

FOREWORD

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Three years ago, in the Scaleup Report on UK Economic Growth, I urged the UK to focus on ‘scaleups’, in order to secure significant growth in jobs, taxes and wealth, and the competitive advantage of Britain for generations to come. This turned the spotlight on the actions we, as a society, needed to take to make the UK the best ‘Scaleup Nation’ in the world. I argued that turning our attention to **company growth** in addition to company creation would bring about a far greater proportion of scaleup companies, which would drive an increase in jobs, productivity and economic prosperity across the country. We identified a huge prize: a one per cent boost to our scaleup population would bring about an additional 238,000 jobs and £225bn in Gross Value Added (GVA).

My report contained original analyses and datasets highlighting how the UK lagged behind the US and other leading economies in the extent to which our SMEs and startup companies grew to become large – the ‘scaleup gap’. I made 12 recommendations of practical actions tried and tested elsewhere that would help us to deliver on this goal. In 2015, several stakeholders in the private sector came together to form the ScaleUp Institute and we set out a route map for the public, private and third sectors to close the Scaleup gap by increasing the percentage of companies that grew to be large.

I am immensely proud of the work the ScaleUp Institute, our partners and ambassadors have done in the past two years to support Scaleup leaders. This 2017 Scaleup Review demonstrates the rallying cry has been taken up with enthusiasm by leaders of many organisations who are now collaborating to break down barriers that prevent us from realising our full potential.

I firmly believe that the key to productivity and economic growth is

the development of scaleup capability locally, with data providing a critical infrastructure for identifying and verifying fast growing companies and helping to facilitate further expansion of their innovative businesses. To that end, we devote parts of this Review to thematic national programmes, and also to local programmes which are driving growing companies in their communities.

The need for the whole ecosystem of stakeholders to collaborate to improve their local environments so that a greater proportion of companies make the leap from ‘small to large’ is essential. The responsibility to become a ‘Scaleup Nation’ rests with all of us.

National policy direction and coordination are a vital component to help drive the change that’s needed. I was very pleased in early 2017 that the Prime Minister accepted the 2014 recommendation for a Ministerial Champion for Scaleups, with the appointment of Margot James MP to this role. The establishment of the Scaleup Taskforce as part of the



“Competitive advantage doesn’t go to the nations that focus on creating companies, it goes to nations that focus on scaling companies.”

Industrial Strategy Green Paper recognises the vital role of scaleups in a dynamic, growing economy, and the Government's requirement for LEPs' Strategic Economic Plans to include a local scaleup action plan is also a welcome development. I have been encouraged by the public/private sector collaborative work of the Scaleup Taskforce, ably co-led by Margot James MP and fellow scaleup entrepreneur Sahar Hashemi. Responding positively to the recommendations of the Scaleup Taskforce is crucial if we are to fully turbo-charge the UK to the top of the OECD scaleup leader-board rather than in 13th position.

Most critically, to focus on our scaling businesses better, we still urgently need free access to scaleup data. The work being led by HM Revenue and Customs with the ScaleUp Institute on how data held can make the verification of scaleups simpler and easier is a vital step in the right direction to allow us all to act more effectively and with greater impact.

Through a new partnership with the Office of National Statistics, we have direct access to detailed data sets which has proven valuable to help us release detailed analyses identifying communities that are 'scaleup cold-spots' and 'scaleup hot-spots'. As you can see from the matrices in chapters one and three, these datasets reveal, in a stark manner, the vast difference between different types of scaleup companies (by sustained growth of 20% pa in turnover or employment) and also how critical 'local' is to us all. This underlines how dangerous it would be to make decisions based solely on regional datasets. The analysis reveals many local communities are demonstrating extra-ordinary jumps in the numbers of scaleups per 100,000 population – Clackmannanshire, Fife, Norwich, Harrogate and Brentwood all bear witness to this and should be celebrated for what they have achieved. However, the analysis also reveals how

other communities likely require more attention in resources, investment and engagement in order to enable their scaleup opportunities and growth .

You will also see a significantly deeper annex containing local briefings in the Review, and I urge you to visit the Scaleup Institute's website where we make datasets available at a local authority level and our scaleup map, which will allow you to find all the scaleup companies in your city, local area or LEP.

It is absolutely clear that we cannot rest on our laurels.

Many countries and regions – Brazil, Canada, Singapore, Europe – have already turned their attention to scaleups as a means of economic growth. If the UK does not align resourcing effectively to fastest growing businesses we run the risk of falling further behind because our scaleup businesses will fail or re-locate. Additionally, there are fresh concerns we have to respond to. The ScaleUp Institute's 2017 survey showed that while scaleup business leaders remain upbeat about their growth and export plans, they felt that the UK would become a harder place in which to grow a business.

We cannot allow this to happen.

We must act now to achieve long-term, sustainable results. The work of the ScaleUp Institute – and our many partners and ambassadors – has never been more important.

I look forward to continuing to work together to accelerate progress so that 2018 will be the year we remember for the giant leaps forward made on the productivity agenda because of the progress we made towards the UK being the **best place** in the planet to both startup and scaleup a business. Better utilisation of data and its wider sharing, is the key to unlocking our full potential.