



# Leadership

## NEW CASE STUDIES FOR 2018



MIT: Venture Mentoring Service  
Vistage

## CURRENTLY ENDORSED CASE STUDIES



British Library: Innovating for Growth  
Cranfield School of Management: Business Growth Programme  
Goldman Sachs 10,000 Small Businesses UK  
London Stock Exchange ELITE  
The Supper Club

## ONES TO WATCH



Cambridge Network: School for Scaleups (CHAPTER 3)  
Entrepreneurs' Forum: Scale-up Leaders' Academy (CHAPTER 3)  
Lazaridis Scale-Up Program  
The Platinum Group (CHAPTER 3)  
Productivity through People  
Strathclyde Business School: Growth Advantage Programme

## The leaders of UK's scaleup companies continue to cite the importance of building leadership capacity to support the growth of their businesses.

Critically they want locally delivered solutions that enable better access to local peer-to-peer networks; they value highly local leadership development programmes and access to local universities and business schools.

A number of well-established programmes are maintaining their success in equipping scaleup businesses with the practical tools to develop personal and group leadership. In our 2018 survey we again find that peer-to-peer networks are the form of support that scaleups most frequently cite as vital or very important to their continued growth (55%). In this year's Review we have endorsed **Vistage** which has been running private peer advisory groups globally since 1955. In the UK, Vistage currently supports nearly 1,500 business leaders with an approach based on carefully selecting members and then linking them locally in an advisory group led by an experienced Chair recruited for their business background and scaleup knowledge. The group comes together for a day each month during which they solve challenges and evaluate opportunities. **The Supper Club**, endorsed in 2017, continues also to extend its peer to peer offering, through regional activities working with local areas and a series of expert guides based on peer learning.

A shared characteristic of many of the successful programmes we identify is the link with an academic organisation. This year, two of our featured case studies come directly from world-class North American universities. The **MIT Venture Mentoring Service** was specifically set up to help mobilise the university's graduates, faculty and staff to start and scale innovative companies, using a structured approach to mentoring and its ability to call upon a pool of its CEO and business leader alumni to help those starting and scaling ventures. We endorse its work which provides an

attractive model for UK universities to adopt.

In this year's Scaleup Survey, input of mentors is highly valued by 93% of all scaleup leaders who have one. Those who do not have a mentor identified not knowing where or how to find one as a main reason. There is a clear opportunity for universities to use their networks to provide more mentors to local scaleups, as in the MIT example. We see the provision of mentors as a feature in existing endorsed programmes. We are also encouraged by the use of mentors in the Manchester University initiative (see chapter 3), which others could emulate.

The **Lazaridis Institute** at Canada's Wilfrid Laurier University is at an early stage in the implementation of its scaleup programme and has been influenced by the work of the ScaleUp Institute. Lazaridis has already developed some powerful insights and learnings into what makes a successful programme for scaleups, stressing that networks are the basic currency for scaleups. It also highlights how scaleup leaders are looking for practical education delivered by industry experts and the value of bringing together leadership teams to work through strategies and challenges. We will watch their progress with great interest and encourage their learnings to be a mantra for everyone involved in delivering scaleup leadership schemes.

We will also be watching the progress of **Productivity through People (PtP)** which has completed a pilot involving two cohorts in the North West with Lancaster University Management School and is being expanded to Scotland, the South West, North East, Midlands and London, working with a series of academic institutions. PtP puts a particular focus on businesses in supply chains with larger companies,

thereby helping to address some of the ‘access to markets’ challenges raised by scaleups. It begins with a benchmark assessment which delegates use to assess their business practices against the best in class and which forms a focus for the coaching, action learning and mentoring offered to delegates.

