

# ANNUAL SCALEUP REVIEW

2017

THE SCALEUP  
INSTITUTE



NOVEMBER 2017

## ACKNOWLEDGEMENTS

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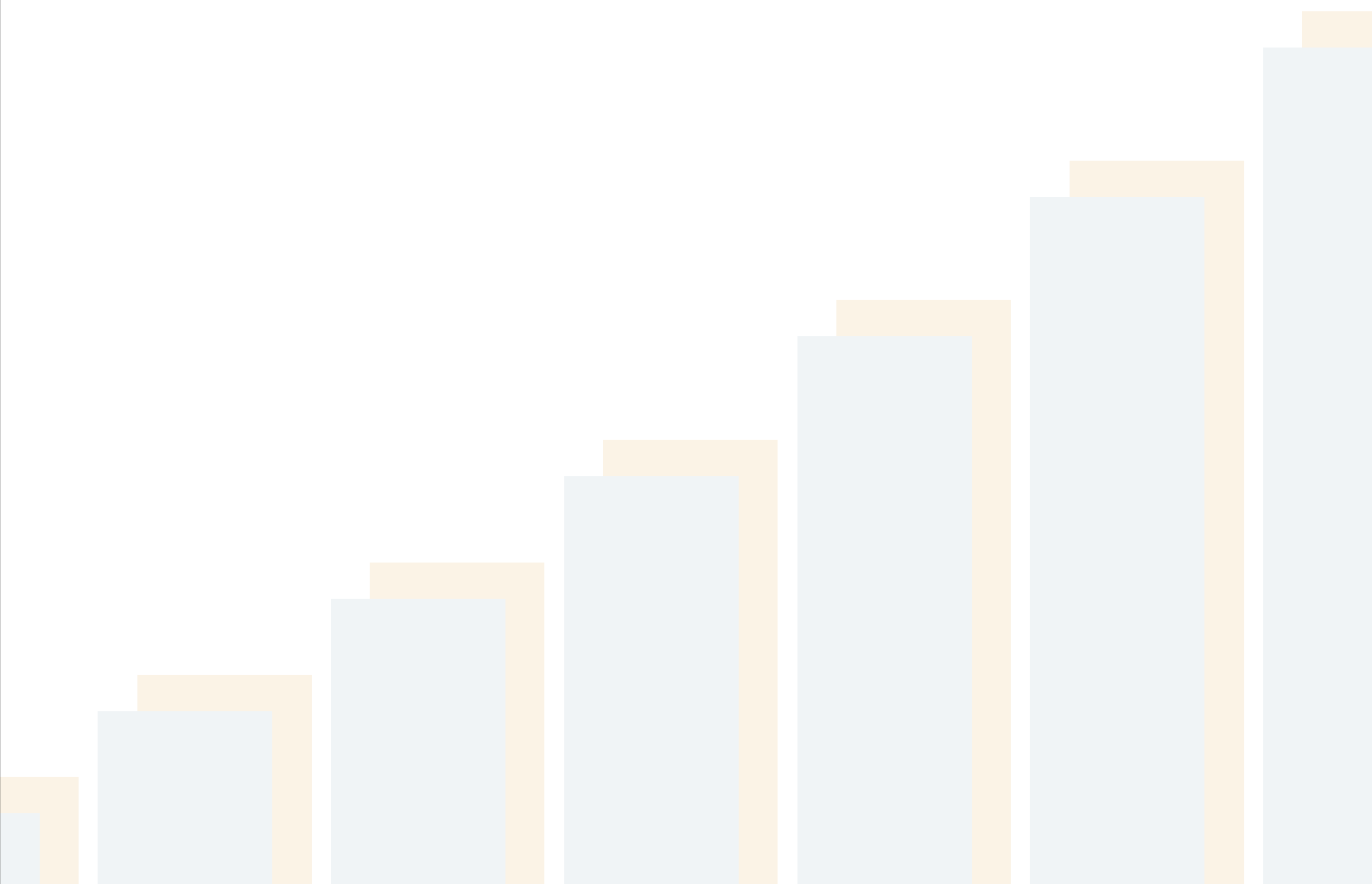
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# ANNUAL SCALEUP REVIEW 2017

## THE SCALEUP INSTITUTE







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## Margot James MP

### SMALL BUSINESS MINISTER AND SCALE UP CHAMPION FOR GOVERNMENT

The UK's 5.5 million small businesses are the backbone of our economy and our Industrial Strategy will build on that strength, building the conditions for businesses to continue to start and grow.

This Government recognises the vital role that scaling up businesses has in providing more jobs and opportunities across the country. This is why I have been leading the Scale Up Taskforce, addressing the barriers to business growth and identifying potential opportunities. The ScaleUp Institute has already proven itself invaluable in this work.

We want to build on our strengths and ensure that ambitious businesses across the country are able to access the support they need to reach their full potential.

I look forward to continuing this important work with the ScaleUp Institute.

# FOREWORD

Sherry Coutu

CHAIR, SCALEUP INSTITUTE



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.

# EXECUTIVE OVERVIEW

The background features a series of overlapping rectangular blocks in various shades of blue and teal. At the bottom of the image, there is a stylized bar chart with seven bars of increasing height from left to right. Each bar is light blue with a thick orange outline. The overall design is modern and corporate.



# EXECUTIVE OVERVIEW

Irene Graham

CEO, SCALEUP INSTITUTE

The ScaleUp Institute was established by the private sector at the end of 2015 to make the UK the best place in the world not just to start, but to scale a business by addressing the challenges faced in talent, leadership, markets, finance and infrastructure.

## OUR CORE PURPOSE IS TO:

- Ensure scaleups<sup>1</sup> are a national priority embedded into the local fabric of the communities in which they operate, with solutions delivered across the private and public sector to break down the barriers they face.
- Educate on what is needed to create and foster a local ecosystem 'match fit' for scaling businesses at every stage of their growth journey, and to highlight well-evidenced impactful programmes and practices from which others can learn, emulate and improve.
- Enhance knowledge of scaleups through research, data, policy and analysis, to understand their needs, and understand which localities of the country have greatest requirement for private and public sector engagement, resources and investment to propel scaleup business growth.

Since establishment, the ScaleUp Institute has placed a key emphasis on working across the UK with corporates, financiers, educators, policy makers and local leaders to turn their attention to practical actions which can overcome the challenges faced by scaleups in their local communities.

In 2017 we have taken significant steps forward in our mission to turn theory and evidence into practicable outcomes that benefit scaleup leaders.

We have maintained the momentum of research and education, developing the route map for local ecosystems to come together to progress initiatives that help fast-growing businesses to flourish. Local leaders from the public and private sector have built on existing programmes, set projects in motion, or worked to develop more tailored initiatives for scaleup business leaders. Many of these were galvanised by the Scaleup Institute's education programme on "Driving Economic Growth through ScaleUp Ecosystems" supported by Goldman Sachs *10,000 Small Businesses* UK and Innovate UK. This has in turn led to inclusion of scaleups in local Strategic Economic Plans.

We have also worked closely with the Government on its emerging Industrial Strategy, and the key planks of action in 2017 of the ScaleUp Taskforce, Entrepreneurial, and Patient Capital Reviews. We welcome these developments and the heightened focus on scaleup business needs, including the leadership shown by the ministerial ScaleUp Champion Margot James MP, a successful entrepreneur and scaleup business leader

<sup>1</sup> An enterprise with average annual growth in employees or turnover greater than 20 per cent per annum over a three year period, and with more than 10 employees at the beginning of the period (OECD, 2014).

herself. We must now turn these into robust actions.

This Review draws on the thematic work of the ScaleUp Institute and the results of our latest survey of scaleup leaders to present a complete picture of the national landscape for scaleups. In addition, the ScaleUp Institute has collaborated with the Office of National Statistics (ONS) and, as a result, we use more comprehensive datasets, allowing us to examine in far more detail the relative scaleup performance of different geographic areas, as well as change over a three-year period. This data reinforces the importance of local action as the national picture masks significant local disparities that need to be addressed.

Our work across the year, including analysis of data findings and the views of our scaleup business leaders in 2017 reveals three fundamental themes: **People, Place and Productivity**.

## OUR KEY CONCLUSIONS ARE:

- **Productivity is boosted by scaleups across all parts of the country and across sectors**

Evidence continues to show scaling businesses generate more productive jobs than the average – approximately £235,000 turnover per employee<sup>2</sup> – and provide employment opportunities across a varied spectrum from work experience, to apprenticeships, and from graduates to non-executive directorships.

ONS data for the years 2013 – 2015 indicates that the number of businesses that can be classified as scaleups in the UK has risen from 26,985 in 2013 to 31,440 in 2015. This is encouraging, with these businesses generating circa £900bn in turnover and circa 3-3.5 million in

jobs. When differentiating between types of scaleup we see two distinct patterns emerging: an increase in overall scaleups growing by turnover, and a small decrease in those scaleups growing by employees. Only 20% are growing against both measures<sup>3</sup>.

The **ScaleUp Index**<sup>4</sup> researched with Beahurst and Smith & Williamson, comprising Visible Scaleup Groups, alongside our **scaleup map**<sup>5</sup>, provide better detail of who these businesses are, the diverse sectors they are in and the communities in which they are flourishing. These datasets however, while increasing our understanding of scaleups also reinforce the need for more real time information to enable more effective private and public sector engagement to scaling businesses at every local level.

- **People and Place matter most:**

We know there are many ambitious scaleup leaders who want to scale more. They most need help on talent, access to markets and leadership.

People with the right skills remain their top priority and access to talent the greatest hindrance. Whether recruiting new employees, tapping into mentors / Non-Executive Directors, who have successfully grown businesses, building out leadership capacity, or seeking the skills needed to expand their global aspirations including international talent, people are top of mind in delivering rapid year-on-year growth.

Scaleup business leaders **most value locally-rooted resources** to foster their growth. They want **more local solutions tailored to their needs:** more peer-to-peer networks where they can meet their counterparts,

<sup>2</sup> This is based upon ONS data, extracted at a LEP level for scaleups in 2015. Our survey respondents reported an average annual turnover per employee of £240,000

<sup>3</sup> Further data is expected shortly and we will update accordingly

<sup>4</sup> <http://www.scaleupinstitute.org.uk/scale-up-businesses/>

<sup>5</sup> <http://www.scaleupinstitute.org.uk/scale-up-businesses/>

easier access and deeper connections to local educators, university research facilities, and UK collaboration partners whether that be in local authorities, large corporates or Government. While scaleup leaders recognise that there are national Government initiatives, they want these delivered locally in a manner much easier to navigate.

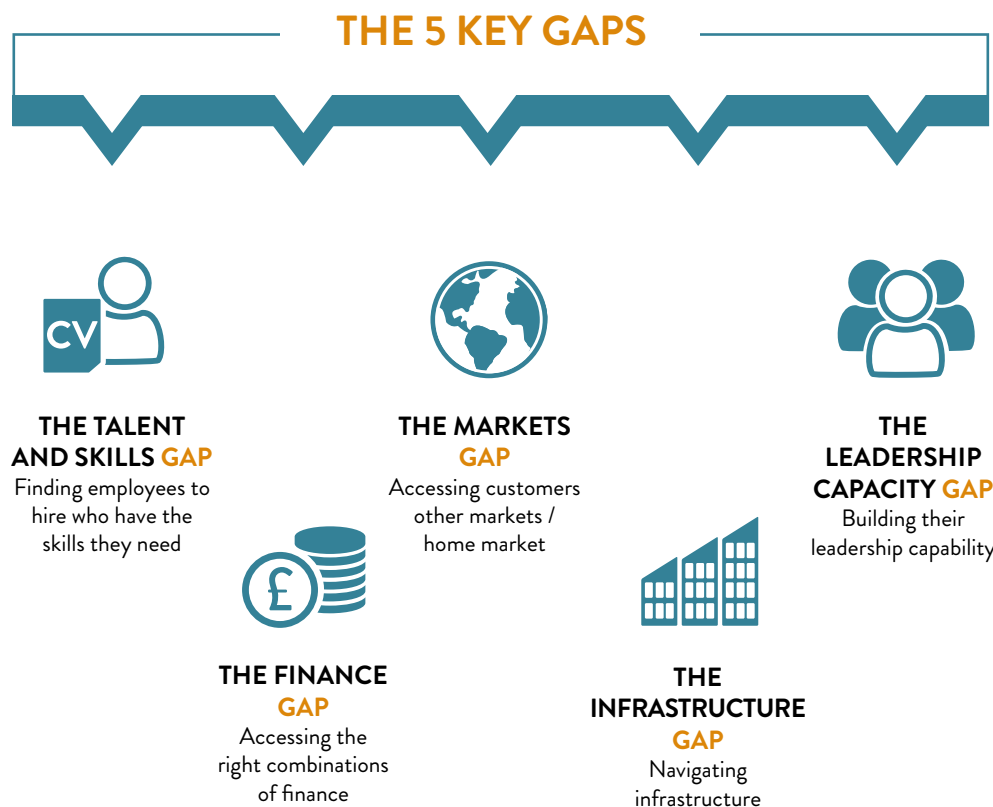
Over half the scaleup businesses leaders in our 2017 survey perceive no relevant support existing for them – **we need to remedy this urgently.**

- **Innovation, investment and internationalism are integral:**

The majority of scaleups are already international and hungry to do more. While Europe and the USA remain core markets, they are

expanding to broader horizons in India, Middle East, Latin America, and Africa. However, they need greater assistance to connect with overseas buyers and to build the skills needed to negotiate internationally, understand market depth, and secure business opportunities.

Scaleups are twice as likely as peers to innovate<sup>7</sup> and as such are keen to see better access to R&D innovation funding and growth finance options delivered locally, along with access to the infrastructure that supports their innovation drive. Finance and infrastructure remain vital components to scaleup success.



