learning for Go to Grow participants provides significant value.

The programme measures success by tracking the number of companies helped to expand internationally, the number and size of the deals done, new investment secured, and jobs created for Londoners by scaleups. The results have been going from strength to strength and the programme will be expanded in 2018.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

"A technology business scaling in the UK often finds it difficult to meet the costs of international networking. The Mayor's International Business Programme has dramatically shortened the distance between our company and our customers abroad."

DIMITRIOS SIDERIS
Genetic Microdevices

"For a company that needs to make connections and interact with many different players, this kind of institutional support really opens doors. We got valuable first-hand advice about how we should adapt our products to suit local market requirements."

MILO MILISAVLJEVIC
Strawberry Energy

CALL TO ACTION

All City and Metro mayors and localities should develop tailored scaleup-only trade missions which can also, when relevant, cluster around target sectors and locations.

We have identified a number of important ingredients for running a successful trade mission (see 'Scaleup Insights' page 19). These insights and learnings should be adopted and embedded by the public and private sectors.

WHAT MAKES A GOOD SCALEUP TRADE MISSION?



Access to trade missions can deliver huge value as scaleups seek to expand internationally. There is an increasing body of evidence around the factors that make them most effective for scaleups.

- 1 **HAVE AN EFFECTIVE SELECTION PROCESS.** Vet potential delegates carefully and ensure they make a financial contribution to the mission. Not only does this ensure that the most appropriate companies are committed to the mission, it gives confidence to potential trading partners.
- 2 **BUILD A TEAM PEER-TO-PEER MENTALITY. START BY CONNECTING PARTICIPANTS BEFORE THE MISSION BEGINS.** This engenders a peer group bond that will only strengthen during the mission. Meeting prior to the trip is ideal – share contact details and use social media to keep communication open.
- 3 **FOCUS SPECIFICALLY ON SCALEUPS.** Their growth intentions and their objectives for participating in a trade mission are very different from startups or large, established corporates.
- 4 **ENSURE THE SCALEUP LEADERS ARE CLEAR ON THEIR STRATEGIC MARKET FOCUS, THE ‘BUYERS TO MEET’ AND REASONING BEHIND THE CHOICES:** Trade missions are most effective when objectives are clear and aligned.
- 5 **ENSURE GENUINE CREDIBILITY OF THE MISSION.** This is critical in helping open the right doors, and to secure high-level access. Recruit high-profile individuals such as City Mayors to lead missions.
- 6 **WORK WITH DEPARTMENT FOR INTERNATIONAL TRADE (DIT).** British Embassy receptions provide valuable places for connections and buyer introductions, and should be factored into trips.
- 7 **CHOOSE LOCATIONS WELL.** Host roundtable meetings in international cities that are focused on providing scaleups with access to corporate buyers.
- 8 **SUPPORT THE MISSION AT HOME.** Holding domestic mentoring sessions and workshops are valuable in helping participants shape and prepare their international expansion strategies. Have ‘mission alumni’ to mentor others starting the journey.
- 9 **DO NOT UNDERESTIMATE THE EFFECT OF CITY-TO-CITY COLLABORATION AND ENGAGEMENT.** According to the Go to Grow programme, this was “particularly effective” in Chicago, Paris, Madrid and Berlin.
- 10 **KEEP UP THE MISSION.** The trade mission is the start of the journey. Take a relationship approach and maintain the export momentum with follow up, ongoing support, subsequent peer-to-peer meetings, mentoring and networking.



CORPORATE AND SCALEUP COLLABORATION EXEMPLARS

Corporate collaboration makes a significant contribution to helping businesses scale and it is increasing as large companies recognise working with fast-growing businesses as a mechanism to promote innovation, solve business problems, support strategic investment and promote internal change.

In order to highlight and overcome these potential barriers the ScaleUp Institute joined with Nesta, to give practical guidance on corporate/scaleup collaboration and to highlight exemplars of best practice. Our joint *Scaling Together* report⁵ distils the learning and understanding of the barriers scaleups face with corporates when engaging on a collaborative or procurement programme. Based on examples of success it provides practical guidance to corporates, large public procurers and scaleup leaders.

As part of this project, Nesta carried out a detailed assessment of corporations seeking to collaborate and support businesses scaling up. Those which had 'gone the extra mile' to establish mutually-beneficial partnerships have been evaluated by a panel of leading entrepreneurial experts and named as 25 'Europe's Corporate Stars' for 2016. 14 of these first 25 either have significant headquarters or major operations in the UK⁶.

Crucial elements reflected in each of the Corporate Stars' behaviours leading to successful scaleup partnerships are: senior board level engagement, coherent leadership and entrepreneurial culture, adaptive procedures, mentoring for the scaleup, champions across business departments who are charged with making sure their division supports the fledgling relationship in its practices and procedures,

speed and ease of access, transparency and clear guidelines.

Corporates demonstrated this in the following ways:

Technology giant **Cisco UK** was selected for its effective partnerships with scaleups through its 'Entrepreneurs in Residence' programme. Across Cisco, business unit executives are involved in sponsoring, mentoring and partnering with scaleups, and senior executives take part in all decisions relating to investment. This ensures commitment from the wider organisation as well as a strong incentive structure to work with scaling companies. We encourage other companies to consider adopting Cisco's successful ABC (Agility, Business Model, Continuity) model, which is built on close relationships with business unit executives.