Programmes that we have highlighted in previous years, are also a testament to the value of structured education for scaleup leaders involving academic organisations and continue to achieve valuable benefits for participants. More than 1,400 businesses have now graduated from the **Goldman Sachs 10,000 Small Businesses UK** programme, benefiting from the combination of networking, peer learning and rigorous business education delivered jointly with a group of UK universities. Graduates are three times more likely to create jobs than other UK small businesses and three-quarters have created a high-performance culture in their companies. The UK cohorts of the **London Stock Exchange Elite** programme have raised £3bn to date and now have access to private capital through its own funding platform. The **Cranfield Business Growth Programme**, which we endorsed in 2017, continues to go from strength to strength; on average, participants achieve profits growth year on year of 41% and increase sales by 21%. **The British Library’s**

**Innovating for Growth** programme continues to improve its highly effective reach into a truly diverse community of scaleup leaders, in the last financial year 51% of the participants were female-led businesses and 51% were Black, Asian and Minority Ethnic-led (BAME) businesses.

Other programmes that we highlighted last year – **Strathclyde Business School’s Growth Advantage Programme, Cambridge Network’s School for Scaleups, the Entrepreneurs’ Forum Scale-up Leaders’ Academy, and the Platinum Group** – all continue their important work, providing opportunities for leaders of scaling businesses to develop their leadership skills and to overcome their growth challenges by engaging with peers and being supported by mentors and coaches.

These scaleup leadership exemplars highlight the range of high-impact programmes on offer to scaling businesses as well as emerging initiatives. When combined, they are making a difference to closing the UK’s scaleup gap. The continued existence and development of such programmes at local level, as well as stronger links between local and national offerings, remains important for continuing to address the needs of our fastest growing businesses.



## IMPACT FOR SCALEUPS

ANNUAL JOB CREATION  
 **8,450**

AVERAGE REVENUE GROWTH  
 **23%**



INTERNATIONAL COMMUNITY OF MEMBERS  
**22,000**  
 (UK 1,500)

EVENTS  
 **30**  
 UK-WIDE PA

**122**  
 ACCREDITED EXPERT SPEAKERS/THOUGHT LEADERS WITHIN THE UK



SCALEUPS:  
**35%**  
 OF UK VISTAGE MEMBERS ARE SCALEUPS WITH A FURTHER 20% ACTIVELY PLANNING TO SCALE

## Vistage has been running private peer advisory groups for MDs/CEOs and Executives throughout the world since 1955. Worldwide, Vistage currently supports over 22,000 business leaders; in the UK the number is nearly 1,500.

At the core of the Vistage approach is the peer advisory group. Members are carefully selected and invited to join each locally-based peer advisory group. They meet monthly for a whole day with a dozen other business leaders led by a Vistage Chair, who acts as group facilitator and coach and are recruited for their business background, scaleup knowledge and experience. A Vistage Chair has on average 21 years of MD/CEO or P&L ownership experience and undergoes at least 126 hours of specific training before they start to support members.

From the start Vistage developed an approach for group meetings that allow members to help each other solve challenges, evaluate opportunities and explore effective strategies in a safe and confidential environment. The group and the Chair then hold each other to account for delivering on the commitments made.

In addition to the benefits of the peer group, members also have access to expert speakers and thought leaders presenting within a small group setting, monthly private one-to-one coaching/mentoring sessions with the Chair, and networks to build connections based specific industries or special interests. Furthermore, online resources containing the knowledge and insight of the international Vistage community plus wider research, tools and data are available through *My Vistage*.

A 2017 analysis revealed that companies that joined Vistage over the past five years had grown 220% faster than equivalent companies. The feedback from members is very positive – 88% of UK CEO members state that Vistage is more valuable than any other source available to them to increase their knowledge and ability to excel and one-third of new members are a direct result of referrals from existing members.

Vistage has changed my approach completely, I now see myself as a leader – I feel that my job is to lead and grow my team.

**TOM HIGGINS, CHIEF EXECUTIVE OFFICER, GOLD-I LTD.**

I could easily attribute 10% growth to things I have implemented because of Vistage that I didn't do before

**ANDREW STELLAKIS, MANAGING DIRECTOR, Q2Q LTD.**

You get an opportunity to run ideas past people with no vested interests which I think is fantastic.

**MURRAY MCCALL, MANAGING PARTNER, ANDERSON STRATHERN.**

Vistage is a great and cost-effective way to have a non-executive team around you.