<sup>7</sup> Whilst we fully recognise sample sizes at these levels are not statistically robust, we still think it important to share the reflections of those business leaders who completed the survey, on an aggregate basis, to give insight to their considerations.



## AS AN ECOSYSTEM WE MUST:

- Continue to act at a local level to overcome local disparities in a targeted manner** with greatest emphasis on converting scaleup 'cold spots' to 'hot spots' while we also ensure scaleup needs are top of mind in every local area and authority. The more granular ONS datasets demonstrate where the challenges are and where action needs to be taken. In 2018, the ScaleUp Institute will carry out further research using these datasets and others to get behind the figures and help focus action on local needs and local areas that most need attention.
- Unleash the most up-to-date data** so that we can be ever more effective in our engagement with scaleup business leaders and harness our resources with more effect, impact and investment. In 2018 the ScaleUp Institute will be continuing our work with HMRC in using datasets to identify scaleups and trial different communication and information strategies with their leaders. These pilots will allow us to understand how to use data more effectively to boost productivity, and will allow us to explore the optimal models for a central opt-in or self-identification service.
- Develop better local scaleup-centric approaches** for scaling businesses, using an account manager structure as a single point of contact for busy business leaders. We have seen such roles emerging following learnings taken from our 2016 education programme. Local Account Managers would curate relevant activities and helps scaleup business leaders to better navigate impactful private and public sector initiatives tailored to meet their needs. Denmark and Scotland provide good evidence of how to achieve this. In Denmark a successful program has proven that a national initiative matched with a local hub (growth house) close to the business with experts on tap is effective. Local communities in the UK should seek to build on this model and in 2018 the ScaleUp Institute will continue to monitor this progress.
- Collaborate better and more effectively across markets** – large corporates, business schools and universities, alongside local authorities, have a crucial role in working with our scaling business leaders to foster talent and open up research and development facilities to increase access to markets and provide opportunities at home and abroad. Our public and private sector can be more transparent, refining processes and procurement procedures to make them more accessible for scaling businesses. The insights provided in the corporate collaboration checklist published in this report provide a better route map for large businesses seeking to improve engagement with scaleups in their customer and supply chain base. In 2018, we will continue to monitor progress and highlight best practice as a part of our ongoing work.
- Deepen availability, understanding and connections to capital and local spaces, enabling scaleups to grow faster.** Finance and infrastructure remain important complements to scaleup leaders' priority needs, with specific actions required to remove local disparities and to unlock further institutional investment. In 2018, the ScaleUp Institute will continue work with the British Business Bank and partners on growth capital, with an educational tool that will be launched next year and to monitor outcomes

from the recent *Financing Growth in Innovative Firms* consultation. Varieties of risk capital are key for scaling businesses and we must ensure the UK improves the reach and depth of these offerings.

It is imperative that the public and private sector – in every locality – respond to these findings and continue their scaleup focus.

## OUR RECOMMENDATIONS FOR ACTION

In the UK, we have begun to move the dial towards creating the dynamic environment that our scaleups need to flourish. But it is clear our job is far from done and a redoubling of efforts towards scaling businesses is still very much necessary. Whilst the ScaleUp Institute recognises that progress is underway against many of the recommendations made in prior years, we must continue to drive forward. As such, we refresh and recommend a further set of actions below.

These recommendations are not a menu to choose from, but a comprehensive series of actions all actors can take to address the issues that hamper scaleup growth. Taken together, we are confident that we will be able to make the UK the most attractive ecosystem in the world for scaleups.

Throughout the rest of this report, we examine:

- **Chapter 1:** The national and local scaleup landscape, as regards numbers, sector and investment trends, including new data sources and what our scaleup leaders are telling us.
- **Chapter 2:** Impactful programmes that work in addressing the barriers faced by scaleups and insights for local leaders to incorporate into their own efforts
- **Chapter 3:** The progress made and lessons learned by ten local areas that participated in the 2016 Driving Economic Growth programme.
- **Chapter 4:** The policy recommendations of 2016, the work of the ScaleUp Taskforce, and what is needed in 2018 if we are to substantially break down barriers to scaling faster and more effectively.
- **Chapter 5:** A look forward to 2018 and the work that we need to support and promote to further grow scaleup businesses in the UK. This is followed by our “Local Scaleup Briefings” which draw together various sources to provide insight into the local picture. We share evidence on the numbers of scaleups in each LEP and region; the scaleup sectors and top 5 local scaleups growing in employees or turnover, including a local ‘snapshot’ of scaleup leaders’ views<sup>8</sup>, to help illustrate what locally most needs to be addressed.

## IN SUMMARY

Scaleups are essential to a vibrant UK economy but we need to continue to step up our game if we are to surpass our international competitors and significantly climb up to the top in OECD ranking.

Whilst we have reason to be optimistic we cannot be complacent when barriers to scale still exist in many local areas and when scaling businesses are signalling concern that the UK may become a harder place to grow and view there to be a lack of resources towards their needs. We must decisively act now to redress this.

In 2018 the ScaleUp Institute will continue its mission to drive forward understanding, action and outcomes to ensure scaling business leaders are ‘top of mind’ in every local community.

We will specifically undertake more sector specific work, starting with social enterprises; more detailed education with and practical guidance to local areas in most need; continue to progress understanding of well evidenced impactful programmes (including more detailed mapping of the scaleup ‘support’ ecosystem with Innovate UK) and insights on what works. As a priority we will progress our work with Government to expand the timely availability of datasets to ensure better interventions, investment and alignment of resources tailored to scaling businesses requirements. Closer engagement with the education sector will also be a high priority with specific attention to employability and lifelong learning. Strong engagement across the national and local, public and private sectors will be maintained.

We look to all members of the ecosystem to join us in driving the scaleup agenda forward with pace and passion, to make the UK the best nation in which to scale a business.



#### SCALEUPS ARE PRODUCTIVE

High levels of productivity are twice as common among scaleups. Scaleups are highly productive, averaging £235,000 turnover per employee.



#### SCALEUPS CREATE JOBS

Across all communities; having UK and international employees



#### SCALEUPS ARE INNOVATIVE AND INTERNATIONAL

Two-thirds of scaleups are involved in international trade. Scaleups are twice as likely as their peers to be trading internationally. Scaleups are twice as likely as their peers to have innovated in the past three years.



#### SCALEUPS ARE ACROSS ALL SECTORS

Scaleups span the economy: the majority of them operate in sectors outside of technology



#### SCALEUPS ARE HIGH QUALITY

Scaleups help create high-quality jobs with more satisfied employees.



#### SCALEUPS ARE DIVERSE

47% of all scaleups have at least one female director



#### THEY ARE GOOD CORPORATE CITIZENS

74% of scaleups offer opportunities to young people through work experience, internships or apprenticeships



#### THEY PLAN TO GROW

Most scaleups expect to grow again in the coming year.  
77% expect to achieve 20%+ turnover growth.  
52% expect to achieve 20%+ employee growth.

Data drawn from 2017 ScaleUp Survey; ScaleUp Index 2017; ONS IDBR datasets 2013-2015

# RECOMMENDATIONS FOR 2017

- 1 **WE RECOMMEND THAT 'SCALEUP STATUS' IS OFFICIALLY RECOGNISED AS A FORMAL BUSINESS CLASSIFICATION** and that national datasets are made available to allow local and national stakeholders to verify the 'scaleup status' of a business. If this data were to be released, it would answer the calls from stakeholders in local communities to develop a comprehensive picture of their local scaleup businesses. The development of a scaleup 'kite mark' should also be considered.
- 2 **WE RECOMMEND THAT FUNDING FOR LOCAL COMMUNITIES SHOULD NOW BE TIED TO THE EFFECTIVE DEPLOYMENT OF SCALEUP INITIATIVES** that close the scaleup gap and the results and impacts that they have on the number of scaleup businesses in their area.
- 3 **WE RECOMMEND THAT THE DEPARTMENT FOR EDUCATION AND LOCAL ENTERPRISE PARTNERSHIPS USE THEIR CONVENING AND PROMOTIONAL POWER TO ENSURE THAT STUDENTS AT SCHOOLS, COLLEGES AND UNIVERSITIES COME INTO CONTACT WITH THE TOP 50 SCALEUP BUSINESS LEADERS** within 20 miles of their establishment. We also recommend that an API to the National Pupils database (with suitable protections) is made available so that the impact of these interventions can be measured.
- 4 **WE RECOMMEND THAT A 'SCALEUP VISA' BE MADE AVAILABLE** in communities where there are 100 + scaleup companies to enable scaleup leaders to recruit staff they need to increase their capacity to grow. The Migration Advisory Committee should make the skills needs of scaling businesses a priority.
- 5 **WE RECOMMEND THAT ALL LOCAL COMMUNITIES APPOINT A SCALEUP CHAMPION** and develop an account management structure for scaleup businesses.
- 6 **WE RECOMMEND THAT LOCAL STAKEHOLDERS SIGNPOST EFFECTIVE MENTORSHIP PROGRAMMES AND MATCHMAKING PROGRAMMES** between peers and non-executive directors who have scaled businesses before.

Local and national educational institutions should prioritise the introduction of high-quality flexible courses designed to help scaleup leadership teams with their development needs. Better connections should also continue to be made between national programmes and local ecosystem leaders to encourage scaling business leaders to apply to courses with known impact. The Small Business Charter, and other such mechanisms, should integrate an assessment of 'scaleup engagement' into their performance analysis.

7

**WE RECOMMEND THAT PUBLIC BODIES REVIEW AND REPORT ON THE PROCUREMENT PROCEDURES FOR SCALEUPS** and improve the way opportunities are promoted to scaleup companies so that we see an increase in the extent to which Government procures from scaleups. This could also be achieved by significantly raising awareness of scaleup procurement champions. This should include the evolution of Contracts Finder to become a smart platform and depository of supplier opportunities from large companies that have contracts with Government; the development of 'meet the buyer' events and the development of more sandbox environments.

Any Government agencies that interact frequently with scaleups should introduce fast-track procedures for scaleups and report on these.

8

**LARGE COMPANIES SHOULD REPORT ON THE LEVEL OF COLLABORATION AND PROCUREMENT THEY SOURCE FROM SCALEUP COMPANIES.** Any procurement contracts with Government should require an increase in the amount of business undertaken with scaleups as part of the contracting process and provide an annual update.

9

**WE RECOMMEND THAT CENTRAL GOVERNMENT SHOULD ALIGN A SIGNIFICANT PORTION OF ITS EXPORT ACTIVITIES AND RESOURCES TOWARDS SCALEUPS AND CREATE BESPOKE TRADE MISSIONS FOR SCALEUPS.** All local areas should be encouraged to set up a local exchange programme for scaling businesses, such as that developed by the Mayoral 'Go to Grow' campaign in London.

10

**GOVERNMENT AND INDUSTRY ENSURE PROGRESS IS MADE CLOSING THE FINANCE GAP.** Growth finance to be included as core curriculum in all local scaleup leadership courses.

# HIGHLIGHTS OF THE YEAR

## JANUARY



Industrial Strategy Green Paper Published, referencing Scaleups and the ScaleUp Institute.

## FEBRUARY

Growth Hub – network conference. The North East shares its scaleup vision.



Thames Valley Berkshire scale-up initiative Roundtable

## MARCH

Scaleup Taskforce Launched by Ministerial ScaleUp Champion Margot James, MP & Sahar Hashemi at the London Stock Exchange, & steering committee meets for the first time.



Dr Ann Limb CBE, Chair of South East Midlands LEP, invites Scale Up Institute to speak at the Innovation, Collaboration, Acceleration Conference Milton Keynes

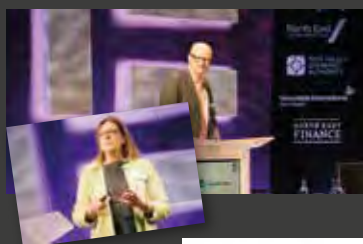
## APRIL



ScaleUp Institute Response to the Industrial Strategy

## MAY

Scaleups around the Country: North East Scaleup Conference and roundtable with local scaling businesses and hear from Thomas Hoegh and Sherry Coutu



Entrepreneurial Scotland's Summit hears from the ScaleUp Institute Sherry Coutu and Irene Graham

## JUNE

London Tech Week celebrates fast growth firms, including hosting a trade delegation of the 20 strongest up-coming Indian Firms – the IE20 compiled by London and Partners.



ScaleUp Institute Presents to second Growth Hub Conference, and Swindon and Wiltshire shares its scaleup vision, and what they are doing to realise it.



**JULY**

A visit to the Chief Secretary to the Treasury

[\[https://medium.com/@hmtreasury/why-scale-up-businesses-are-rising-stars-of-british-productivity-76873ffaab5d\]](https://medium.com/@hmtreasury/why-scale-up-businesses-are-rising-stars-of-british-productivity-76873ffaab5d)



Launch of SME Finance Monitor – Scaleup Perspective



British Library Scaleup Summit

**OCTOBER**

Manchester growth hub – visiting with Ministerial Scaleup Champion Margot James and Chief Secretary to the Treasury Elizabeth Truss.



Sherry Coutu Highlights the importance of science parks

**AUGUST**

HM Treasury: “Financing Growth In Innovative Firms”

consultation launched, noting value of scaleups.



ScaleUp Survey 2017 launches to businesses across the country



ScaleUp Institute Board Member Reid Hoffman launches his Masters of Scale podcasts

**SEPTEMBER**

Export Roundtable with Department for International Trade, key ecosystem players and Scaleup Businesses.

Scaleup Institute Ambassador's reception bringing together key individuals to update on continuing developments in the Scaleup Ecosystem.