Virgin is recognised for its entrepreneurial culture. Senior management commitment to entrepreneurship "enables a culture of innovation, both in-house and from external suppliers and freelancers". Another important insight for corporates is that Virgin is clear about the likelihood of procurement from the start of any relationship and this helps manage expectations.

The **Unilever 'Foundry'** is seen as an effective tool for major companies to solve their business problems by working with

⁵ *Scaling Together: Overcoming Barriers in Corporate-Startup Collaboration*, 2016, Nesta, the ScaleUp Institute, Siddharth Bannerjee, Simona Bielli and Christopher Haley. <http://www.scaleupinstitute.org.uk/research/scaling-together/>

⁶ <http://www.nesta.org.uk/blog/europes-corporate-startup-stars>

young scaling businesses. Its focus is on helping businesses to scaleup by inviting innovative marketing and advertising tech companies to solve problems experienced by Unilever brands through their Pitcher Pilot Partner process. The head of the Unilever Foundry is assisted by a core team of eight people, who themselves support a global network of over 50 'Foundry Champions.' The involvement of a strong and connected team championing early stage growing businesses across an organisation leads to effective internal buy-in.

Other practical insights gained from the UK-based corporate collaborators include:

- **KPMG's Tech Growth** has 17 full-time employees working with scaleups out of co-working spaces in Shoreditch and Camden. It is "an effective way of drawing fresh talent into a business" while the opportunity given to experienced staff to use their skills and knowledge to mentor early-stage businesses creates strong results.
- **Telefonica's** use of an 'internal champion' within innovation teams ensures scaleups are fully integrated in the company. Its investment in a corporate accelerator programme in different countries attracts talent and innovation from across the world.
- **Microsoft** has hired entrepreneurs to run accelerator programmes helping drive success and ensuring everyone is 'speaking the same language'.
- **EDF** has demonstrated that PR and communications tools alongside financial support are important to scaleups and can be provided as part of an awards initiative.
- The commitment in **Diageo's** senior management to working with scaleups results in fast decision making and cuts out bureaucracy.
- **PWC's** networked organisation, with opportunities for different regions and territories to manage their own initiatives, allows for both large-scale impact and a tailor-made approach.

The full list of the 14 UK-located Corporate Stars is:
Cisco, Unilever, Telefonica, Virgin, KPMG, RBS, WPP,
MSD, Microsoft, Sky, Accenture, EDF, Diageo, PWC

See more at:

<http://www.nesta.org.uk/blog/europes-corporate-startup-stars>
<https://www.nesta.org.uk/sep>

CALL TO ACTION

Clear lessons can be drawn from the approach of the Corporate Stars. On the following pages, we have incorporated the insights from these exemplars and provided a checklist for large corporates and public bodies. Using this checklist should enable assessment of current practices, signal practical steps for improvement and allow Board members to use it to consider the company's strategic approach and how effective it is.

CORPORATE COLLABORATION AND PROCUREMENT CHECKLIST⁷

<input checked="" type="checkbox"/> DESIGNING YOUR PROGRAMME CHECKLIST	EXPLANATION
<p>Do you know why you want to work with scaleups? (e.g. innovating brands, entering new markets, solving business specific problems; changing your culture, CSR, etc.)</p>	<p>Clarity of purpose aids internal communication, promotes coherent strategy and helps identify the most appropriate mechanism for engagement.</p>
<p><input type="checkbox"/> Given the objectives, scale and scope, which collaborative mechanisms have you considered?</p> <p><input type="checkbox"/> One off events (i.e. competitions such as hackathons);</p> <p><input type="checkbox"/> Sharing resources (i.e. free tools, coworking spaces); Accelerator, incubator hub</p> <p><input type="checkbox"/> Business support (e.g. Mentoring; leadership and talent support);</p> <p><input type="checkbox"/> Partnerships (e.g. product codevelopment, collaborative R&D, procurement);</p> <p><input type="checkbox"/> Structured Procurement process with fast growing firms/growth SMEs in supply chain</p> <p><input type="checkbox"/> Investments (e.g. corporate venturing);</p> <p><input type="checkbox"/> Acquisitions (i.e. acqui-hire and buying growing businesses)?</p>	<p>Different modes of engagement suit different purposes and require different resource commitments from each partner.</p>
<p><input type="checkbox"/> Have you considered instituting a dedicated innovation/'collaboration' unit (with its own budget)?</p>	<p>Separate units may help insulate early stage fast growing businesses (as well as Internally generated innovations), and prevent stifling by corporate processes</p>
<p><input type="checkbox"/> If so, do you have a plan to ensure that the activities of this unit align with broader corporate goals?</p>	<p>Separate units can sometimes be counterproductive, as independence can give rise to new silos, create rivalries and deepen divisions with the rest of the organisation.</p>
<p><input type="checkbox"/> Does it have a Board level sponsorship?</p>	<p>The most effective programmes have Board level engagement and are monitored at that level.</p>
<p><input type="checkbox"/> How will you measure impact and how will you report impact and benchmark this to others?</p>	<p>The most effective programmes agree impact assessment and benchmarking.</p>
<input checked="" type="checkbox"/> IMPLEMENTING YOUR PROGRAMME	EXPLANATION
<p><input type="checkbox"/> When in the year does the Board review the degree to which your company is procuring from/collaborating with scaleups</p>	<p>Innovation almost always entails taking risks and rethinking processes. Senior buy in is crucial in making clear what is acceptable and communicating a sense of urgency.</p>
<p><input type="checkbox"/> Has this been communicated to different business Units?</p>	<p>Handovers between business units are common failure points, especially when units have conflicting internal goals.</p>
<p><input type="checkbox"/> Do you have a scaleup procurement/ collaboration champion in each business?</p>	
<p><input type="checkbox"/> Do you have a dedicated point of contact for enquiries from scaleups?</p>	
<p><input type="checkbox"/> Do you have a account manager for those you are working with</p>	<p>For small firms, everything has a huge opportunity cost. Difficulties in finding the right contact are often enough to prevent scaleups from engaging.</p>
<p><input type="checkbox"/> Is it clearly signposted on your website?</p>	
<p><input type="checkbox"/> If yes, does that person have decisionmaking powers, or close proximity to those who do?</p>	<p>A quick 'no' is much better for small firms than a protracted 'maybe'.</p>

