

Innovate UK/EEN Scaleup Pilot Programme

Maxine Adam

The Innovate UK Enterprise Europe Network (EEN) Pilot Scaleup Programme started in July 2017 and will end in December 2018. Jointly funded by Innovate UK and the European Commission, and created and delivered by EEN, the Scaleup Pilot Programme has been an ambitious initiative aimed at an ambitious group of companies.

Recognising that support ecosystems needed to be as responsive and agile as scaleup companies themselves and also that innovative companies have particular needs, its starting point was to put a group of innovative scaling companies at the centre, creating an adaptable service offer around them, from which support, targeted and tailored to their specific needs, could be drawn.

Shaping and driving the model is a team of eight high-calibre scaleup directors who operate together as a 'scaleup board' and provide each of the companies on the programme with a matrix of skills and connectivity. A single director provides each company with one point of contact but is drawing upon the collective resources of the board.

The scaleup directors help the companies to structure for global growth and collaboration and work with them to understand and address the particular set of needs that each company faces on their scaling journey.

It is a unique model for Innovate UK in how to deliver intensive support for innovative high-growth companies.

Selection criteria

Admission onto the Scaleup Pilot Programme was a rigorous and highly selective process. Drawing from an initial long list of approximately 1,200 companies, comprising the pool of companies who had received support through the Innovate 2 Succeed programme, Horizon 2020 or international collaboration support.

Following a process including local peer review panels, leading to invitations to submit expressions of interest for evaluation, 59 companies were carefully selected for individual visits by one of the pilot's scaleup directors. The directors' reports were assessed by the scaleup board, which then identified and selected 29

companies for inclusion in the full programme.

We looked for innovative, ambitious, high-growth oriented companies who were already on their scaling journey, whose innovations and/or business models had the potential to disrupt an existing market, and who were establishing or already implementing their international markets strategy. They had to have a verified business plan and a commitment to implement it. They had to have the potential to achieve compound annual growth rates (CAGR) in the range of 60-100% or more. In other words, they had the potential to make the leap to become large – but were in need of help to structure themselves for global growth, finding the right talent and accessing growth funding.

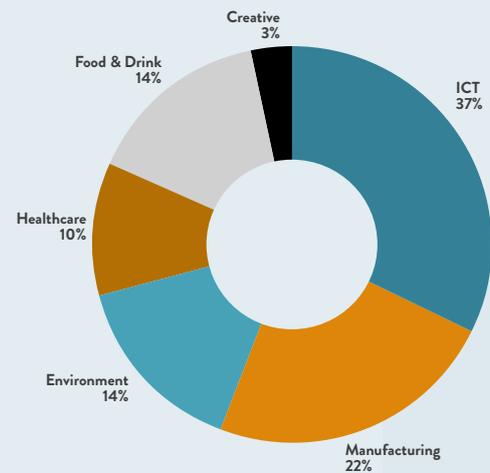
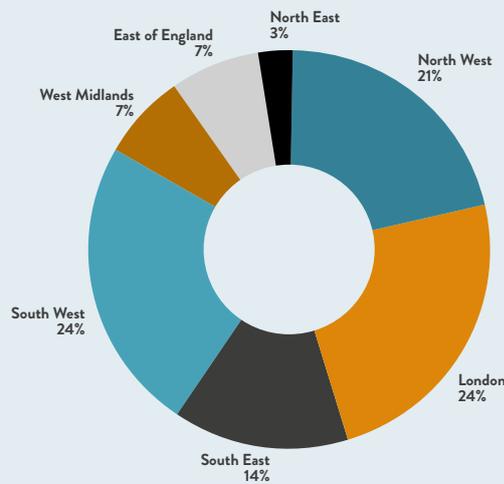
Team of scaleup directors

The scaleup board was central to our approach. It was a unique model.

The experience and skills of the eight directors covered areas such as finance, M&A, international markets, supply chains and IP. They also came from different industry sectors.

Each scaleup director performs a relationship manager role; they are "on call," providing each company with a single point of contact but critically access to the collective resources of the board. However experienced, no one person can provide a high-growth business with all the answers to its particular set of needs on their scaling journey – but a virtual board can. The scaleup director can leverage the support and international connections available through the wider Innovate UK family including EEN.

Over the period, via structured site visits and ongoing discussions, the scaleup directors help their companies to address their scaleup challenges and to harness enablers.



In addition, a Strategic Advisory Board, providing input from Innovate UK monitored the overall progress of the programme.

Participants

The scaleup companies on the pilot programme covered seven UK regions and six key industry sectors. They were all scaling with a mix of pre-revenue, early-stage and established enterprises.

Lessons to date

The Scaleup Pilot Programme concludes in December 2018 and a formal evaluation of its impact will be conducted in 2019. What we have learned to date is indicative, not definitive. But it is most definitely exciting.

We found the challenges specific to each scaleup company and its management team could be grouped into six common themes: international markets, talent acquisition, accessing finance, leadership and mentoring, intellectual property, workspace and internal systems. Of these, the companies highlighted access to internationalisation, finance and successful exploitation of innovation as the most important areas where they

needed support, together with responsive intervention to help them accelerate their scaleup journey.

Participants have not simply been the recipients of support; the scaleup directors have been a critical friend to them in their thinking and approaches. A number of the companies have adopted new strategies as a result of interventions from the scaleup board.

The companies on the programme have gained from interaction with their peers. Within the timeline of the pilot, two peer-to-peer events were held, to facilitate collaboration and networking between the companies as well as gain knowledge input from Innovate UK and make broader connections with members of the Strategic Advisory Board.

As a result of the programme, the companies have been exposed and connected to the breadth of offers available across the Innovate UK family, other public and private sector programmes, and to each other.

At the time of writing, approximately 100 sessions have been organised with the participating companies to support them on their strategies around talent acquisition, market expansion, funding, IP and infrastructure. Approximately eight out of ten



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companies have engaged with new stakeholders who were identified and introduced by the scaleup directors.

The results over such a short pilot period are striking:

- £9.4m in funding rounds have been secured and a further £14.5m is in progress – a combined total of £23.9m.
- Nine companies have secured new international collaboration agreements or established their presence in international markets.
- Nine IP audits and valuations have been conducted with a commercial value identified of £4.5m.
- 165 new jobs have been created during the pilot and a further 141 are projected in 2019 – a total of 306 jobs. This equates to an average growth of over 40% in job numbers across the pilot cohort.

While it is too early to calculate economic impact, translating the job growth alone suggests a potential impact on the UK economy of approx £8.4m and a benefit of £27 for every £1 invested in the Scaleup Pilot Programme.

The future

Many businesses have the ambition to scale, but it is not easy for a high-potential business to become a high-performing world-beater. Innovate UK will work with approximately 3,000 businesses each year, our aim – utilising resources from across the Innovate UK family and our experience of the Scale Up Pilot programme – is for more of these companies to become scaleups.