**IAN ROSEWELL, MANAGING DIRECTOR, PROCUREMENT INTERNATIONAL LTD.**

For further information about the programme: [scaleupinstitute.org.uk/scale-up-programmes/](http://scaleupinstitute.org.uk/scale-up-programmes/)



## CALL TO ACTION

A purpose-built peer advisory group, with group commitment, is at the heart of Vistage coupled with a business chair who has been on the 'scaling' journey and has the knowledge and experience to impart. Others can learn from the Vistage structure, the active matching of scaleups to appropriate peers, mentors and experts and its measurement of impact and continuous learning.

# Update on currently endorsed case studies

## The Supper Club: Peer-to-Peer Networks



The Supper Club is an exclusive membership community of high-growth founders and CEOs who are supported through all stages of the entrepreneur lifecycle. Members learn from their peers and specialist advisers at over 200 events a year, while dedicated member managers provide year-round support and connections.

Since 2003 it has enabled thousands of scaling entrepreneurs from all industries to realise their potential. The average growth of members is 34% year on year with sales ranging from £1m to £500m. The total value of investments into businesses in 2017 was £1.2billion, ranging from management buyouts to private equity investment.

In 2017 The Supper Club launched a national campaign to inspire the wider scaleup community with a series of guides, using insights from nearly 3,000 peer learning events. Tips for success and practical advice are available in two guides: *Talent Tactics* – to help founders recruit and build top-performing teams – and *Way to Grow* – to increase awareness and understanding of different funding options and how to use them to accelerate scale.

To support scaleup leaders unable to attend regular events in London but who value the content and connections of the network, The Supper Club has introduced a range of new membership options and is expanding outside of London with regional activities in cities including Bristol, Birmingham and Manchester.

# Productivity through People

Supply chain collaboration to foster leadership development, scale and productivity



**Productivity through People (PtP) is a programme designed to spread better working practices by encouraging stronger business collaboration, building industry networks and showcasing productivity exemplars.**

The 12-month programme was first piloted in the North West between a collaboration of manufacturing partners BAE Systems, Rolls Royce and Siemens with Lancaster University. Launched in January 2017, the focus has been mainly on SME businesses in manufacturing and engineering but it is starting to extend to other sectors. The long-term objective is to build a National PtP Network involving a broader range of regional delivery and industry partners and PtP is now being expanded to other parts of the country including Scotland, South West, North East, Midlands and London.

The programme is built around three anchors: leadership, strategy and change, and culture. It begins with a benchmark assessment which enables the business leaders to assess their business practices against the best in class. It also forms a focus for the coaching, action learning and mentoring offered to business participants. This assessment is repeated at the end to track progress and the distance travelled by delegates during the programme.

An important part of the programme is industrial visits which are designed to inspire the business leaders about the potential of developing innovative practices in their

own company. Peer networking is another strong element and the programme has been specifically designed to enable the formation of a strong peer group among the delegates. Modules include action learning sets, shadowing and exchanges to optimise opportunities for the delegates to exchange best practice, share ideas and issues and to visit each other's businesses.

PtP has supported 37 businesses in the first two cohorts; its impact will be measured 12-18 months after they have completed the programme.

ScaleUp Institute research has shown that scaleups actively seek better collaboration in supply chains from the private sector and support from academia. PtP has the opportunity to facilitate this engagement on a more active and effective scale – we will be monitoring its progress with interest and specifically its outcomes and alignment to scaling businesses.

# Strathclyde Business School

Growth Advantage Programme



**The Growth Advantage Programme (GAP) is designed to deliver relevant, accessible and practical learning for the leaders of ambitious businesses in Scotland looking to scale up.**

It combines world-class executive education with the power of peer learning. Importantly, GAP graduates continue to support each other and are actively involved in sharing their experiences with succeeding cohorts of GAP participants as part of the Growth Advantage Club. Launched in 2015, GAP is aimed at businesses with a minimum £1m turnover with real growth ambitions.