⁷ A checklist for those who are starting out, refreshing and/or considering their collaboration model.

<input type="checkbox"/> Do you have a fast-track procurement service for fast/high growth firms?	Many fast growing companies face a ‘catch 22’ with procurement, since they are often required to show track record or ISO certification, but cannot gain this without customers.
<input type="checkbox"/> Do you have a specialised legal team or legal Templates?	Many corporate legal teams are great at dealing with large firms, but don’t recognise that smaller firms have unique needs. For small firms, legal costs can be a major barrier in themselves.
<input type="checkbox"/> Do you use standardised agreements for intellectual property	IP is a common sticking point, especially for collaborative research. Templates like the Lambert model agreements simplify the negotiation.
<input type="checkbox"/> Have you hired entrepreneurs to manage your scaleup programmes, and included entrepreneurial metrics in your recruitment process?	An innovative internal culture starts with the staff, but recruitment often tends towards ‘safe pairs of hands’. Experienced entrepreneurs and those that have scaled businesses before, better understand the needs of scaleups.

<input checked="" type="checkbox"/> MEASURING & SUSTAINING YOUR PROGRAMME	EXPLANATION
<input type="checkbox"/> Do you have a succession plan for account managers?	Business relationships often take longer than the duration of someone in a given role. Changes in staff are a common mode of failure.
<input type="checkbox"/> Do you monitor what proportion of your company’s total procurement (volume and/or value) is from Scaleups?	Volumes speak volumes!
<input type="checkbox"/> Do you publish this in your annual report?	Publicly acknowledging collaboration sends a strong signal to partners and competitors alike.
<input type="checkbox"/> Do you know how long it typically takes to register as a new supplier with you?	Timescales are very different for corporates and scaleups. Long and complex procedures burn scaleups’ precious time which could be better dedicated to the business.
<input type="checkbox"/> Do you know how long it typically takes to pay Suppliers?	Slow payment kills growing companies.
<input type="checkbox"/> Do you assess your processes and fast-track policies for ‘Scaleup friendliness’?	Formalised process may be efficient for daytoday business but often hamper exploration of new ideas.

<input checked="" type="checkbox"/> CHANGING YOUR CORPORATE CULTURE TO BE MORE RECEPTIVE TOWARDS SCALEUPS	EXPLANATION
<input type="checkbox"/> Do you incentivise entrepreneurial behaviour through KPIs and related bonuses?	Employees respond to incentives. Even if they see the potential for improved products or services, most will focus on their immediate job description unless there is suitable reward.
<input type="checkbox"/> How do you encourage learning from failure, in a way which does not penalise measured risk taking?	Promoting the safe sharing of failure stories is a key ingredient in combatting a corporate culture of risk aversion and building an entrepreneurial mindset amongst employees.
<input type="checkbox"/> Do you employ a dedicated scaleup manager/champion?	Scaleup champions can be a great way to cut across internal silos, and provide advice to staff about where to take their ideas.
<input type="checkbox"/> Do staff treat risk as something to be minimised or actively managed?	Not innovating is a lot riskier than innovating. Innovations always entails risk. An attitude which treats this as purely negative will kill innovation.

The checklist was produced by the ScaleUp Institute in partnership with Nesta and their European Partners in 2017. For more details: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>



SHARING IN GROWTH (SiG): ACTION THROUGH SUPPLY CHAINS



IMPACT
FOR
SCALEUPS

JOB CREATION
3100

REVENUE
£2billion

TALENT AND SKILLS
TRAINING HOURS DELIVERED
1.6m^h

CHANGES TO VISION,
MISSION & VALUES
90%

INCREASED
PRODUCTIVITY
20-30%↑

Sharing in Growth (SiG) is a £250m programme set up in 2013 to deliver intensive development to UK suppliers in the aerospace industry. Its mission is to drive the productivity of the sector to compete globally, securing 10,000 jobs by 2020.

With 3,000 companies and 230,000 highly skilled employees, the UK aerospace sector is the second largest in the world and the European leader, generating substantial revenue and economic growth. The sector is expected to double in size over the next 10 years requiring a supplier focus on competitive performance. ONS data highlights a divergence between turnover growth of five per cent year-on-year (2012-2015) and Gross value added (GVA) which remained largely flat. One explanation for this is that despite an increase in orders, the UK industry is capturing a lower share of product value in respect of wages and profits⁸.

Sharing in Growth UK (SiG) was established to take advantage of this growth opportunity by providing substantial support to ambitious and innovative businesses. At its heart is an intensive four-year supplier programme in leadership, business strategy, manufacturing processes and business planning. Concentrated training and development programmes are tailored to the assessed needs of each supplier with the aim of delivering world-class standards of performance.