Sector engagement – Manufacturing, banking, accountancy



The ScaleUp Institute live-streaming globally with Unreasonable Impact Forum

**NOVEMBER**

Launch of the Scaleup Annual Review

**DECEMBER AND INTO 2018**

- Data Piloting
- Sector analysis focus on Social Impact Scaleups
- Map Scaleup Support across the country with InnovateUK
- Next steps on Scaleup Taskforce
- Develop growth education tool with British Business Bank.







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# **CHAPTER 1**

## **THE SCALEUP LANDSCAPE**

# SCALEUP INDICATORS FROM A NATIONAL AND LOCAL PERSPECTIVE:

Core to the ScaleUp Institute's mandate is to work with others to grow and share the evidence available about scaling businesses in the UK. With accurate and timely analysis of more data, local communities and authorities, LEPs, regions, and stakeholders from the private and third sectors will be better able to target interventions that remove barriers to scaleup growth.

In 2014, the annual target was set to achieve one net additional scaleup per 100,000 population nationally. This is in line with targets deployed by those responsible for driving economic growth in other nations.

This year, in partnership with the ONS, the ScaleUp Institute gained access to broader datasets, allowing a more detailed analysis of three years of longitudinal scaleup data, both at a national level and at an in-depth local authority level against three elements of the OECD high-growth (scaleup) definition. These are:

- Scaleups growing by more than 20% per year by employee growth
- Scaleups growing by more than 20% per year by turnover growth
- Scaleups growing by more than 20% per year in both employees and turnover.

This allows us to understand more specifically where we need to target future resources and evaluate our current strategy.

We found that the number of scaleup businesses in the UK in 2013 was 26,985 and this rose to 31,440 in 2015. This means that as a country between 2013 and 2015, we doubled the target set,

achieving two additional scaleups per 100,000 of population.

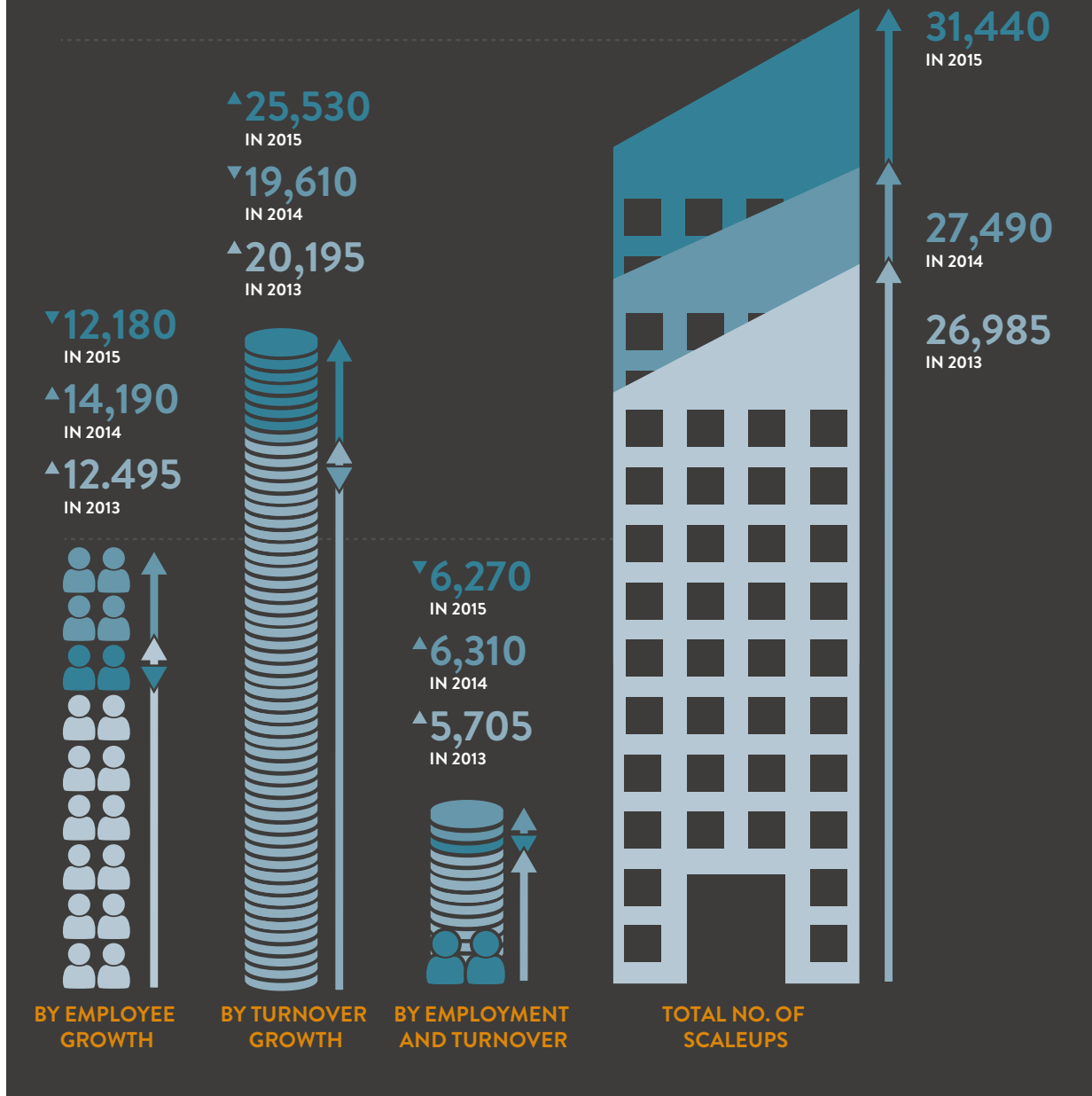
However, when differentiating between types of scaleup we see two very different patterns: there is an increase of 2.25 per 100,000 per year of those scaleups growing by turnover, but a small decrease in those scaleups growing their workforces. This shows there is little overlap between the two different types of scaleup businesses: just 20% of our companies are scaling both their workforce and their turnover at the same time.

## THE IMPORTANCE OF THE LOCAL DYNAMIC

The national and regional pictures mask local variations. If we are to understand accurately what is occurring where and what more needs to be done, it is vital to get “beneath the bonnet” to examine the local dynamics at a granular level.

While industry dynamics are fluid and businesses often move in and out of scaleup status, it is most important to see a consistent trend appear and for that to move in the right direction – upwards.

## NUMBER OF SCALEUPS NATIONAL FIGURE DATA



Data utilised on this page is taken from the IDBR datasets 2013-2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.

As laid out below in the chart Scaleup Growth 2013-15 (All LEPs), the vertical axis of the LEP/Country matrix shows a median figure of 44 scaleups per 100,000 population and the horizontal axis reveals a median increase of 2 scaleups per 100,000 of population.

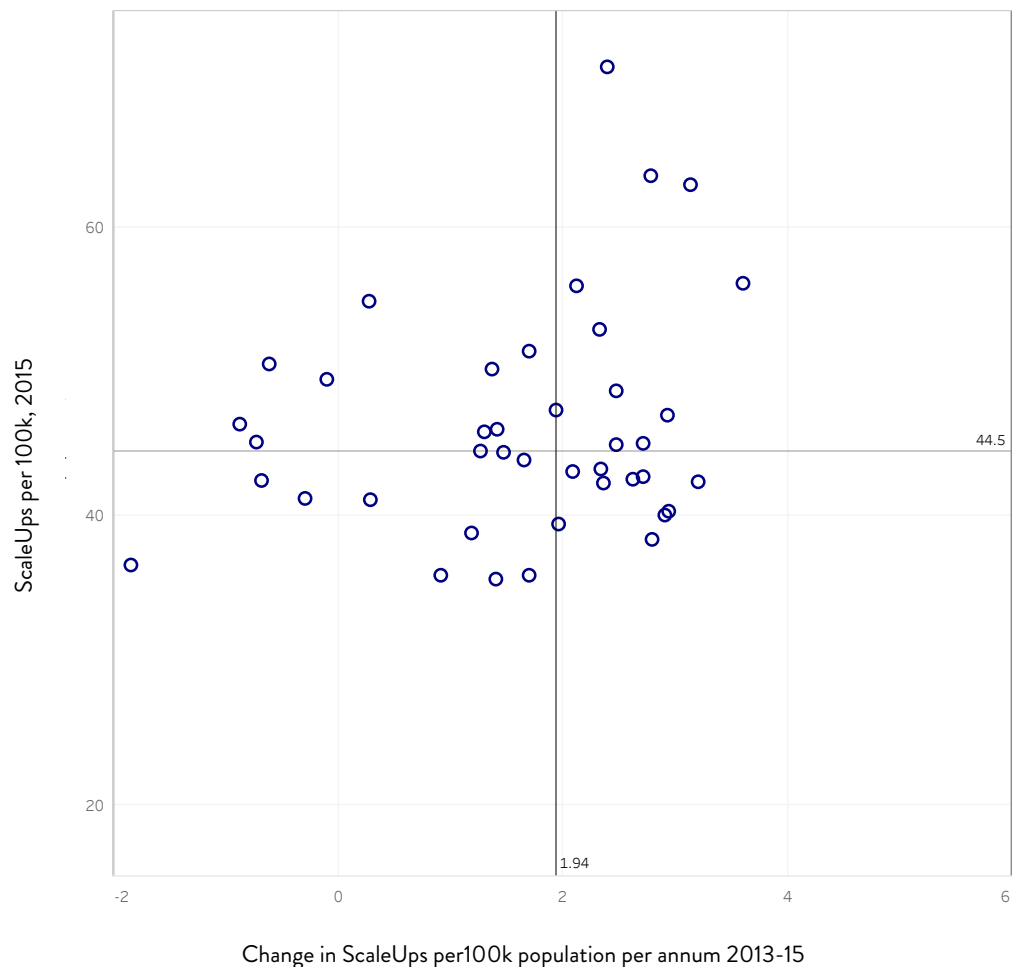
When analysing the 38 English LEPS, Scotland, Wales and Northern Ireland, we identified the following 9 'scaleup cold spots' requiring particular attention:

1. Black Country
2. South East Midlands
3. Greater Birmingham and Solihull
4. Stoke-on-Trent and Staffordshire
5. Tees Valley
6. The Humber
7. North East
8. Liverpool City Region
9. Swindon & Wiltshire

A new tool is now available on the ScaleUp Institute website, enabling interrogation of this data across all local authorities, LEPs and regions of the United Kingdom. Please visit [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk) for further details.

### ScaleUp Growth 2013-15 (All LEPs)

Median figures for the UK shown as constant lines



## LOCAL AUTHORITY DATA ALLOWS MORE ACCURATE ANALYSIS OF SCALEUPS

At a local authority level, the disparity between ‘hot spots’ and ‘cold spots’ is stark and the chart Scaleup Growth for Turnover or Employment, 2013-15 (All LEPs) below shows that there is enormous intra-country and intra-LEP variation.

### ScaleUp Growth for Turnover or Employment, 2013-15 (All LEPs)

Lines show median figures for the UK, per measure

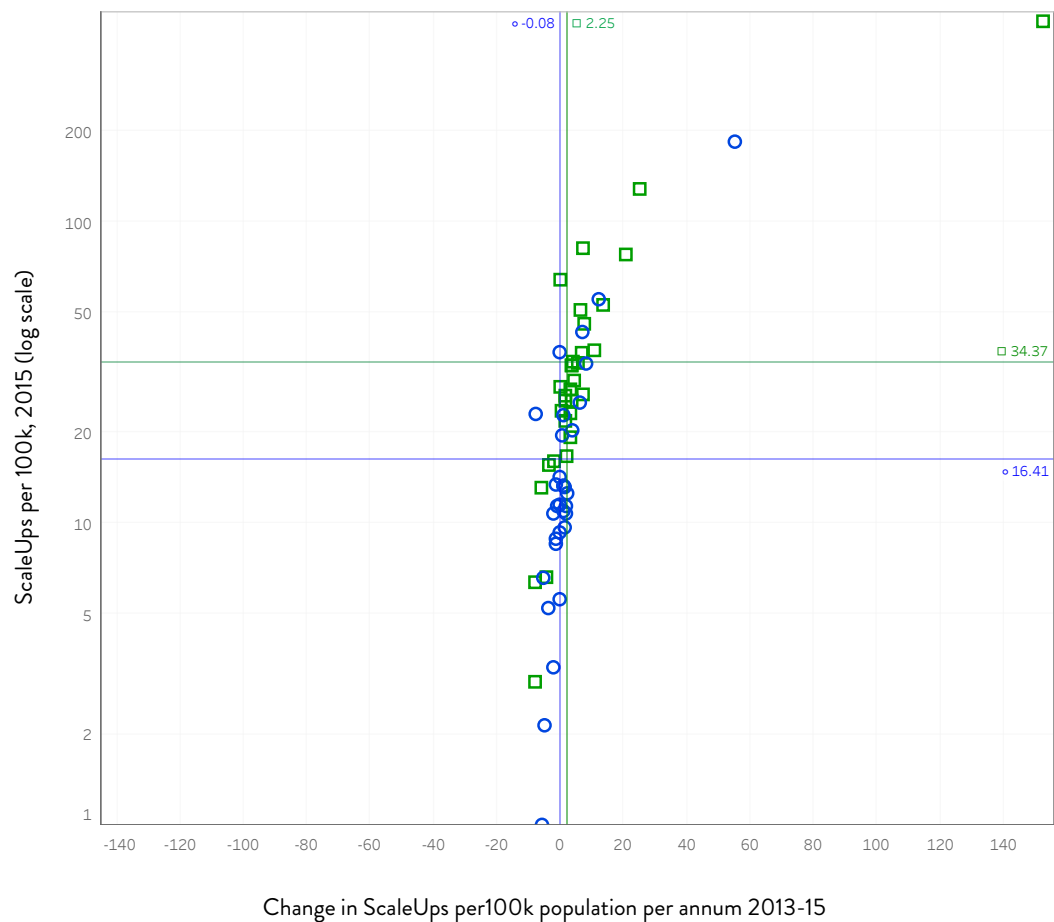


As shown in the vertical axis on the matrix above, the median number of employment scaleups per local authority is 16 and the median number of ‘turnover scaleups’ per capita is 34. As you can see from the horizontal axis, the median ‘employment Scaleup density’ did **not** increase between 2013 and 2015, but the median turnover scaleup density **did** increase between 2013 and 2015 at rate of 2.25 per 100,000 of population.