Over ten months, carefully selected participants attend a one-day orientation and four two-day workshops

under a common theme: Creating a Growth Advantage. Participants learn the practical application of research on growing businesses, while garnering inspiration from their peers and guest speakers. Learning is supported and reinforced through access to closed online communications platforms and a series of specialist masterclasses dealing with issues facing subgroups of participants. While the core design of GAP has remained consistent since launch, the delivery team have been responsive to feedback from scaleup

leaders to enhance sessions and improve their usefulness, for example introducing a session on the strategic use of IP.

GAP also provides access to project support from Hunter Centre for Entrepreneurship undergraduates and MBA students, product design resource from the Engineering Faculty, the use of the University Careers Service, and the sourcing of interns via the Santander Universities Internship Scheme.

Since 2015 53 companies have completed the programme. They had an average turnover of £2.1m when they commenced the course and at the end each company projected average sales of almost £5.1m within three years – nearly 2.5 times greater on average. Total employment is projected to grow from 1,325 to over 2,800.

# MIT VENTURE MENTORING SERVICE

MOBILISING STUDENTS, STAFF AND ALUMNI TO START AND SCALE BUSINESSES



IMPACT FOR SCALEUPS



165

EXPERIENCED MENTORS



1,450

BUSINESSES ASSISTED



OVER 2,500

PARTICIPANT ENTREPRENEURS



OVER \$1.44bn

IN EXTERNAL FINANCE RAISED BY PARTICIPANTS OF VMS VENTURES

The Massachusetts Institute of Technology (MIT) Venture Mentoring Service (VMS) was founded in 2000 after two successful MIT-affiliated serial entrepreneurs proposed and were asked to develop a programme to remedy a gap in how the university supported emerging entrepreneurial ventures.

The programme, which provides a model that other universities can follow, is freely available to MIT students, alumni and staff with ideas that they would like to turn into businesses. The entrepreneur and the venture must both be based in the greater Boston area and participants are expected to commit to a sustained relationship with VMS as well as be professional, open and responsive to the volunteer mentors who work with them.

VMS matches both prospective and experienced entrepreneurs with skilled volunteer mentors. Participants meet initially with two mentors for a wide-ranging discussion so they gain as complete a picture as possible and identify the most critical action areas. Subsequently, a team mentoring approach is used with groups of 3-4 mentors who are continually tailored to each mentee's challenges. Meeting frequency and length of participation are up to the mentee who receives support in sessions that provide practical, day-to-day professional advice and coaching.

Mentors are selected based on their relevant experience and their careers represent a wide range of, such as founders, CEOs, chief technical officers, or executives of companies.

They give support across a broad range of business activity including product development, marketing, intellectual property law, finance, human resources and business management. VMS mentors contribute over 12,000 hours a year.

The message to participants is that the mentoring services are educational only. All business decisions remain under the full control of the participating founder.

VMS complements and works cooperatively with the numerous other MIT centres and programmes promoting entrepreneurship and offering resources to encourage the formation of new businesses and R&D.

A 2015 impact report underscored the substantial economic impact of MIT's alumni entrepreneurs who have founded 30,200 active companies that have created 4.6 million jobs and generate annual revenues of nearly \$2 trillion.

MIT VMS has created an Outreach Training Programme to share its practices, experiences and methods to other universities and economic development organisations across the US and worldwide.

"When I first heard about VMS, I was immediately attracted by the fact that it is structured as an educational journey for the entrepreneur. The focus on education and learning, combined with the brilliant feature of group mentoring, leads to a unique, effective and highly productive experience, for both mentee and mentor."

CATHERINE IACOBO,  
VMS MENTOR

"It is no exaggeration to say that VMS' support was instrumental in helping us avoid major mistakes in the early stages of our growth. Now that we are bigger, the VMS mentor team provides an invaluable source of outside expertise both from a functional perspective (HR, strategy, financing, product development) and an industry insight perspective. On several occasions, the VMS team has also helped us identify and recruit the talent we needed to hit our growth objectives.

