



Access to markets

CURRENTLY
ENDORSED
CASE STUDIES



Go to Grow: Mayor of London's International Business Programme
Sharing in Growth (SiG)
Silicon Valley Comes to the UK (SVC2UK)

Expanding into new domestic and international markets has been an increasingly important issue for scaleups in recent years, scaleups are hungry to export despite the uncertainty of Brexit.

Exporting remains one of the main enablers of scaling, leading companies to innovate, access new markets and develop new management models.

In the 2018 Scaleup Survey, exporters identified three major barriers to exporting more: access to customers and partners overseas, having the right people to win overseas sales, and uncertainty regarding the outcome of Brexit negotiations.

To break down these barriers, scaleups want more effective support: half of current and aspiring exporters wanted better introductions to buyers overseas and four in ten wanted a single point of contact with the Department for International Trade in the UK.

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 endorsed **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. **Silicon Valley Comes to the UK (SVC2UK)** continues its work improving the relationships between US and UK scaleups, running a Female Founders trade mission to San Francisco in May 2018.

Procurement and collaboration

The 2018 Scaleup Survey highlighted that three quarters of scaleups sell, or have aspirations to sell, to large corporates or government. But they face barriers in their desire to do this - with half of scaleups citing a complex procurement process as holding them back from selling more, and four in ten finding it difficult to find out about opportunities to bid.

This year the ScaleUp Institute has worked with Tussell to create the first visible **Scaleup Public Procurement Index**, highlighting the visible scaleups already working with local and national government and showing the authorities who are effectively engaging with the scaleup ecosystem.

Corporate collaboration is an important step in improving the procurement process: sharing information on how scaling businesses can improve their ability and opportunity to connect with larger buyers and more easily integrate into their supply chain is essential. 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. With Nesta we also offer insight into how corporates and scaleups can maximise the benefits of collaboration through considering a number of critical questions.

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.

Corporate and Scaleup Collaboration Exemplars



Scaling businesses benefit enormously from corporate collaboration. But it is not a one-way benefit because large companies are increasingly recognising that working with fast-growing companies helps promote innovation and gives them access to new technologies.

More large corporates have begun to explore the potential of collaboration with scaling businesses but identifying what works best and ensures the most impact remains important to deliver the most beneficial partnerships. Tackling established thinking and internal barriers that hold back effective collaboration requires significant effort.

The ScaleUp Institute has continued its relationship with Nesta to identify and celebrate those corporates whose behaviours and procedures are making a real difference to effective partnership-building. Held two years ago for the first time, 25 companies were named as Europe's Corporate Stars – with 14 of the 25 either having significant headquarters or major operations in the UK.

In 2017 the approach was refined to identify 12 trailblazers from more than 100 nominees with another 24 recognised as Open Innovation Challengers. At the award ceremony in December 2017 specific awards were also made to companies for their accelerator programmes, procurement behaviours, M&A activity and innovative approaches.

Firms with significant UK operations continued to feature strongly in the exemplars:

- Telefónica, Virgin, Cisco, Mastercard and Unilever Foundry were among the top 12 stars.
- Telefónica also featured alongside Enel and Iberdrola in the procurement awards.
- Aviva, Barclays (Barclays Accelerator, powered by Techstars), BBC Worldwide, Google (for entrepreneurs), Microsoft, Nestle, Pfizer, Philips, RBS, and Shell were included as ones to watch in the Open Innovation Challenger category.
- Barclays (Barclays Accelerator, powered by Techstars), Mastercard (Start Path) and Philips (Health Works) were recognised with the Accelerator Award.

- Microsoft and Google were celebrated for their work on ecosystems.

Alongside the awards Nesta published a detailed report identifying key components of the leading firms' collaboration effort based on analysis of 31 of the 36 leading companies chosen because their headquarters are in Europe. This analysis identified that 84% had a dedicated innovation unit with just over half running an accelerator; **87% undertook innovative procurement from scaleups in 2017**, commercially engaging with an average of 10 businesses each. In addition, 71% had actively invested in scaling businesses and 61% were active in growing businesses' M&A.

Senior level engagement is important, the report found. Among those with an open innovation unit, **33% report directly to the CEO or Board of Directors, 38% report to other C-suite executives**, and the rest, 29%, report to non C-level executives such as the Head of Innovation or Executive Vice President. Six out of ten exemplar corporates now have either a digital Chief Innovation Officer or Chief Digital Officer.

Procurement, which provides a major challenge for large firms working with young scaling businesses that often have special needs, was another focus for the analysis. The majority of exemplar corporates that engage in procurement with early stage scaleups (24 out of 27) report having set up at least one 'friendly' procedure. These range from **67% having a "fast-track" option, 48% have special legal templates, 33% have dedicated procedures and 26% carry out "other" practices such as providing preferential payment conditions** and having a full-time person to help scaleups through the procurement process.