In addition to considerable public sector support, Rolls Royce is the principal private sector sponsor, providing knowledge and expertise to participants

as well as access to the company's production system. Other partners include Boeing, the National Aerospace Technology Programme, Advanced Manufacturing Research Centre, and the National Physical Laboratory.

The programme provides core funding to each business project over four years. The businesses show their commitment by matching the cost of this with an equivalent in-kind contribution, typically the cost of their people being trained during the programme.

Following a diagnostic assessment, a bespoke plan of action is developed for each business to generate improvements across areas such as business strategy, leadership skills, financial management, lean production systems, supply chain management and cost optimisation.

Companies with turnover between £10m to £40m are expected to benefit most from the level of intensity associated with the programme. To date, 59 companies have been involved, with 52% now in the second half of the programme and impressive impact already demonstrated. Most have aspirations to double the size of their business.

"SiG offers each business partner a quicker road to sustained and vital improvements. SiG has a proven tool box and methodology to improve your business."

TOM BARRETT
Sigma Precision
Components

"Working with SiG we were able to identify the structural and process weaknesses in the business and to put a plan in place to address these. And this wasn't just at a strategic level. The SiG team supported our teams to implement structured problem solving."

ANDREW CHURCHILL
JJ Churchill

⁸ BEIS (2016), UK Aerospace Supply Chain Study, <https://www.gov.uk/government/publications/uk-aerospace-supply-chain>.

CALL TO ACTION

This is an industry sector solution focused on growing businesses within its supply chain as intensive development tailored to individual businesses needs. Other sectors – automotive, construction and retail – can learn from this and replicate it or components of it to support scaling businesses in their respective supply chains. It also sustains the productivity agenda and collaboration between larger and scaling businesses.

Major elements to its success have been: true cross-industry engagement, a structured programme with clear milestones, broad partnerships, joint commitment from the principal manufacturer (OEM) and the businesses in their supply chain, and dedicated relationship management.

To learn more visit: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>



FINANCE

NEW CASE STUDIES FOR 2017



Enterprise Capital Funds,
British Business Bank
Octopus Titan VCT
Venture Debt: Barclays

CURRENTLY ENDORSED CASE STUDIES



BGF
London Stock Exchange,
Elite
Santander Breakthrough

The historic shortage of capital available in the UK for scaleups is well-documented. While a range of initiatives have been put in place in order to close this gap, our annual surveys of UK scaleup leaders consistently reflect that access to finance – notably risk capital – ranks as one of the top five critical areas where barriers remain.

The ScaleUp Institute is focused on working with the private and public sector to develop far bigger pools of capital in the UK and to encourage more investors willing and able to provide ongoing rounds of follow-on or scaleup finance. It is also important to increase the provision of education on growth finance so that scaleup leaders understand and are aware of all the options available to them so they can structure their companies appropriately.

We are pleased to see **BGF**, one of our original finance case studies, going from strength to strength. To date, it has committed £1.2bn of capital in growing UK businesses across the country.

However, the UK must continue to expand its overall pool of scaleup finance capacity. We want UK-based entrepreneurs to be able to identify and raise capital in the UK. They should not feel it necessary to look towards the sources of finance domiciled in the US and Asia. That is why we also welcomed the Government's recent consultation on *Financing Growth in Innovative Firms*⁹ and look forward to its outcomes.

In our 2017 case studies, we turn our attention to three growth capital asset classes which we believe are capable of greater development in the coming years, and about which scaleups should be more knowledgeable. These are the Enterprise Capital Funds, Venture Debt, and Venture Capital Trusts.

The **Enterprise Capital Funds (ECF)** programme, in which the **British Business Bank (BBB)** invests alongside venture capital

funds, is becoming a significant part of the growth capital pool. Since inception in 2005, over £956.5m (including third party) has been committed through ECFs, including £551.5m from the British Business Bank. At the end of June 2017, 24 funds had facilitated access to finance for 395 businesses.

It is encouraging to see the emergence of venture debt as a financial tool for scaleups which can augment, rather than replace, venture capital. More commonly available in the USA but less available to UK businesses, venture debt can be used to finance revenue growth and as a bridge between equity rounds and pre-IPO financing. It increases the variety and depth of suitable non-equity finance in the marketplace. We have cited **Barclays** as an exemplar of provision of this form of finance – and we want to see more providers enter this market.

Venture Capital Trusts (VCTs) represent a significant source of finance for scaleups. We cite the **Octopus Titan VCT** – the UK's largest VCT – with its structured support for the international growth strategies of its portfolio companies as an exemplar of how VCT investors can provide knowledge and resources as well as finance to scaling businesses.

Each one of these asset classes represents important types of growth capital and more can be done to increase their numbers and scale. At the same time, much more work must be done to drive up knowledge of the variety of growth capital options so that scaleup leaders understand and are aware of what is available to them.

⁹ <https://www.gov.uk/government/consultations/financing-growth-in-innovative-firms>



BRITISH BUSINESS BANK: ENTERPRISE CAPITAL FUNDS



IMPACT
FOR
SCALEUPS

FINANCE PROVIDED
395 SMEs

FINANCE INVESTED
£448m

FINANCE COMMITTED
£938m

JOB CREATION
60%↑

CONNECTIONS
Investors,
customers
and expertise

REVENUE GROWTH
40-100%

“Securing part of the funding we need to continue our expansion both here in the UK and internationally through the British Business Bank’s Enterprise Capital Funds programme has already had an impact on the performance of the company. We know what we have to do to grow and can now finance our growth plans, which includes at least ten new hires in the UK alone.”