The density of scaleups per capita varies enormously – with the disparity between the top and bottom local authorities (excluding those in London) on a national basis is as much as 80 scaleups per 100,000. But it is not simply about disparities between regions, there are large differences within LEPs, within areas of Scotland, Ireland and Wales. This is illustrated by the figure below, which shows the variation within Scotland, where we have had to use a log scale in order to accommodate Clackmannanshire at the top right of the matrix.

### ScaleUp Growth for Turnover or Employment, 2013-15 (Scotland)

Lines show median figures for the UK, per measure



The ScaleUp Institute, with ONS, will continue to analyse this data and provide a further update in December 2017 when the 2016 longitudinal datasets are made available. In the future, we hope this data is released on a much more frequent basis so that we can more readily respond and act on emerging rather than historic trends. Improved data access has been a key factor in discussions of the ScaleUp Taskforce and one of its major recommendations.

The ScaleUp Institute’s over-arching goal is to narrow local disparity over time and see the trend in movement of local areas progress upwards.

Monitoring scaleup indicators enables us to evaluate and roll out interventions that work and to roll back those interventions that do not work. Using a consistent framework allows us to compare like for like, enabling us to learn what works best in one area and establishing if it could be useful elsewhere. It also helps in prioritising where resources, investment and particular focus will be of value.

This ONS data also emphasises the importance of getting broader, more “real-time” information from sources such as HMRC. Our review, with Beauhurst, of “visible” scaleups from Companies House data to create the *ScaleUp Index*<sup>1</sup>. – summarised overleaf – comes from those filing accounts. However, given reporting thresholds, many scaling businesses do not yet file such reports and are not ‘on the radar’, which limits effective, timely engagement. This remains a priority to address in our work with Government – see chapter 4.

<sup>1</sup> [www.scaleupinstitute.org.uk/scaleupindex/](http://www.scaleupinstitute.org.uk/scaleupindex/)

# VISIBLE SCALEUP GROUPS

Based on Companies House data excluding charitable and third sector scaleups and listed companies, which will be subject to separate analysis. Data Analysed by Beauhurst.

## METHODOLOGY

**9,225**

visible scaling legal entities examined

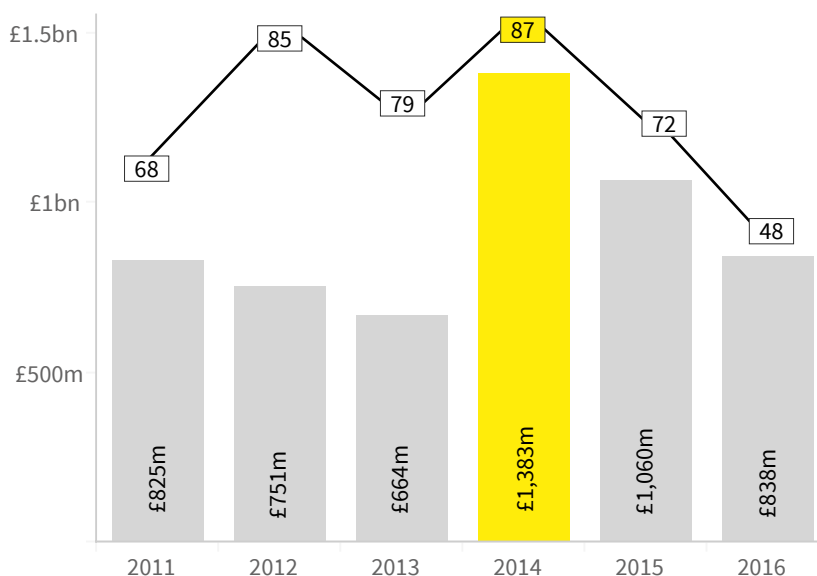
**5,369**

legal entities excluded  
(charities, plcs, foreign HQ,  
duplicate subsidiaries)

**3,856**

unique scaleup businesses

## EQUITY INVESTMENT INTO VISIBLE SCALEUPS OVER TIME



## TOP SECTORS BY NUMBER OF VISIBLE SCALEUPS

Property/Land Development	546
Distribution	283
Misc. Manufacturing & Engineering	277
Builders	255
Food and Drink Processors	219

## TOP LEPS/REGIONS BY NUMBER OF VISIBLE SCALEUPS

London	790
Scotland	229
South East	219
Greater Manchester	162
Leeds City Region	144

## TOP VISIBLE SCALEUPS BY EMPLOYEE COUNT

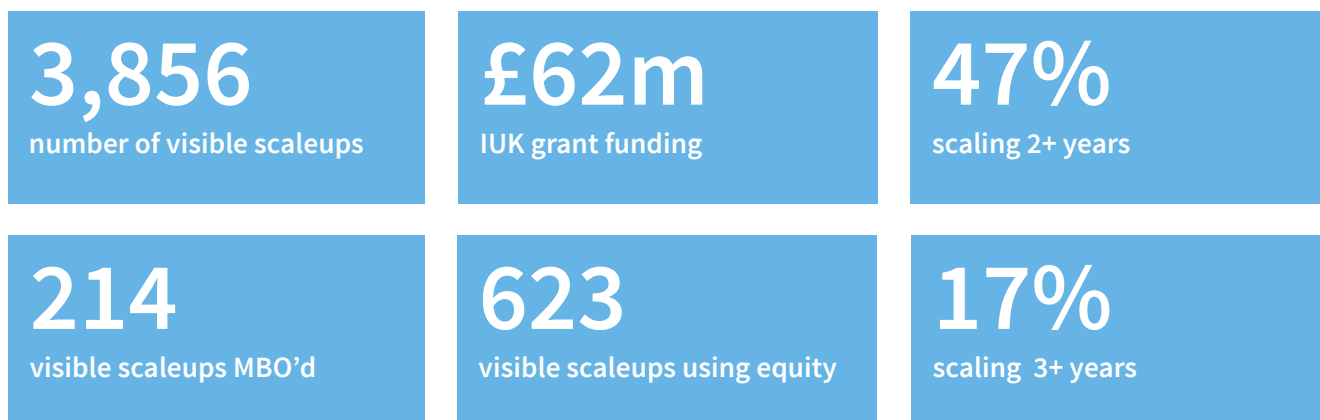
Best-One	26k
2 Sisters Food Group	23k
Home Bargains	16k
Haven	14k
Edinburgh Woollen Mill	10k

## TOP VISIBLE SCALEUPS BY TURNOVER

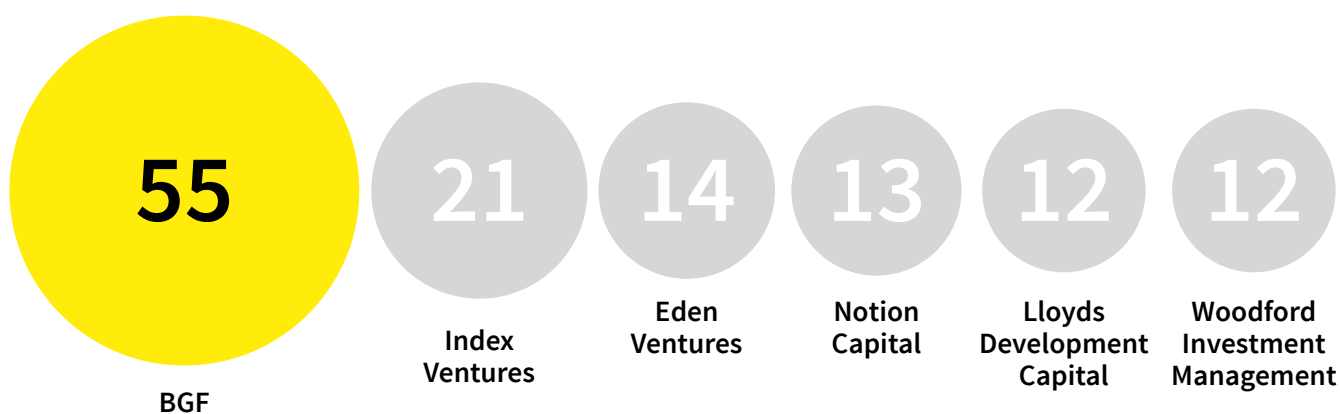
Greenenergy	£13.7b
Palmer & Harvey	£4.4b
CurrencyCloud	£4.2b
Best-One	£3.5b
2 Sisters Food Group	£3.1b



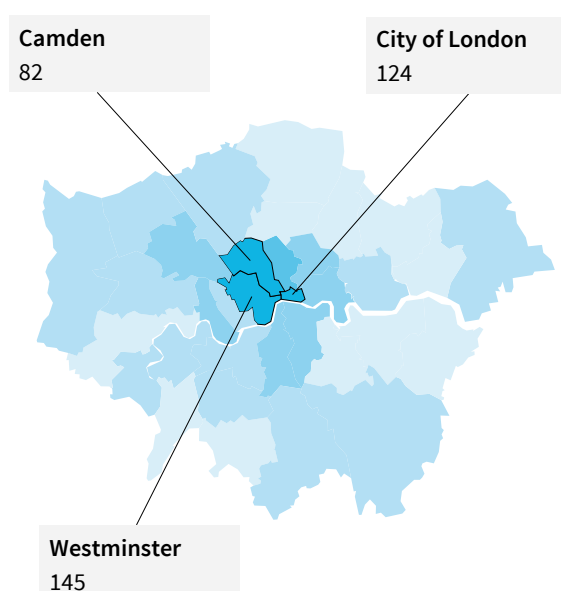
KEY FIGURES 01/11/2011 – 30/09/2017



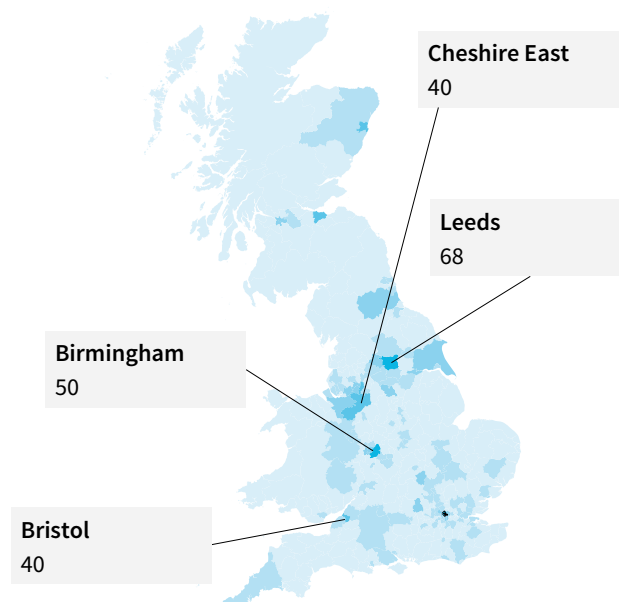
TOP EQUITY INVESTORS BY DEALS INTO VISIBLE SCALEUPS 01/11/2011 – 30/09/2017



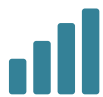
VISIBLE SCALEUPS IN LONDON BY LOCAL AUTHORITY



VISIBLE SCALEUPS IN BRITAIN BY LOCAL AUTHORITY



## 2017 SCALEUP LEADERS' VIEWS



**343**

SCALEUP  
BUSINESSES



**£240k**

REVENUE PER  
EMPLOYEE



**343 SCALEUP BUSINESSES GENERATING £6BN IN TURNOVER AND ON AVERAGE £240,000 REVENUE PER EMPLOYEE** demonstrating high productivity; huge ambition.

**WANT MORE LOCALLY DELIVERED SOLUTIONS TO ADDRESS KEY BARRIERS** and do not yet feel they are served well by ecosystem

**HUNGRY TO EXPORT AND COLLABORATE MORE** but raise flag of concern UK will be a more difficult place to grow in future.

This year's survey was completed by 815 ambitious businesses (90% expected to grow in the next year which is above general business population), including 343 scaleups and 83 "aspiring" scaleups (grew by 20%+ last year and plan to do so again next year).

In the following pages we focus on the survey responses from the scaleup business leaders whose companies are generating £240,000 turnover per employee, which is more than double the UK average. They comprise a truly productive group. Given their significant growth aspirations and existing productivity, with their expectations to generate an additional £1.5bn in turnover in the coming 12 months, this is a group from whom we should listen and learn.

The 2017 ScaleUp survey provides a deep dive into the issues that the 343 scaleups see as vital to their continued growth and development. The key issues and barriers have remained consistent over time although access to markets is moving up in importance:

### THE TOP CHALLENGES

- 1. Access to talent** – whether that is the social and technical skills of their workforce, being able to recruit from overseas, or having the talent to win overseas business, scaleups continue to highlight their need to be able to attract the right skills and experience into their business as their **single greatest challenge**.

2. **Access to markets** – being able to access UK and international markets is the second most important factor for future growth. Many scaleups already do business with large corporates and/or Government but see the complex procurement processes and the time involved in bidding as key barriers to doing more. Scaleups are more international than other SMEs and keen to expand more overseas but continue to cite challenges in being able to access customers and partners. A key barrier is having the people/skills and connections to win the business.
3. **Building leadership capacity through local support** – scaleups highlight their need for greater connections to those who know what it is like to grow a business – whether this is staff, peer to peer networks or those who have also grown a business, mentors or non-exec directors. Local support from Growth Hubs and local leadership programmes, or from local business schools and universities, is **preferred** over help from large corporates or the private sector. **When force-ranked, peer to peer networks are seen as the most vital support.**
4. **Finance** – while scaleups use a wide variety of finance, four in ten do not feel they have the right amount of bank and equity finance in place for their needs. Around four in ten use or plan to use equity as a source of funding while a quarter have reservations about using it as a source of finance, citing lack of control and knowledge as hindering factors.
5. **Infrastructure:** remains an important factor to get right as a complement to a thriving scaleup ecosystem. When force-ranked this remains a challenge but slips behind finance.