COGITO

"VMS' mentors have been a steadfast source of insight for KGS through many years of evolution and growth. We can always trust that the VMS mentors, and the VMS program, have the interest of the MIT founders and the company at heart, and not ulterior business motives. VMS has been and continues to be a guiding force in our business"

KGS BUILDINGS, LLC

For further information about the programme: [scaleupinstitute.org.uk/scale-up-programmes/](https://scaleupinstitute.org.uk/scale-up-programmes/)



CALL TO ACTION

All UK universities, colleges and business schools should consider this model and its learnings; there are significant opportunities for the education sector to establish similar alumni mentor schemes and help businesses on their growth journeys, particularly given the significance scaleup leaders place on access to universities and business schools and high quality mentors.

# Lazaridis Scale-Up Program

## Canadian Insights



### Running for two years, the Lazaridis Scale-Up Program is the flagship of the Lazaridis Institute for the Management of Technology Enterprises, based at Canada's Wilfrid Laurier University.

It has been designed to help Canada's most promising growth-stage tech companies build their businesses to globally competitive size.

Ten companies from across Canada are selected for each 6-month programme; ideally they have been founded within the previous three to five years and have recognised a minimum \$1m revenue in the past year. Participants meet one weekend a month in different cities. A significant element of the programme is that CEOs must commit to taking part in each and bringing an additional participant from their companies. The Lazaridis Institute has identified

that this is one of the critical success factors of the programme; executives who involve their senior leadership team get the most out of the programme. Alongside this, the Lazaridis Institute has identified nine further lessons from building a scaleup programme. These are featured as an Insight below.

The programme lays a strong stress on using industry experts to build aware,

self-confident leadership. Weekends are facilitated by experts in critical areas such as recruitment, product development and global growth. The programme culminates in five days of meetings in Silicon Valley.

Cohort companies receive 12 months of support from sector and functional specialists and 120 individual hours with a mentor who has scaled a business internationally and is chosen to meet each company's current challenges. All companies in the first cohort have reported increased revenues, 80% increased jobs, 90% increased productivity, 90% received external finance, 90% increased exports.



**CALL TO ACTION**

Others can learn from the lessons Lazaridis lays out when creating and developing a scaleup programme. How we also connect peer scaleups with each other on an international basis is a future focus for SU1 with its partners.

## INSIGHTS FROM CANADA:

### Lessons on building a scaleup programme



1	<b>Scaleups are not startups.</b> The language they use, their time horizons and their challenges are different – make sure you tailor your content, language and focus.	6	<b>Partner with accelerators to find participant companies at the right growth stage.</b> A scaleup programme will help their graduates be even more successful – and that's a win for everybody.
2	<b>Scaleups want to solve immediate problems and bypass future ones.</b> Their busy leaders have little patience for theory.	7	<b>The right mentors are vital – and they can't be one-size-fits-all.</b> The mentors in the Lazaridis Scale-Up Program are chosen not only for each company but for the particular challenges that the company is currently facing. We don't use the same mentors each year. It's crucial that mentors have actually scaled a business, usually in the same industry as the company that they are mentoring.
3	<b>A programme must help participants work on – not in – their company.</b> There is huge value in the time spent stepping back and viewing the bigger picture, and away from the daily fires that they face in the office.	8	<b>Sessions should be led by industry experts who have scaled businesses internationally.</b> We don't use consultants or academic faculty members.
4	<b>Get the best out of the programme by involving members of the senior leadership team.</b> They maximise the learning, can brainstorm in the moment, and are ready to make decisions or change direction faster.	9	<b>Networks are the basic currency of everything we do.</b> Leverage partnerships to expand your network quickly, but make an ongoing commitment to building your own networks at the same time.
5	<b>Don't under-estimate the importance of the peer network.</b> Bring together diverse companies at the same stage of growth and they will make incredible connections. (BUT do not include competitors within the same cohort.)	10	<b>Get a commitment for participating companies up front that they will report back on key metrics for a set period of time.</b> It is much harder to chase the data afterwards.

KIM MORONEY, MANAGING DIRECTOR, LAZARIDIS INSTITUTE

# Updates on currently endorsed case studies



## British Library: Innovating for Growth



Launched in 2012, Innovating for Growth is a three-month programme, delivered one-to-one and through workshops. It has been designed and delivered by the British Library Business and Intellectual Property Centre (BIPC) and a number of private sector partners.