DAN KIERAN
CEO, Unbound

“Funding has helped us to develop the potential of our business and has played an important part in our story as a company. Dawn has been a great partner for our company as we have grown internationally.”

PETER BAUER
CEO, Mimecast

The Enterprise Capital Funds (ECF) programme is a significant part of the UK venture capital industry, with 24 funds facilitating access to finance for 305 SMEs (as at end September 2016). Its aim is to increase the supply of equity to UK growth companies and to lower the barriers to entry for fund managers looking to operate in the Venture Capital market. The programme makes equity investments of up to £5m in early-stage and high-growth firms. ECF funds in the programme have the capacity to provide £938m of finance to SMEs with £448m currently drawn.

COMBINING PRIVATE AND PUBLIC MONEY

Enterprise Capital Funds (ECFs) is the UK Government’s flagship VC scheme to address the sub-£2m equity finance gap faced by potential high growth businesses. It combines private and public money to make equity investments in high growth businesses. The British Business Bank (BBB) invests alongside venture capital funds on terms that improve the outcome for private investors when those funds are successful. It contributes investment up to two-thirds of the size of the fund. It aims to encourage venture capital funds to operate in a part of the market where scaling businesses are not able to access the growth capital they need.

The programme started in 2005, and it has been run by the BBB since November 2014. Over the life of the programme, there have been adjustments to increase the funding round size limit from £2m to £5m and to increase the maximum investment limit into an ECF from £25m to £50m.

Enterprise Capital Funds are managed by experienced fund managers from a variety

of backgrounds – including teams from the venture capital industry as well as serial entrepreneurs with a history of success in building early-stage UK companies.

Since 2005, over £938m (including third party) has been committed through the programme, including £543m from the BBB (as at end February 2017).

Almost all companies participating in the programme reported non-financial benefits, including introductions to partner investors, potential customers or suppliers, as well as the knowledge and expertise of the ECF nominee on their board.

The ECF is making significant impact in overcoming the equity gap for scaleups and generating revenue growth, employment and innovation.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

+ CALL TO ACTION

We consider this asset class has a significant role to play in growth capital and recommend businesses get to know the Funds operating in this area as early as possible as they consider their forward-looking plans. It is an important aspect of the British Business Bank’s suite of scaleup services which we hope will expand and other investors will take advantage of.



OCTOPUS TITAN VCT

VENTURE CAPITAL TRUSTS



IMPACT
FOR
SCALEUPS

HIGH
GROWTH
POTENTIAL
COMPANIES
50

JOB CREATION
800

REVENUE
40%

ACCESS TO FINANCE
INVESTED
100m

IPO'S VALUE
£1 billion

ACCESS TO MARKETS
US, Singapore, China

Octopus Titan is the UK's largest Venture Capital Trust (VCT) with £120m raised last year and £300m in assets under management. It is an exemplar of how the wider VCT industry has the potential and capacity to provide assistance to all stages of scaleup growth.

INVESTING TO SUPPORT GROWTH

Typically investing small amounts at the start (minimum £3,000), Octopus Titan VCT looks to commit more money as companies develop. The primary focus is to develop existing holdings of companies in the portfolio by investing more when they need it and so enabling companies to scale to their full potential. The portfolio consists of approximately 50 early stage companies with the potential for significant growth.

Octopus Titan offers rapidly scaling businesses access to follow-on funding to promote significant growth, enabling high-growth companies to scale without the distraction or delay of seeking other funding sources whenever they require a further £5m.

The firm's wider network of Venture Partners provides hands-on help, practical advice and professional connections to other portfolio companies and industry experts both in the UK and overseas. These Partners include around 90 entrepreneurs, including the founders of businesses such as Innocent Drinks and Betfair, along with senior managers of larger multinational corporates.

Octopus is working with other leading organisations in the finance community, including the British Private Equity & Venture Capital Association (BVCA), to champion entrepreneurship.

Octopus recognise that to really scale companies you need to have international connections – as a result they have opened an office in New York focused entirely on helping the portfolio to successfully scale in the US. Venture Partners in San Francisco, Singapore and Shanghai are leveraged to help companies scope, test and enter new markets.

Corporate connections for portfolio businesses are facilitated by Octopus that include senior managers from companies including Google, PayPal UK, Virgin, Vodafone, IBM and Paddy Power.

“Octopus has played a key role in our success to date. Beyond simply investing capital, they have supported us through introductions to other portfolio companies and industry experts, access to training programmes and events plus valuable input in board meetings.”

tails.com

“Octopus has been a great investor for TrialReach. They understand what it takes to build and scale a global business and, accordingly, they are focused on the right metrics for growth. Our Board representative is unfailingly supportive and he can always be counted on for constructive and insightful input.”

TrialReach

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

+ CALL TO ACTION

This VCT offers structured support for the international growth strategies of its portfolio companies. It demonstrates how a VCT investor can provide knowledge and resources in addition to finance for a scaling business.



BARCLAYS: VENTURE DEBT FUND



IMPACT
FOR
SCALEUPS



ACCESS TO FINANCE



AVAILABLE TO BUSINESSES

£200_m



VENTURE DEBT TRANSACTIONS

50



BUSINESS LOANS PROVIDED

£500_m

“The additional funding will allow Gousto to accelerate our efforts to create the very best customer experience, and enable us to achieve our food waste mission.”