The desire for better local engagement is a clear and striking trend with locally delivered programmes being deemed of greatest importance. This underlines the need for national programmes to have a strong anchor and delivery in the local community closest to the scaleup business.

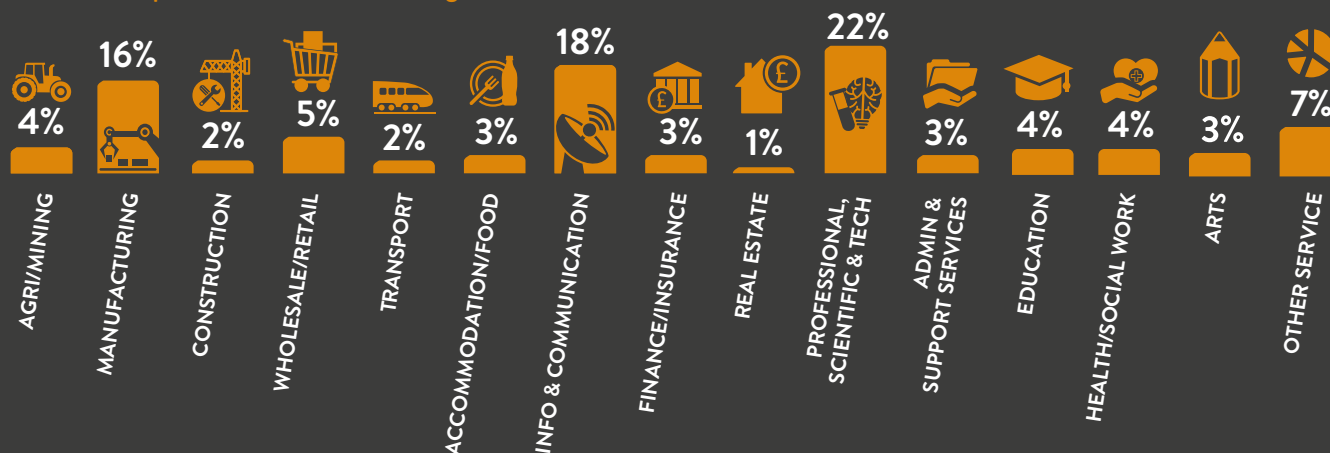
Scaleups demonstrate continued growth and ambition – there is no resting on the laurels of scaleup growth, with the majority (77%) expecting to grow in the coming year. Over half expect turnover to grow at over 30%.

However, sentiment is fragile; almost half worry whether the UK will continue to be a good place to grow a business. 5 in 10 do not think they have the right business support across the private and public sector for their growth plans. It is therefore crucial we continue to move forward with our scaleup journey, remove the barriers and be relentless in responding to the needs of UK scaleups.

# THE 2017 SCALEUP SURVEY AT A GLANCE

343 SCALEUP BUSINESSES GENERATING £6 BILLION IN TURNOVER. THEY ARE HIGHLY PRODUCTIVE AVERAGING £240,000 TURNOVER PER EMPLOYEE.

These scaleups came from across all regions, and sectors:



They remain ambitious:



**77%**

EXPECT TO ACHIEVE 20%+ TURNOVER GROWTH IN THE COMING YEAR



**52%**

OF SCALEUPS EXPECT TO ACHIEVE 20%+ EMPLOYEE GROWTH IN THE NEXT YEAR

They are good corporate citizens. Three quarters (74%) offer opportunities to younger people through:

**55%**

Work experience

**40%**

Internships

**38%**

Apprenticeships

Three quarters (72%) employ staff from overseas: 69% from the EU, 43% from outside the EU.

They are international. Two thirds of scaleups (68%) are involved in international trade:

**61%**

export

**35%**

import



**62%**

are engaged in trade with the EU

**58%**

are engaged in trade outside the EU



Europe and North America are key current markets

They have, or have aspirations to gain, large corporates and Government as clients:

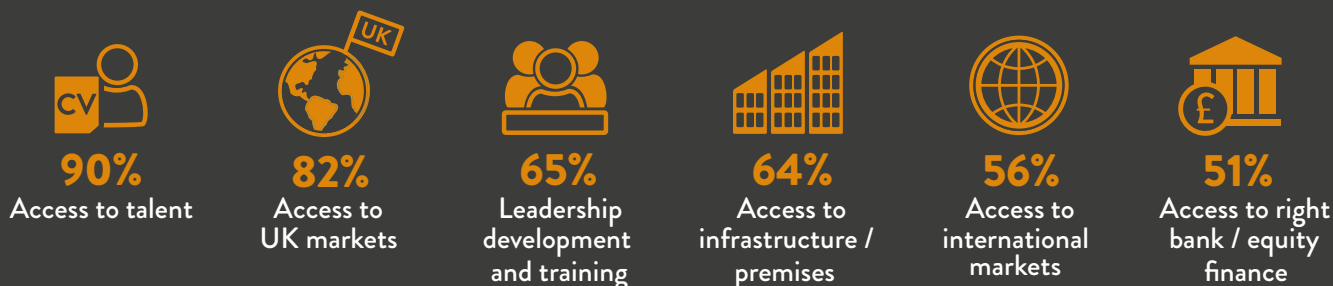


6 in 10 scaleups (62%) sell into large corporates either directly or as part of a supply chain and 3 in 10 scaleups (29%) sell into local or national government

A quarter of those not currently selling into either large corporates or government have aspirations to do so

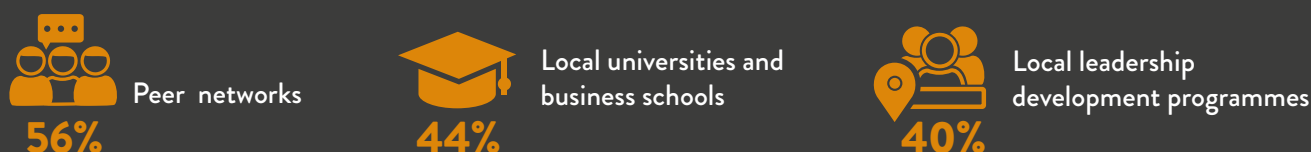
## LOOKING FORWARD: HIGH AMBITIONS TO GROW BUT CONCERN THE UK WILL BECOME HARDER TO SCALE IN WITH LIMITED SUPPORT AND BARRIERS TO BE ADDRESSED

The key factors that will allow Scaleups to continue to grow are:



However, when asked to force rank their top 3 priorities, talent and markets remained in first and second place but bank/equity finance moved up to joint 3rd with leadership ahead of infrastructure.

The key sources of future help to grow are **LOCAL**:



Scaleups would also like easier access to Government resources of:



Scaleups know they are doing well – 72% agree that they are outperforming their peers. But half feel there is little support for businesses like them (47%) and/or have concerns about whether the UK will continue to be a good place to do business (45%).

Key challenges



### TALENT

Key future skills for scaleup employees are critical thinking (57%) and being service orientated (44%). 6 in 10 with overseas staff say it is vital they can continue to bring in this talent



### MARKETS

Selling into both government and large corporates is made more complicated by complex procurement processes (49%), the time it takes to win a contract (37%) and being able to spot relevant contracts to bid for (32%)



### INTERNATIONAL MARKETS

There is appetite to move more into India, Latin America and Africa. Key barriers to international trade are access to markets and partners overseas (41%) and having the staff with the right skills to win overseas sales (40%)



### LEADERSHIP

Scaleups are looking for support from people who know what it is like to grow a business, whether as employees (52%), a network of peers (48%) or as non-exec directors (30%) and mentors (29%)



### FINANCE

Three quarters of Scaleups are using external finance (75%). But 4 out of 10 do not feel they have the right finance in place for their business. A quarter (28%) are currently using equity finance and 13% plan to use it in the near future. The rest, (59%) cite a fear of losing control, thinking it is not a suitable form of finance, or not really knowing much about equity finance as their reasons for not using this funding



### INFRASTRUCTURE

Infrastructure remains a critical component to get right for our fastest growing companies, particularly scaleup space. The infrastructure challenge is complimentary to other challenges. Scaleups are seeking much greater university support for space and R&D facilities.

## BEING A SCALEUP

This was a survey predominantly completed by ambitious and growing businesses. Of the 815 who completed the survey, 76% had grown in the previous year (47% by 20% or more) while 90% expected to grow in the next 12 months (65% by 20% or more).

From these 815 businesses, 343 businesses were identified as scaleups:

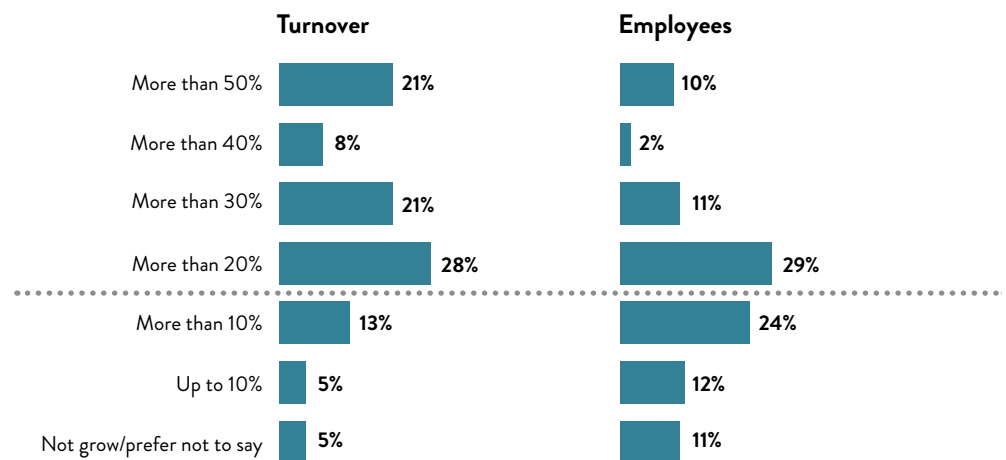
- 157 had achieved 3 consecutive years of 20%+ **turnover** growth
- 38 had achieved 3 consecutive years of 20%+ **employee** growth
- 148 had done both.

This report focuses on the views and needs of the 343 businesses who have scaled. They continue to be ambitious: looking forward, eight out of ten expect to grow by 20% or more in the next 12 months. Crucially, more than half expect turnover to grow at over 30% and one in five expect to grow at over 50%. Half of scaleups expect to grow their employees by 20% or more in the next year.

When they reflect more broadly on how the business has grown, one in five (20%) say they have “grown dramatically year on year”. More commonly, scaleups have “grown steadily and consistently” year on year (38%) or have had periods of “good growth with periods of stability in between” (35%).

**78% of scaleups expect to achieve 20%+ employee growth in the next year, compared to 52% expecting such growth in employees**

*Future growth - turnover and employees*



33% of scaleups who are planning to grow either turnover or employees are “very confident” of achieving their ambition and almost all of the rest (65%) are fairly confident.

They know that they are “highflyers”: 72% agree that they are outperforming their peers, and they are generally happy to be identified as fast-growing businesses – with two-thirds of those happy to be identified as such, saying that this should be on an opt-in basis.

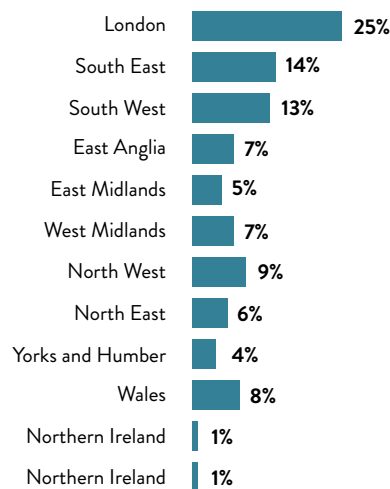
#### Scaleups are well established and often sizeable businesses:

- The largest group, 41% have turnover between £1m and £10m (16% have turnover in excess of £25m)
- 59% of scaleups had been trading for 10 years or more

Scaleups are found across the UK, and broadly in line with the location of UK businesses overall:

#### Scaleups can be found across the country

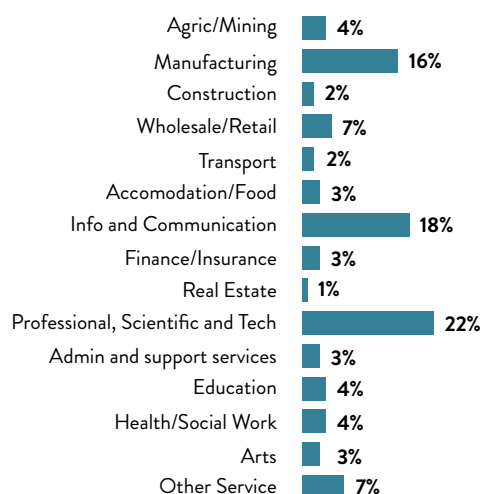
*Location of scaleup businesses*



Scaleups are also found across a range of sectors, but half are found in three key sectors: “Professional, Scientific and Technical Activities” (22%), “Information and Communication” (18%) and “Manufacturing” (16%):

### Scaleups are represented in all sectors

*Sectors of scaleup businesses*





# TALENT AND SKILLS – THE VITAL INGREDIENT



Scaleups are good citizens offering work experience, apprenticeships and interns – but recruiting talent remains the biggest challenge

**Access to talent has always been a key issue for many scaleups. In 2017, 93% of scaleups said that access to talent was “vital” or “very important” to their business continuing to grow.**

Scaleups employ a mix of graduates (83%), post-grads (59%) and school leavers (44%). In addition, three quarters of scaleups (76%) offer opportunities to younger people through work experience (56%), internships (41%) or apprenticeships (39%).