BIPC has a 12-year track record in supporting entrepreneurs to start and run successful businesses; to date, over 750,000 people have used the centre. Independent research shows that businesses that use their services are four times more likely to be successful and sustainable than the national average.

The Innovating for Growth programme specifically helps owners of businesses trading for more than a year and with aspirations to grow their business through innovation to make the most of the British Library's

expertise in IP management and customised business research.

Each owner is paired with an Account Manager who oversees the engagement, acts as a counsellor and refers participants to relevant services. Post completion participants undertake regular reviews to track progress and measure outcomes as well as becoming members of the "Growth Club," offering events, peer-to-peer support and networking.

BIPC now has an alumni network of over 430 scaling businesses; some are acting as mentors to the next generation of high growth potential scaleups. Notably, in the last financial year 51% of the participants were female-led businesses and 51% were Black, Asian and Minority Ethnic-led businesses.

## Cranfield School of Management: Business Growth Programme



Cranfield's Business Growth Programme (BGP) has been offering leadership development for ambitious owner-managed businesses with the potential for growth since 1988. The programme was endorsed in the 2017 Review for demonstrating the value of linking scaleup leaders with peers in both the classroom and the business.

Typical participants have been operating for at least three years, with turnover now set between £0.5m and £20m. More than 2,500 business leaders have completed the nine-month programme participating in modules held over four weekends. Between these they develop their strategy and make immediate improvements.

Each participant is allocated a business counsellor, who works with them and visits the business. After the final

module they present their strategy to a panel of BGP and independent advisers. Participants leave with a robust and rigorous business growth plan, which is reviewed for progress three months later.

Alumni can join regionally-run BGP Clubs providing a network of support and mentoring. Alumni also 'give back' to the programme by sharing their experiences with current participants, providing funding and scholarships as well as mentoring new entrants.

Analysis of the programme shows participants grow their businesses faster than their peers. On average revenue growth is 19% a year, profits grow year on year by 41% and sales increase by 21%.

## London Stock Exchange ELITE



ELITE is an ecosystem and platform helping the most ambitious private companies to scale up, structure for the next stages of growth and access capital. It was established to link scaleups with industry experts, corporate advisory and investor communities.

Companies become part of a vibrant community of founders, fast growing business leaders, advisers, investors and key stakeholders. ELITE provides structured training through an 18-month programme to give scaleup leaders the insights and tools to act strategically about their growth and investment.

The initiative started in Italy in 2012, expanding to the UK (in 2014) and further internationally. To date, ELITE has helped nearly 1,000 companies from 32 countries to scale up, connect to the right network and access capital. ELITE also offers support to companies raising private capital through its own funding platform that provides access to a range of professional investors.

ELITE companies have raised in excess of £8bn (over £3bn in the UK alone) and 19 are listed on public markets (5 in the UK).

## Goldman Sachs 10,000 Small Businesses UK



Since 2010 Goldman Sachs 10,000 Small Businesses UK (10KSB UK) has helped accelerate the growth of high-potential small businesses through practically-focused business and management education. More than 1,400 businesses have now graduated from the programme.

Competitively-selected businesses are offered over 100 hours of education – both online and residential – fully-funded by the Goldman Sachs Foundation. Delivered in partnership with UK universities<sup>1</sup>, the programme offers networking and peer learning opportunities in addition to high quality, applied business learning.

Studies of the impact of 10KSB UK show that alumni are three times more likely to create jobs than other UK small businesses, and grow revenue at 81% per year. 77% increase the training opportunities provided to

staff, 64% launch a new product or service in the year after completing the programme, and 70% seek external financing.

In June 2018, independent research on the productivity of 10KSB UK graduates showed 75% have created a high-performance culture, 77% attribute a change in the leadership style to participation in the programme, and 89% seek external partners. The result is a major impact on productivity: participants demonstrate an additional 22% increase in productivity after completing the programme, compared to a control group of similar high-growth UK small businesses.

<sup>1</sup> Oxford University Said Business School, Aston University Centre for Growth, Leeds University Business School, and Manchester Metropolitan University Business School.