TIMO BOLDT
CEO and Founder,
Gousto

“The venture debt agreement means a lot for the business. Not only does it give us working capital to drive our growth, but it’s a vote of confidence from Barclays for the UK SME sector in general and high-growth sector in particular.”

SEAN HOBAN
CEO, Kimble

The development of the venture debt asset class is encouraging for scaleups and Barclays is offering an exemplar model, increasing the variety and depth of suitable non-equity finance in the marketplace.

VENTURE DEBT FOR FAST-GROWTH COMPANIES

Venture debt funds have commonly been available in the United States but are less available to UK businesses. Venture debt can be used to finance revenue growth, and as a bridge between equity rounds and pre-IPO financing. It can leverage equity capital in order to increase valuations between equity rounds, reduce dilution and enhance overall investor return.

Research by Oxford Saïd Business School noted that companies with venture debt raise larger equity rounds and that “venture debt is used to augment, not replace venture capital.”¹⁰ Early-stage debt funding, together with equity investment, can provide scaleups with more efficient capital structures.

Barclays is an exemplar of this: it has a £200m venture debt fund available for fast-growth companies that have increased revenue by more than 20% year-on-year and have also received external investment through post-seed funding. The Innovation Finance loans of up to £5m provide early-stage companies with an alternative method of funding than raising equity finance.

¹⁰ Scale-Up UK: Growing Businesses, Growing our Economy (2016), a report from the business schools at the University of Cambridge and the University of Oxford, convened by Barclays.

Companies that have raised venture capital are proactively sought and debt financing is offered alongside to complement this. The VC capital might be used to finance product development whilst venture debt can be useful for cash flow.

The pricing of venture debt will be dependent on various risk factors. A warrant, giving the lender the right to purchase shares or stock at a stated price at a certain point in time, will also be taken. The facilities are usually interest-only and are offered over 24 to 36 months.

The Barclays venture debt offering is available to companies registered in the UK. There is no specific sector focus but the majority of companies suited to the proposition are fast-growth technology companies with a turnover of over a million pounds and 20% year-on-year growth, and VC backers with a sector track record. Scaleup companies who use venture debt also benefit from networking events and from the provision of specially trained Account managers.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

+ CALL TO ACTION

There are only a few venture debt players so far in the UK market and yet it is proving a form of patient capital relevant to scaling businesses and one we would encourage more funders to consider offering.

UPDATES ON CURRENTLY ENDORSED CASE STUDIES FROM 2016



BGF

BGF is the UK's most active investor in small and medium-sized companies.

The fund supports a range of growing companies – early stage, growth stage and quoted – across every region and sector of the economy.

It operates by making long-term equity capital investments using a flexible £2.5bn evergreen balance sheet to provide growing companies with long-term and patient capital in return for a minority stake ranging from 10-40%. Typical investments are between £2m-£10m – and more in subsequent rounds – and BGF uses a number of flexible investment structures involving a mix of equity and unsecured loan notes.

BGF Ventures invests between £1m – £10m into earlier stage investments, primarily with a technology focus. BGF Quoted focuses on investing in smaller AIM-listed businesses, complementing traditional quoted fund managers by providing long term capital not readily available on the market.

BGF provides support through ten offices spread across the UK and Ireland. A large board-level network of senior executives provides advice to investees.

The BGF Talent Network team helps portfolio companies to identify and recruit boardroom hires. More than 150 new appointments have been made this way. Over 35,000 people are employed by BGF portfolio companies and more than 50 portfolio companies are successful exporters, with around ten per cent having export-led strategies.

WHAT DOES SMART MONEY LOOK LIKE?



Scaleups repeatedly tell us that they are not just looking for cash from the financial community – they want smart money which brings knowledge and support along with it. The nature of that additional backing is taking many forms.

- 1 PROVIDE ACCESS TO BOARD-LEVEL EXPERIENCE AND SKILLS.** The BGF Talent Network, a proprietary network comprising more than 3,000 board directors, provides support to BGF's investee companies as a source of experienced chairmen, non-executive directors and financial directors. More than 80 such appointments to investee company boards have been made to date.
- 2 DELIVER INSIGHT AND ACCESS INTO NEW MARKETS.** Octopus Ventures provides international connections to its investee companies through an office in New York, which is staffed by three full-time people focused entirely on supporting the portfolio successfully scale in the US. It also has venture partners in San Francisco, Singapore and Shanghai to help companies scope, test and enter different markets.
- 3 SUPPORT GROWTH AND LEADERSHIP PROGRAMMES.** Goldman Sachs 10,000 Small Businesses UK is an exemplar, bringing mentorship, networks and support with an education programme.
- 4 FOSTER STRONG CONNECTIONS BETWEEN FINANCE PROVIDERS AND LOCAL AREAS.** The London Stock Exchange Elite programme has a team of regional account managers working closely with local communities, including LEPs and business groups, in order to provide tailored solutions to scaleups where they are based.
- 5 EDUCATE AND INFORM SCALEUPS ABOUT GROWTH CAPITAL.** Providers of finance in emerging asset classes, such as venture debt, offer networking events for their customers as well as specially trained account managers.