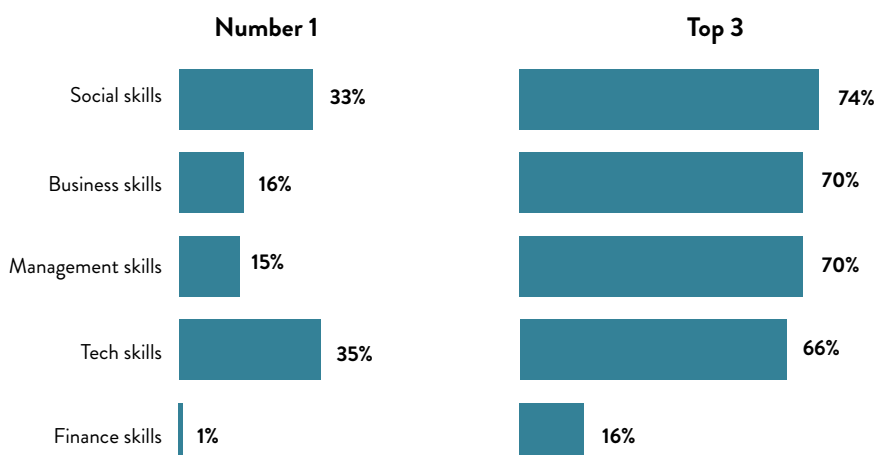
Eight out of ten scaleups who offer apprenticeships said that they brought benefits to the firm. Among those who **do not** currently offer apprenticeships, the key barriers related to finding suitable candidates **(48% did not know where to get good candidates from; 38% did not have good enough links with universities or schools)** and then having work for them to do (52% felt they didn’t have suitable work; 44% said they weren’t large enough with sufficient resources). Those who do not currently offer work experience identified very similar barriers.

This highlights the need for better engagement by schools and higher education with scaleups and further action at local level to offer opportunities such as those provided by the Careers and Enterprise Company<sup>2</sup>.

Providing additional education to scaleups may help: one third of those not offering apprenticeships – and a similar proportion of those not offering work experience – said they needed a better idea of what was involved and a quarter would welcome tools and resources to help them.

**A combination of social skills and tech remain key for school and graduate recruits, although social skills ranks top when force ranked**

*Important skills for school leavers and graduates*



<sup>2</sup> <http://www.careersandenterprise.co.uk/>

*“Give students more exposure to the workplace during education and ensure they have experience of working in teams and how to deal with conflict when working with others.”*

South East scaleup business leader

*“Schools could more closely with employers, not just post-11 but from primary school.”*

West Midlands scaleup business leader

**Technical and social skills** were most likely to be nominated as the top skills required by graduates and school leavers (a third of scaleups chose technical skills, 35% and a similar proportion chose social skills 33%). 74% of scaleups went on to include social skills in their “Top 3”, followed by business and management skills (both 70%), with technical skills slightly lower on 66%.

**When scaleups with employees were asked about the importance of a range of future skills that employees are likely to need, they ranked:**

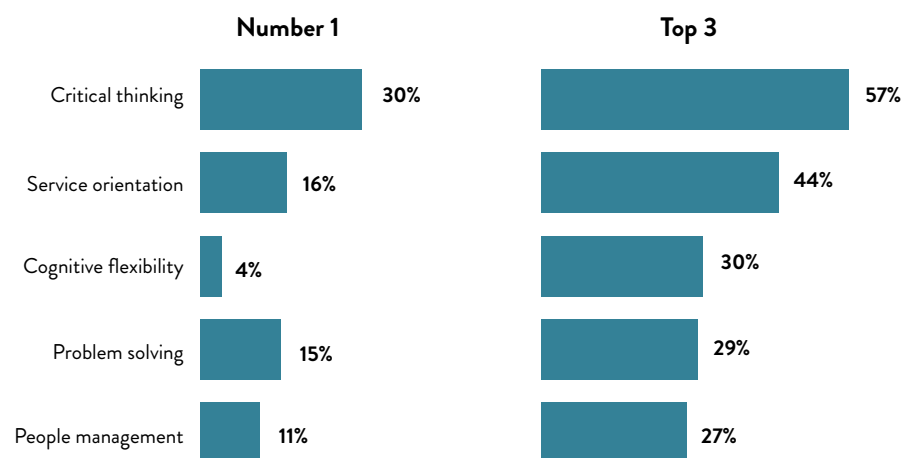
**Critical thinking** – the ability to analyse a situation objectively and make a decision – as the key skill: 30% of scaleups nominated this as their top priority and 57% included it in their top three. This was followed by **service orientation** (anticipating, recognising and meeting others’ needs) which was named as one of the top three factors by 44% of scaleups.

Cognitive flexibility, problem solving and people management came joint third when force ranked.

**Recruiting from overseas continues to play an important role in scaleups:**

**The key future skill for staff is critical thinking – being able to analyse a situation and make a decision – followed by service orientation**

*Key future skills - most popular mentions*



- Three quarters (74%) employ staff from overseas: 71% employ staff from the EU and 44% from outside the EU
- Six out of ten scaleups who employ overseas staff say that it is vital or very important for their business that they can continue to bring in talent from overseas (62% for EU staff and 57% for other overseas staff)
- 48% of those employing overseas staff say it is vital or very important for their business to be able to access a fast-track visa system when hiring from overseas
- A key outcome scaleups want from the Brexit negotiations is keeping swift and easy access to the talent and skills pool from Europe

# LEADERSHIP



Building leadership capacity remains a priority issue for the majority of scaleups. In 2017, 65% of scaleups said that leadership development was “vital” or “very important” to their business continuing to grow with local access to talent and peers who have the experience of growing a business.

They want solutions delivered locally, including easier access to public sector funding for innovation and R&D, general business support and Growth Hubs.

**Local engagement and delivery is what scaleups want most:** Half of all scaleups included either “recruiting people with experience of growing a business” or “access to a network of peers who have grown a business” in their top three factors supporting growth. Bringing in this type of growth experience, attending local leadership courses or, crucially, getting support from the **local public sector** were all more likely to be in the top three than more “larger corporate” support or general support from the private sector (11%) or bringing in people with large corporate experience (18%).

*“Constant access to experienced mentors as sounding boards is invaluable.”*

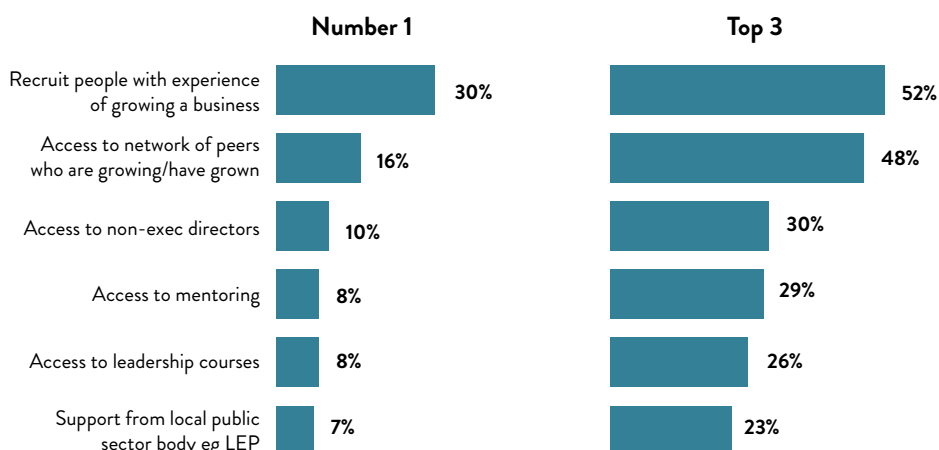
East Anglia scaleup  
business leader

Access to **peer to peer networks** is also the most likely form of support to be rated “vital” or “very important” to help scaleups grow their business further (56%), followed by support from local business schools and universities (44%) and local leadership development programmes (40%). Again, support from large corporates was less likely to be seen as vital or very important (26%) .

Many scaleups are already using mentors: 61% of scaleups have a business mentor whose input they value. Those without a mentor typically either say they do not need a mentor (10% of all scaleups) or do not know where to find one (8% of all scaleups) – a knowledge gap we should be able to close with the right local solutions.

**Recruiting people with experience of growing a business is key, as are non-exec directors and connection to a network of peers**

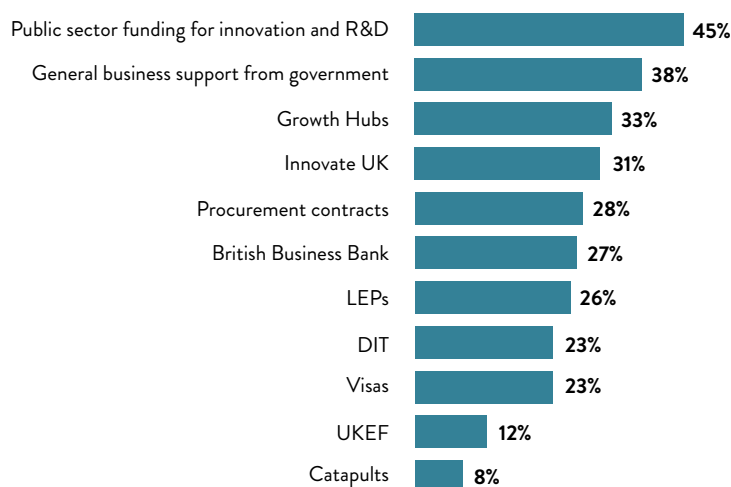
Factors supporting growth - most popular mentions



Scaleups were most likely to say that they would welcome easier access to public sector funding for R&D and innovation (45%) and /or general business support from Government (38%). One in three would like easier access to Growth Hubs or Innovate UK:

Scaleups would like easier access to public sector funding for innovation and R&D, general business support and Growth Hubs

*Top 5 forms of support would like easier access to*



The value that scaleups see in improving their access to a strong local ecosystem, including local sources of knowledge and expertise, to help them further their growth journey is apparent throughout responses.

# ACCESS TO MARKETS



Many scaleups already do business with government and large corporates and/or export. In 2017, access to international markets and UK market opportunities such as selling to large corporates or Government was the second most important factor for future growth, behind access to talent.

*“Reduce the number of prequalification agencies. Place value and delivery at the very top of the criteria list for procurement.”*

South West scaleup  
business leader

## LARGE CORPORATES AND GOVERNMENT

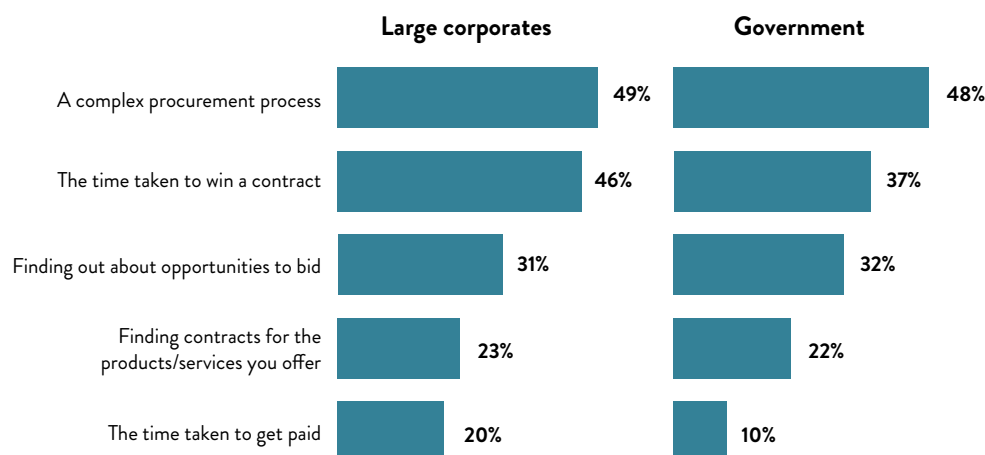
Large corporates and government already play a role for scaleups. Three quarters of scaleups sell, or have aspirations to sell, to large corporates and government:

- Six in ten scaleups (62%) sell into large corporates either directly (57%) or as part of a supply chain (27%)
- Three in ten scaleups (29%) sell into local or national government either directly (25%) or as part of a supply chain (13%)
- A quarter of those not currently selling into either large corporates or government have aspirations to do so.

The **key barriers** to working more with either large corporates or government are the same; whether they relate primarily to the time and complexity of the procurement process.

### The procurement process and the time it takes to win a contract are the key barriers to working more with government or large corporates

Key barriers to working more with Government and large corporates



*“Simplify the submission to government procurement frameworks...[such as]... the 37 page initial questionnaire per G-Cloud offering...”*

East Anglia scaleup  
business leader

These are also the main barriers irrespective of whether the scaleups are *currently* selling to large corporates and government or not. Interestingly, government is doing slightly better than large corporates on ‘time taken to win a contract.’

## TRADING INTERNATIONALLY

Most scaleups (68%) are involved in international trade: 61% export (54% to the EU and 53% outside the EU) while 35% import (27% from the EU and 28% from outside the EU).