# The leadership mentality

John Morris



Scaling and learning go together. A company can only successfully navigate and sustain high growth if it is a learning organisation, in which its leaders embrace new ideas, techniques and tools, and constantly develop their own skills and those of their workforce. It's exciting to see the strength of the hunger to learn among the UK's scaleups. In this year's Scaleup Survey, more than half of scaleups cite "developing the leadership and management skills of the senior team" as one of their top three factors supporting growth.



This year, I have had the privilege to chair the ScaleUp Institute's Leadership Capacity committee. Our main objective is to identify programmes across the UK that make a real, evidential impact in this regard. So in my case, chairing and learning go together.

My preconception had been that all leadership programmes were much the same. The British Library's Innovating for Growth, with its broad reach among women, ethnic minorities, and disabled people, was a revelation to me. It demonstrates that there is both space and need for a variety of programmes – because our thousands of scaleups come in many different shapes and sizes. Their leaders have different beliefs and values, different back stories and priorities, and different measures of success.

To reflect this, a variety of mechanisms, forums and interventions are required that will enable scaleup leaders to achieve their growth objectives and outcomes.

Such a variety should apply to peer networks, which are so important for many scaleups. As the Scaleup Survey shows, access to peer-to-peer networks is the most likely form of support to be rated "vital" or "very important" to help scaleups grow their business further. Our scaleup ecosystems should harbour peer networks that vary in cost and time commitments, from which scaleups can choose.



**At a local level, there is more to be done. I am hopeful that we will soon be recognising and praising local programmes that are world-class in their design, delivery and impact.**

Many leadership programmes and peer networks tend to focus on the CEO or founder. That is both logical – and a good start. It’s encouraging that some also have mechanisms for providing access to similar leadership and talent development tools for their management teams. This is an issue that we have taken seriously at Smith and Williamson. We have collaborated with the ScaleUp Institute on a scaleup benchmark to enable companies to see how they fare against their peers. And this year, we launched our Scaleup Diagnostic tool, which helps management teams – not just the CEO – to identify strategic strengths and weaknesses that may need to be addressed in order to scale up successfully. By gaining different views of the business, this tool provides a mechanism for a business to understand both its ambition and readiness to scale.

At a local level, there is more to be done. I am hopeful that we will soon be recognising and praising local programmes that are world-class in their design, delivery and impact. This year, I attended the ScaleUp Institute’s third Driving Economic Growth course in Leeds. I would love to see a genuinely local programme emerge from this course which can stand on its own terms as an outstanding example of an initiative fostering scaleup leadership development.

# 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.

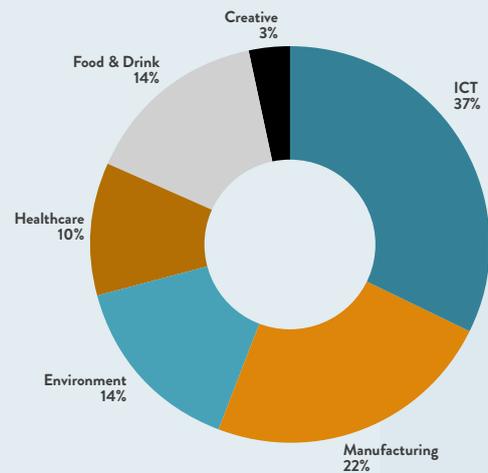
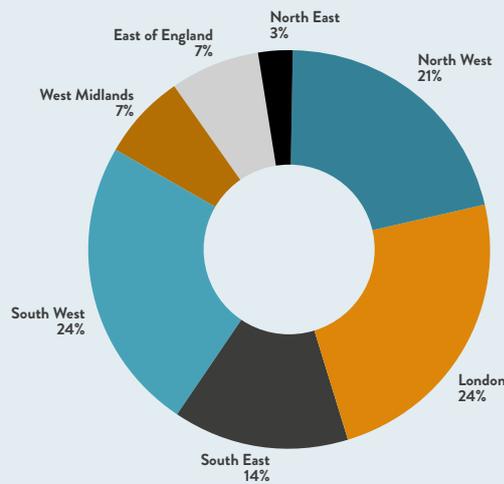
## Team of scaleup directors

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.