INFRASTRUCTURE

NEW CASE STUDIES FOR 2017



Cambridge Cluster Map
Engine Shed

CURRENTLY ENDORSED CASE STUDIES



Google Campus
Entrepreneurial Spark,
NatWest

ONES TO WATCH



Level39

Access to high-quality infrastructure is an important factor for business growth, according to 63% of scaleups in the 2017 Scaleup Survey. Since the 2014 Scaleup Report, we have seen some good progress being made with the infrastructure needs of scaleups.

A high-quality infrastructure for scaleups entails much more than the provision of appropriate premises, as our exemplar programmes bear out. They use the power of data, collaboration and partnership to create a flexible, supportive environment in which scaleups can flourish.

Engine Shed, a collaboration between Bristol City Council, the University of Bristol and the West of England Local Enterprise Partnership, is a physical place in the heart of Bristol's knowledge quarter – but it is also a hub that is creating an ecosystem by facilitating connections, activities and opportunities across the city. Small enterprises have opportunities for co-working and access to networks while the centre also hosts and supports events to connect actors in the ecosystem, including 63 networking events in its first three years of operation. Engine Shed has recently appointed a full-time 'Scale Up Enabler.'

In Canary Wharf, Level39 provides early-stage businesses and scaleups in the finance, cybersecurity, retail and smart-city technology sectors with a high-quality physical infrastructure – and also structured access to investors, mentors and business experts as well as links to major customers.

As has been observed in our earlier reports, infrastructure programmes can ease the pain of hyper-growth through the provision of effective data. The Cambridge Cluster Map provides details of all local scaleups and enables potential employees, customers and investors to see the broad economic picture of the sub-region and identify individual growth opportunities.



ENGINE SHED: INFRASTRUCTURE HUB



IMPACT
FOR
SCALEUPS

JOB CREATION
480

REVENUE
TO LOCAL ECONOMY
£7.99m

FINANCE
ACCELERATOR PROGRAMMES
£104m



INFRASTRUCTURE

provided accommodation for **300** people

people used Engine Shed meeting rooms **20k**

Engine Shed is a collaboration between Bristol City Council, the University of Bristol and the West of England Local Enterprise Partnership. Opened in December 2013, the hub creates an ecosystem by facilitating connections, activities and opportunities across the city. 30,000 people are estimated to have visited the building in 2015/16.

COLLABORATION AND INSPIRATION

Engine Shed is open to anyone in the Bath and Bristol region and does not have a specific sector focus. Rather, it focuses on cluster building to stimulate economic activity. It has hosted, sponsored and initiated 63 networking events in its first three years of operation. It supports the local authorities, the LEP (itself a tenant) and Invest Bristol & Bath in their work. It enables co-working for small enterprises, access to networks, and hosts and supports events to connect actors in the ecosystem. In May 2017, Engine Shed appointed a full-time 'Scale Up Enabler' to develop the broader scaleup ecosystem.

Engine Shed also hosts a number of accelerators (including **Oracle** and the world-leading **Bristol SETsquared Centre**), provides meeting spaces to support collaboration (rooms for hire and members' Business Lounge).

It has hosted a number of school groups for talks and exposure to the working environment of world-class tech start-ups. More than 1,900 primary school children

have carried 'maker' type activities¹¹. Overall, it has welcomed over 600 academic colleagues from across the region.

'Investors in Residence' offer their time for scale-up businesses to discuss investment options nationally and locally. This informal service helps both businesses and investors better understand the market and share experience.

Engine Shed is a strong model of an infrastructure hub that is a fertile, inclusive place to invigorate and support the regional ecosystem and stimulate long-term economic growth. Planning permission is now being sought for Engine Shed 2 that will add 44,000 sq. ft. of space for companies.

"Bristol was chosen as one of Oracle's first global startup programmes, selected for the region's vibrant, unique and flourishing start-up ecosystem. As the Engine Shed is based in the Bristol Temple Quarter Enterprise Zone, and the home of a world class business incubator, SETsquared was a natural choice for Oracle to base their first UK Accelerator programme."

MARINA TRAVERSARI
Bristol Programme
Manager, Oracle Startup
Cloud Accelerator

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

¹¹ A new school of educational thought that focuses on delivering a constructivist, project-based learning curriculum.

+ CALL TO ACTION

This demonstrates the importance of place in fostering a vibrant scaleup ecosystem. It shows how a physical hub can stimulate economic activity by building a cluster and facilitating connections, activities and opportunities.

**IMPACT
FOR
SCALEUPS**

INFRASTRUCTURE
CAMBRIDGE COMPANIES
24,476

REVENUE
7.7% ↑

ANNUAL JOB CREATION
6% ↑

SCIENCE BASED COMPANIES
TURNED OVER
£12 billion

YEARS OF ACCESSIBLE
DATA
5

“Cambridge Cluster Map is incredibly useful for people who don’t live in the area as well as people who do live in the area. This is a way to quickly surf and see the different companies that are here.”

MEGAN SMITH
Third Chief
Technology Officer of
the US serving under
President Obama
and former Vice
President of Google’s
Research Lab

The Cambridge Cluster Map is a free online service that provides data on all companies, including scaleups and laboratories based in Cambridge (within 20 miles of the centre), and those that have opened offices in the area. The data is revised annually and updated quarterly.

SUPPORTING SCALEUPS TO ATTRACT TALENT, CUSTOMERS AND INVESTORS

Leaders from the cluster’s ecosystem launched this big data tool to support the fastest growing companies to make it easier for them to attract talent, customers and investors. It has been further developed as a basis for understanding the whole economic development of the sub-region.