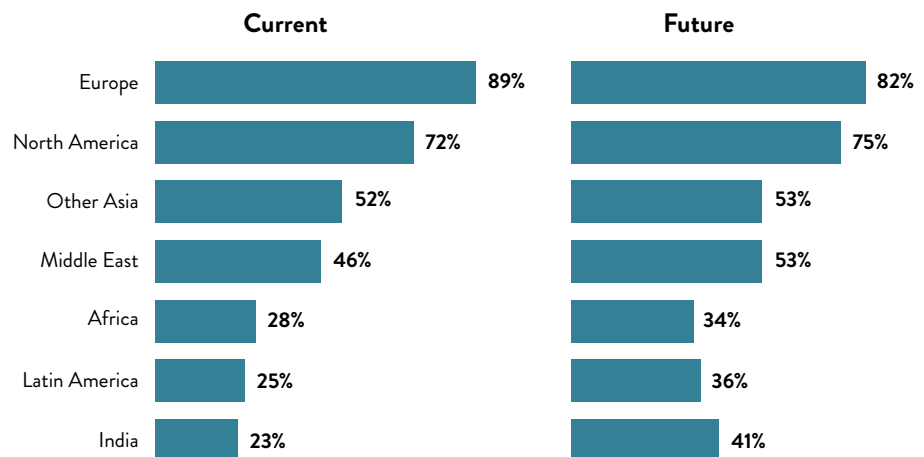
Overall, 62% are involved in some trade to/from the EU and a similar proportion (58%) trade outside the EU.

Among scaleups who are not currently trading internationally, 21% plan to start doing so, 18% plan to start exporting and 6% to start importing. **That would mean 75% of scaleups would be international businesses.**

Those currently exporting are likely to be doing so in Europe (89%) and North America (72%). These are also key future markets among exporters and would-be exporters to increase exports and there is good appetite to go broader and more into Africa, Middle East and notably India which sees the biggest increase between current (23%) and future (41%) exporting.

**Europe and North America are key markets but there is clear appetite to move to more diverse markets such as India and Latin America**

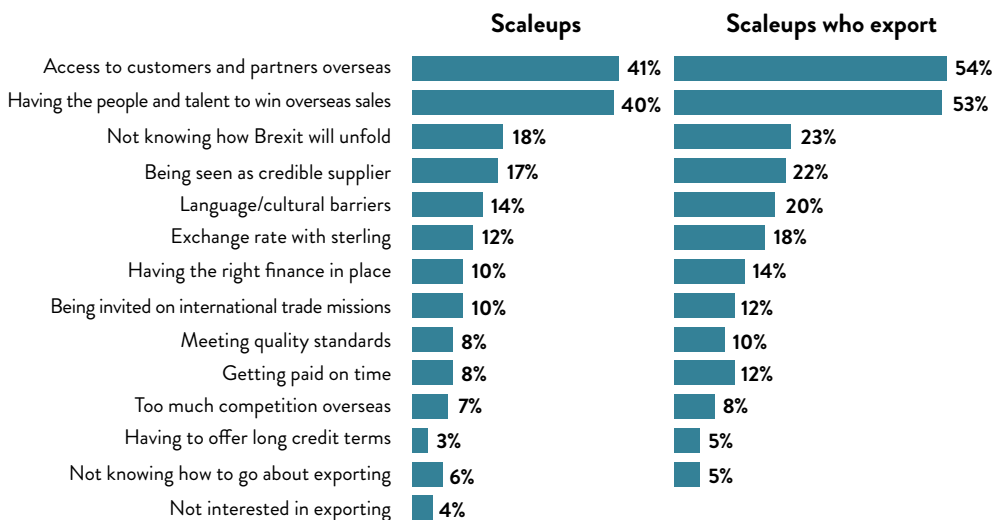
*Markets for exporters and future exporters*



Amongst those already exporting the main barriers to exporting more are “Having the people/talent to win overseas sales” (25%) or “Access to customers and partners overseas” (24%)

### Having access to customers and overseas partners as well as staff with the skills to do the deals are key barriers to exporting (more)

Key barriers to overseas trade



*“Many export initiatives focus on physical products. It would be good to see more about services.”*

London scaleup business leader

For the small group with aspirations to start exporting, access to customers and having the people to win the sales also come through as key. Those with no aspiration to export said they were not interested – rather than identifying any key barriers.



## ACCESS TO FINANCE

*“A more ambitious investment community would greatly assist in helping UK companies achieve their ambitions.”*

London scaleup business leader

Scaleups are likely to be using a range of forms of external finance and while access to finance was not seen as the key issue holding them back there is still a significant group – four out of ten – who do not feel they currently have the right finance in place for their business.

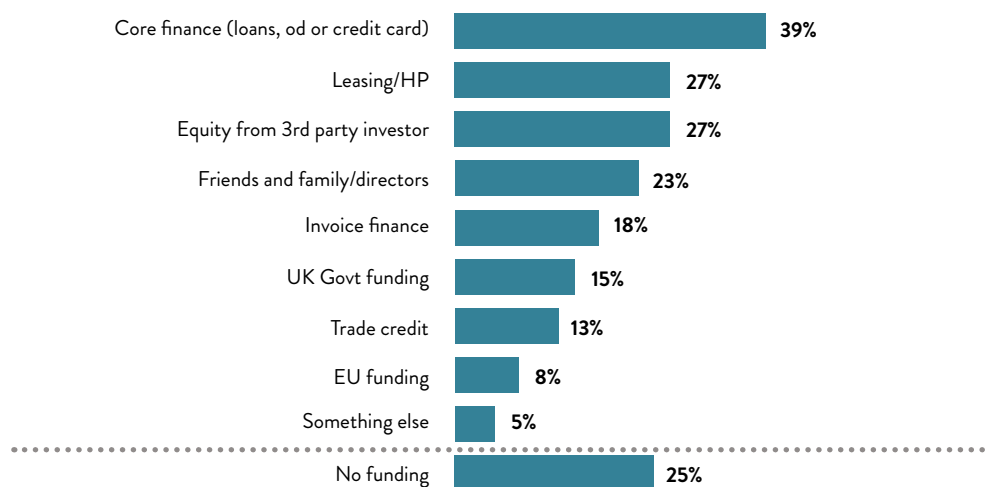
Three quarters of scaleups are using some form of external finance, with core bank finance (loans, overdrafts and credit cards) the most mentioned source (39%). A quarter of scaleups are using leasing, money from friends and family, or equity from a 3rd party investor.

**While three quarters of scaleups use external finance, 4 in 10 say they do not have the right amount of finance in place for their needs**

*“It doesn’t seem possible to get serious funding, especially if you are not located in London or Manchester.”*

Yorkshire and Humberside scaleup business leader

*Types of external finance used*





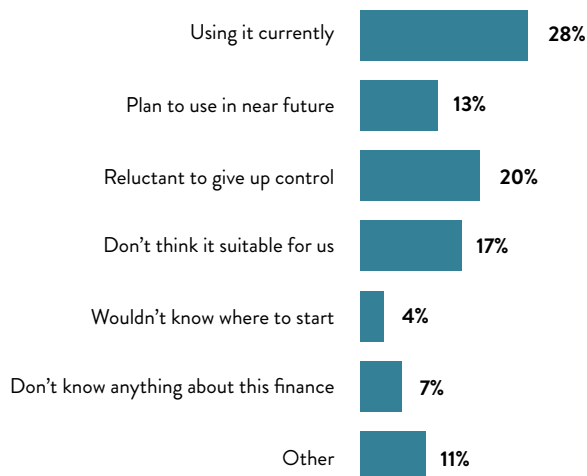
Those who do not use finance, or do not feel they have the right amount available to them, cite a reluctance to give up any control over their business (36%), a feeling that finance comes with too many terms and conditions (23%), and/or that they don't have security to offer (23%). Education also has a role to play – 19% weren't sure either what form of finance to apply for and/or which provider to apply to.

When asked more specifically about equity finance:

- 41% are either using equity finance currently (28%) or plan to do so in the near future (13%)
- 20% are reluctant to give up control of the business
- 17% don't think it is suitable for their business
- Only a few either know nothing about this form of finance (7%) or wouldn't know where to start with an application (4%).

### A quarter are using equity finance now. The key barriers are the loss of control or a lack of suitability

*Attitudes to equity finance*



*“Increase knowledge about access to capital.”*

London scaleup business leader

Scaleups in London and the South East are much more likely to be using equity finance (44%) than those based elsewhere (17%), who are more likely to be reluctant to give up control (23% v 15% of those in London and the South East) or feel it is not suitable for their business (21% v 10% of those in London and the South East).

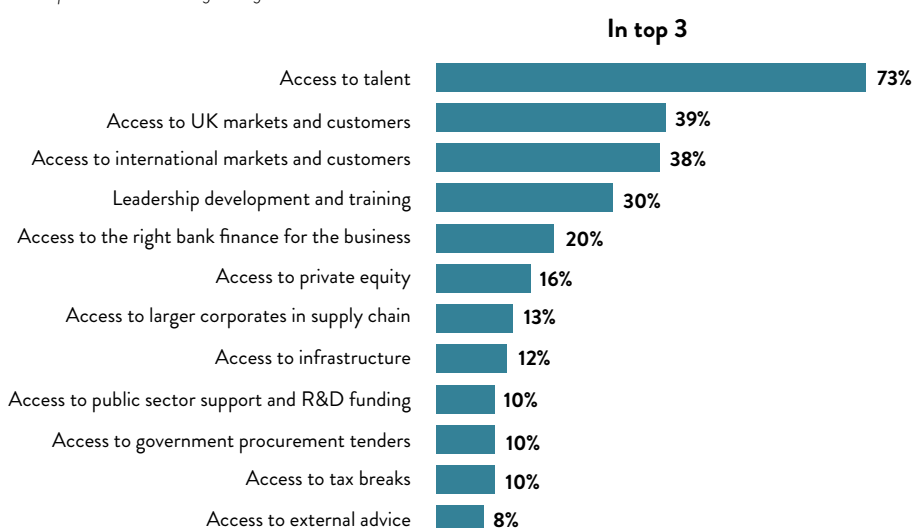
This strongly suggests that there is much more work to do to drive up knowledge and understanding of growth capital.

# LOOKING FORWARD

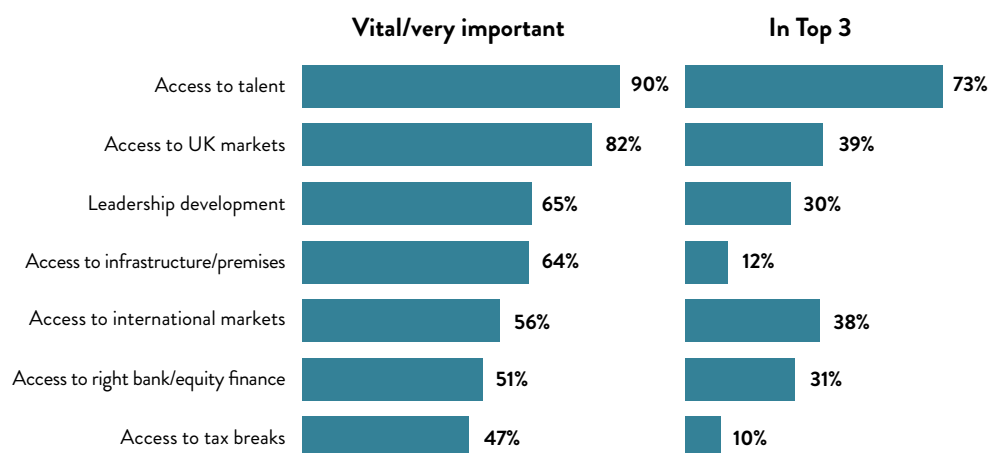
Looking forward the key factors for helping the business continue to grow and develop remain **access to talent** and **access to markets**, both UK and international, alongside leadership development. When combined, access to the right bank or equity finance (31%) is of equal importance as leadership development:

## Having access to talent and markets is key to future success

*Important factors in business growing*



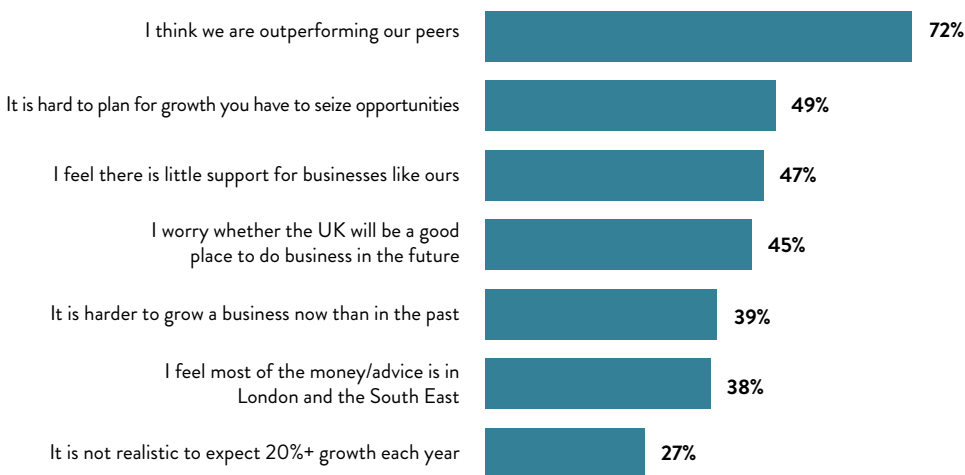
*Important factors in business growing*



Attitudinally, scaleups are aware they are outperforming their peers (72% agree). They are also ambitious (just 27% feel it is not realistic to grow by 20% or more each year) but they acknowledge that this can't always be planned for – half (49%) agree that it's hard to plan for growth and you have to seize opportunities.

### 7 in 10 Scaleups feel they are outperforming their peers, but half feel they have little support and there are concerns for the future

*Attitudes to growth - % agree*



Reflecting on the business environment, 47% feel there is little support for businesses like theirs, while almost as many (45%) worry whether the UK will be a good place to do business in future and 39% agree it is harder to grow a business now compared to the past.

There is some support (38%) for the view that most of the money and advice is in London and the South East – more so among those outside this area (45% agree) than those trading in London and the South East (28%).