The ScaleUp Institute has continued its relationship with Nesta to identify and celebrate those corporates whose behaviours and procedures are making a real difference to effective partnership-building

Analysis of how the 31 foster an internal entrepreneurial culture demonstrated the value of hiring entrepreneurs, with this approach favoured by 19 firms. Other approaches included giving in-house entrepreneurs (intrapreneurs) time with C-suite executives to seek advice and exposing employees to innovation via missions and incentive programmes to tech hotspots such as Silicon Valley, as well as holding internal competitions/contests to encourage employees to develop ideas.

Focus on UK firms

Teléfonoica was lauded as a great example of digital transformation making significant efforts to integrate scaling businesses into the firm. The scale and vision of their OpenFuture programme was described as a sign that open innovation is at the core of Teléfonoica's strategy.

Virgin was again highlighted as a corporate able to ingrain entrepreneurship within its culture. This is reflected in its corporate values and internal KPIs. All Virgin companies engage with scaling businesses via different programmes, often supported by Virgin StartUp – a dedicated entity focused on supporting small innovative businesses.

A **Cisco** partnership with Mishipay, a company that provides theft-proof scan, pay and leave shopping solutions was highlighted in the 2017 report. After winning University College London's Bright Ideas awards Mishipay became a Cisco Solutions Partner and its product was deployed in beta trials for retailers, earning a host of awards.

In addition, Cisco has introduced the company to clients such as Media Markt Saturn, the largest consumer electronics retailer in Europe, and is developing joint solution with them. Mishipay built the first way-finding feature in its app using Cisco CMX to be deployed live by Cisco in a real showroom environment

Awards for 2018 are now being considered and the winners will be announced in December.

Corporate collaboration checklist

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

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 day-to-day 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 among 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/>

Updates on currently endorsed case studies



Go To Grow: Mayor of London's International Business Programme



Since launching in February 2016, the Mayor's International Business Programme has supported more than 500 of London's high growth businesses in their international expansion. Each quarter, 50 leading businesses in the tech, life sciences, urban and creative sectors are accepted to join the programme. Participant companies gain access to bespoke support for one year in the form of mentoring, workshops, access to corporates, international trade missions and advice.

To date, the programme has supported companies to create 789 new jobs, close deals totalling £49m and raise investment to the tune of £133m. A recent cohort survey showed that more than 86% of the companies

created new jobs in 2017; of these companies, 54% signed new deals and 56% entered new markets in the past year.

Through international trade missions, companies have been able to scope out markets such as China, India and the USA – gaining access to key decision makers at corporates, investors and influencers. This May a group of 15 leaders of London's fastest-growing women-led tech companies headed to Silicon Valley in the USA as part of the Mayor's #BehindEveryGreatCity campaign. Other missions included Atlanta, Madrid and Toronto. Further missions are planned to Germany, Nashville and China.

Sharing in Growth (SiG): Action through supply chains



Established by industry in 2013, Sharing in Growth (SiG) helps aerospace supply chain companies to improve their productivity and competitiveness and be better placed to win a share of continued growth in the global aerospace market.

Companies on the programme have already secured more than £2.5 billion in contracts – equivalent to 4,500 high-value jobs. SiG has provided the necessary support to achieve this from its own 120-strong team of business coaches as well as a network of global experts including the University of Cambridge's Institute for Manufacturing, Deloitte and the National Physical Laboratory. Backed by aerospace prime customers including Rolls-Royce, BAE

Systems, Airbus and Boeing, SiG has delivered more than 2.5 million hours of support to 63 companies, helping to skill up around 11,000 employees.

SiG focuses on creating competitive capability by developing the people and the processes they use. As fast-growing companies need access to knowledge, expertise and coaching to move through their stage of growth, each programme reflects detailed knowledge of the individual business context and is delivered on site. Tailored support lasts up to four years, is scaled to a company's ambition and recognises that the needs of a smaller, evolving company are vastly different from a multi-site corporate.

Silicon Valley Comes to the UK (SVC2UK)



Silicon Valley Comes to the UK (SVC2UK) provides a series of invitation-only events that bring together investors, serial entrepreneurs, students, policymakers and first-time CEOs with serial entrepreneurs and investors from the US and the UK. It is designed to improve the ecosystem for entrepreneurship in the UK, Europe and beyond and drive sustainable growth by helping promising CEOs in their scaling journey, inspire students, and foster relationships with Silicon Valley and the UK.

In May 2018, SVC2UK ran its fourth Female Founders trade mission to San Francisco and Silicon Valley for 15 of London's female-led scaleups. The 3-day programme to build relationships included a reception, tours of

Facebook and Instagram's HQs, speed mentoring and roundtables with founders and senior figures from Silicon Valley.

SVC2UK hosts a summit every November; Silicon Valley and UK leaders in entrepreneurship lead workshops, masterclasses and lectures, with the aim to debate, discuss, create and fund today's most disruptive technologies to change our world in the years to come.

SVC2UK is run out of London & Partners, a not-for-profit public-private partnership, funded by the Mayor of London and a network of commercial partners.