The website was developed by the University of Cambridge and a group of entrepreneurs. The map shows three groups of organisations: Cambridge-based and Cambridge-active companies, and non-corporate knowledge-intensive (KI) organisations within a 20-mile radius of the centre of Cambridge. Data is drawn from filings at Companies House. For Cambridge-based companies the map shows employment and turnover over the period from fiscal years 2010/11 to 2015/16.

It provides an accurate and accessible source of growth data that shows the growth and economic health of the sub-region over time and enables the city to highlight its attractiveness to potential international inward investors. Businesses and individuals

can examine individual company data as well as identify where growth is taking place around them.

The map allows leading investors to pinpoint the fastest growing companies. Academic researchers who wish to delve deeper into the data can do so by gaining accreditation from The Centre for Business Research (CBR).

The Cluster Map provides real and detailed evidence that shows that Cambridge companies have grown very rapidly in the past four years. At the last count, this showed that 24,476 Cambridge-based companies turned over £35bn (7.7% increase) and employed 210, 211 people (up 6% in one year). For example, a focus on science-based companies shows that these had a combined turnover of £12bn and employ 60,000 people in the Cambridge area.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

+ CALL TO ACTION

This provides the evidence that scaleups want to be put on the map locally, as this supports their efforts to attract talent, investment and international opportunities. Other localities and sub-regions can learn from this example.

LEVEL39

Established in March 2013, Level39 is an innovation space in Canary Wharf that supports businesses in the finance, cybersecurity, retail and smart-city technology sectors. It provides early-stage businesses and scaleups with a high-quality infrastructure, structured access to investors, mentors and business experts as well as links to major customers.

WHAT LEVEL39 PROVIDES

Owned by Canary Wharf Group, Level39 supports 180 member companies at all stages of their development. It now occupies 80,000 square feet over three floors, including two high-growth spaces. Members benefit from hot-desks, fixed-desks and private office space in close proximity to decision makers of important financial institutions.

Level39 has hosted a number of corporate accelerator programmes such as Accenture’s Fintech Accelerator and the Cognicity Hub, a smart cities initiative, which bring together banking and finance with technology startups, speeding access to market. Official relationships with China, South Korea, Norway and unstructured relationships with other major governments open up international introductions and export opportunities for members.

Its Office Hours programme works with a mentor/advisor network of 150+

industry experts and entrepreneurs to deliver training and workshops on subjects such as leadership skills and building operational capacity.

More than 150 specialised, high-value jobs have been created by companies based at the community space and posted on Level39’s job board. Two companies – Digital Shadows and Revolut have increased employee numbers from five to more than 50 in 3.5 years, and a further six have boosted staff numbers from five to more than 15.

FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

THE POWER OF HUBS



Scaleup ecosystems develop healthily around hubs which facilitate local peer-to-peer networks and help companies gain access to talent and markets. But as we are seeing, effective hubs are strong and inclusive centres for the wider business community.

- 1 CONNECT YOUR COMMUNITY.** A strong, inclusive hub provides a place that supports collaboration and connection, through the provision of meeting spaces, events and other activities. As ecosystem players get to know each other, they start to help each other.
- 2 HAVE STRONG CONNECTIONS WITH SCHOOLS AND UNIVERSITIES.** More than 600 academics from around the world have visited the Engine Shed in Bristol – of which the University of Bristol is a founder – while more than 1,900 primary school children have been engaged in activities there.
- 3 CONSTANTLY ACCELERATE.** A hub can house several accelerators: Oracle has based its first UK accelerator in the Engine Shed in Bristol, and the SETSquared incubator is also there. Level39 is a regular host for corporate accelerator programmes, such as those run by Accenture and Canary Wharf.
- 4 BE CLOSE TO MARKETS AND NEW CUSTOMERS.** This way scaleups gain access to corporate buyers.
- 5 TAKE A WIDER LEADERSHIP ROLE.** Engine Shed plays a key role in assisting and promoting inward investment into the West of England region. Level39 provides a showcase for the UK’s capabilities in fintech, cybersecurity, retail and smart city technology.
- 6 THE IMPORTANCE OF DATA.** A successful hub doesn’t always have to be a physical entity. The Cambridge Cluster Map provides details of all local scaleups, with its data being revised annually and updated quarterly. It enables potential employees, customers and investors to see the broad economic picture of the sub-region and identify individual growth opportunities.

UPDATES ON CURRENTLY ENDORSED CASE STUDIES



GOOGLE CAMPUS

Google Campus London provides the infrastructure, networking and mentoring that can help businesses reach their scaleup potential.

The hub for growing young companies is based in a seven-storey building in East London which now houses an 85,000-strong community of entrepreneurs and their workforces – up from 50,000 in early 2016. The concept is a place for innovative business leaders to meet, learn, share and grow.

To meet this ambition Google Campus offers a supportive community, open workspace, Google-led programming, education and a range of events that builds powerful networks: during 2016, the Campus hosted 790 events.

First launched in the UK in 2012, Google has extended the concept to five other locations: Madrid, Sao Paulo, Seoul, Tel Aviv and Warsaw. Recently Google launched Campus Residency, a 6-month selective growth programme that helps six startups powered by machine learning to benefit from bespoke programming and unique access to Google's connections and knowledge.

Businesses supported by the Google Campus are very diverse: 38% female, average age early thirties and from 160+ nationalities. Since launch companies based in the network have raised more than £128 million in funding and created over 3,600 jobs.