## ASPIRING SCALE UPS

This year's survey identified 83 aspiring scaleups. They share many characteristics in common with scaleups more generally, but with a few key points of differentiation:

The key factors aspiring scaleups identify in taking them forward, as seen with scaleups, are "Access to talent", together with access to UK and international markets. Finance emerges more as a theme for aspiring scaleups. They are more likely than scaleups to mention access to bank or equity finance as a key factor in future growth and more likely to cite not having the right finance in place as a barrier to overseas trade. While aspiring scaleups are likely to be using finance (80%) more of them have funds from friends, family and directors (40%) than is the case for scaleups (24%).

Aspiring scaleups are less likely to have 50+ employees (15% v 36% of scaleups). Like scaleups they are looking for social and management

skills in employees, and looking ahead want staff with critical thinking skills, although they place a higher premium than scaleups on creativity.

Like scaleups they say business growth will be supported by employing staff who have grown a business before and through access to a network of peers who have grown a business, but they are more likely to be looking for non-executive directors with growth experience. For further support they are particularly looking for peer to peer support and local/regional government support.

Aspiring scaleups are as likely as scaleups to sell to government and large corporates and are also likely to export (78%).

The background features a series of overlapping, semi-transparent blue rectangles of varying sizes and positions, creating a layered effect. At the bottom of the image, there is a row of seven light blue vertical bars of increasing height from left to right. Each of these bars is outlined with a thick orange border. The overall color palette is dominated by shades of blue and orange.

# 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. A 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'<sup>1</sup>.

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
 <b>TALENT AND SKILLS</b> ONE TO WATCH	Freeformers 	Founders4Schools  Google Digital Garage Lifeskills, created with Barclays
	Careers and Enterprise Company (CEC) 	
 <b>LEADERSHIP</b> 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	
 <b>ACCESS TO MARKETS</b>	Corporate Stars  Mayor of London's International Business Programme: Go to Grow Sharing in Growth (SiG)	Silicon Valley Comes to the UK (SVC2UK) 
 <b>FINANCE</b>	Enterprise Capital Funds, British Business Bank  Octopus Venture Titan VCTs Venture Debt: Barclays	BGF  London Stock Exchange, Elite Santander Breakthrough
 <b>INFRASTRUCTURE</b> ONE TO WATCH	Cambridge Cluster Map  Engine Shed	Google Campus  Entrepreneurial Spark, NatWest
	Level39 	
<b>INTERNATIONAL</b>		Manizales Mas  Scale-up Milwaukee Endeavour

<sup>1</sup> <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

  
UPSILLED  
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 support<sup>2</sup>.

### 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/>

<sup>2</sup> <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.



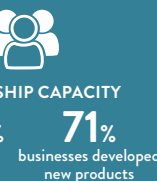


# BRITISH LIBRARY:

## INNOVATING FOR GROWTH



### 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 average<sup>3</sup>.

**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.

<sup>3</sup> 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,  
Leversedge 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* report<sup>1</sup>. 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.

<sup>1</sup> *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



## 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."*

**MILOS 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* report<sup>5</sup> 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 UK<sup>6</sup>.

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

<sup>5</sup> *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/>

<sup>6</sup> <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 CHECKLIST<sup>7</sup>

<input checked="" type="checkbox"/> DESIGNING YOUR PROGRAMME CHECKLIST	EXPLANATION
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? <input type="checkbox"/> 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 codevelopment, 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 decisionmaking powers, or close proximity to those who do?	A quick 'no' is much better for small firms than a protracted 'maybe'.

<sup>7</sup> 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<sup>h</sup>**

  
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 profits<sup>8</sup>.

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

<sup>8</sup> 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*<sup>9</sup> 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.

<sup>9</sup> <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

£200m



VENTURE DEBT TRANSACTIONS

50



BUSINESS LOANS PROVIDED

£500m

*"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."<sup>10</sup> 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.

<sup>10</sup> 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 activities<sup>11</sup>. 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/>

<sup>11</sup> 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**  
**£12billion**

**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.

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.

The background features a solid teal-blue color. Overlaid on this are several semi-transparent, rectangular blocks of varying shades of blue and teal, creating a layered effect. At the bottom, there is a series of vertical bars of increasing height from left to right, each outlined in a vibrant orange color.

# CHAPTER 3

## THE LOCAL SCALEUP ECOSYSTEM

# LOCATION, LOCATION, LOCATION

## Driving Economic Growth through Scaleup Ecosystems

A strong local environment is central to nurturing our fastest-growing companies so they reach national and global scale. What scaling businesses want most is a local place where they are able to flourish with resources available in talent, leadership development, finance and infrastructure which can be harnessed to foster their growth.

In 2016, the ScaleUp Institute, with the support of Goldman Sachs 10,000 Small Businesses UK and Innovate UK, introduced the ‘Driving Local Economic Growth through Scaleup Ecosystems’ course – led by Professor Daniel Isenberg of Babson College – to the UK for the first time.

Two three-day courses were held in 2016 in Birmingham and Manchester for 130 local ecosystem leaders from LEPs, cities, universities and Growth Hubs from across the country as well as participants from Northern Ireland and Scotland. Each cohort took part in interactive lectures, exercises and case study discussions and were challenged to develop plans for removing the barriers faced by scaleups in their communities.

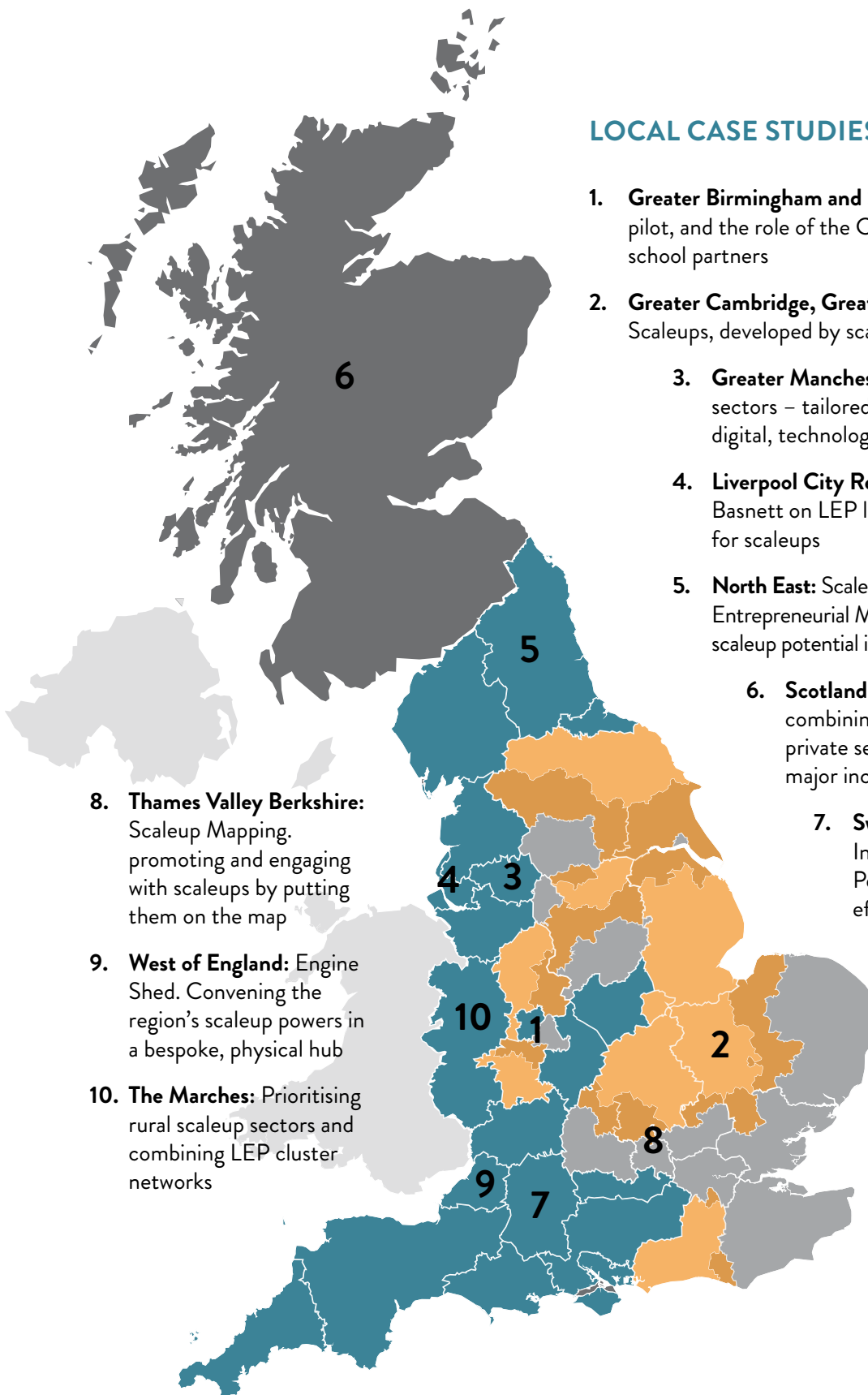
The feedback was immediate and positive. Each participant gained an understanding of the common frameworks deployed globally to identify scaleups and remove systemic barriers from their path. They left having developed a route-map of practical solutions for their local community and an initial Scaleup Plan to implement and report back on in future workshops. Subsequently, the Government has

encouraged LEPs to include scaleups in their Strategic Economic Plans.

Since taking part in the course many of the participants have made progress developing and implementing plans to improve their ecosystems for scaleup businesses. In this chapter, we set out the activities of some of these local areas in detail- these are our 2017 local exemplars. We believe that each provides a different model of engagement and activity from which others can learn, be inspired to shape their local scaleup plans, and from which fresh insights on good practice is emerging. We will continue to monitor these for impact and will seek to feature them as endorsed case studies in future years.

At the end of this Review, we give an overview of the scaleup plans and programmes across all local areas in the UK in Annex 1.





## LOCAL CASE STUDIES

1. **Greater Birmingham and Solihull:** Account Manager pilot, and the role of the City Council and business school partners
2. **Greater Cambridge, Greater Peterborough:** School for Scaleups, developed by scaleups for scaleups.
3. **Greater Manchester:** Powering up scaleup sectors – tailored programmes focused on digital, technology and life sciences
4. **Liverpool City Region:** Insights from Mark Basnett on LEP leadership and coordination for scaleups
5. **North East:** Scaleup Leader Academy and Entrepreneurial Mentoring. Partnerships to turn scaleup potential into scaleup performance
6. **Scotland:** CAN DO Scale – combining the strengths of public and private sector partners to deliver a major increase in scaleup numbers
7. **Swindon and Wiltshire:** The Inspire Elite Programme; Peer-to-peer networks and effective account management

8. **Thames Valley Berkshire:** Scaleup Mapping. promoting and engaging with scaleups by putting them on the map
9. **West of England:** Engine Shed. Convening the region's scaleup powers in a bespoke, physical hub
10. **The Marches:** Prioritising rural scaleup sectors and combining LEP cluster networks

## KEY LEARNINGS FROM LOCAL ECOSYSTEMS

1

**CREATE ACCOUNT MANAGERS.** The needs of individual scaleups change – in their nature, timing and intensity – as they go through their various stages of growth. There are clear benefits in adopting an account management structure in order for local ecosystems to be as close as possible to these fast-evolving businesses as they grow and flourish. An account manager gives a busy scaleup someone who can help them to navigate the available public and private sector programmes that sustain business growth and streamline their engagement with multiple bodies.

The use of an account manager model is an important feature of the new programmes emerging for scaleups in the localities described here, to foster relationships with fast-growing firms, matching them to relevant services and training.

2

**LEVERAGE LOCAL BRAINPOWER.** Universities and business schools play a valuable role in the creation of a strong local scaleup ecosystem through access to their infrastructure, talent and R&D. They anchor successful scaleup programmes, particularly in the areas of leadership development and planning growth strategies. We see this in national leadership programmes such as Goldman Sachs *10,000 Small Businesses* UK and the London Stock Exchange's Elite programme, which are anchored in local business schools such as Aston Centre for Growth, Imperial College, Leeds University and Oxford Saïd Business School.

Local business schools are taking a similar approach in their communities. Greater Birmingham and Solihull LEP is identifying and moving businesses through their scaleup journey in a close partnership with Aston University and Birmingham City University. Scottish Enterprise's programmes for building leadership and senior team capacity are run through executive education delivered by business schools such as Strathclyde Business School. Bristol University is one of the core partners in the development of Engine Shed.

Momentum is gaining; institutions including Manchester University, Teesside University, Henley Business School and Worcester University are set to become important players in their local scaleup ecosystems currently devising scaleup leadership programmes due to be deployed in 2018.

3

**PUT PEER-TO-PEER NETWORKS AT THE HEART.** The critical value of peer-to-peer networks is being recognised, and we are encouraged by the high level of enthusiasm among LEPs and Growth Hubs to promote and develop them at the local level. Peer-to-peer networks help scaleups to share knowledge and experiences, and provide opportunities for collaboration, learning and mutual support. These networks are often sector-specific, based around regional strengths.

An exemplar programme is the Inspire Network in Swindon and Wiltshire, which places peer-to-peer at the heart of its structure and the Platinum Group in the Black Country (featured as a one to watch case study in Chapter 2).

4

**BUILD ON LOCAL GROWTH SECTORS.** Many LEPs are adopting sector-specific approaches to their scaleup programmes, building on a close understanding of the local economy, strong networks and data insights. The Marches LEP has identified priority sectors – such as food and agritech, or defence and cybersecurity – and has tailored scaleup packages for each of them. It has also placed sector-focused networks at the heart of its approach. Greater Manchester LEP provides two sector-focused scaleup programmes – one for digital, creative and tech, another for life sciences and healthcare. North East LEP has targeted assistance for manufacturing businesses as one of the strands of its scaleup programme.

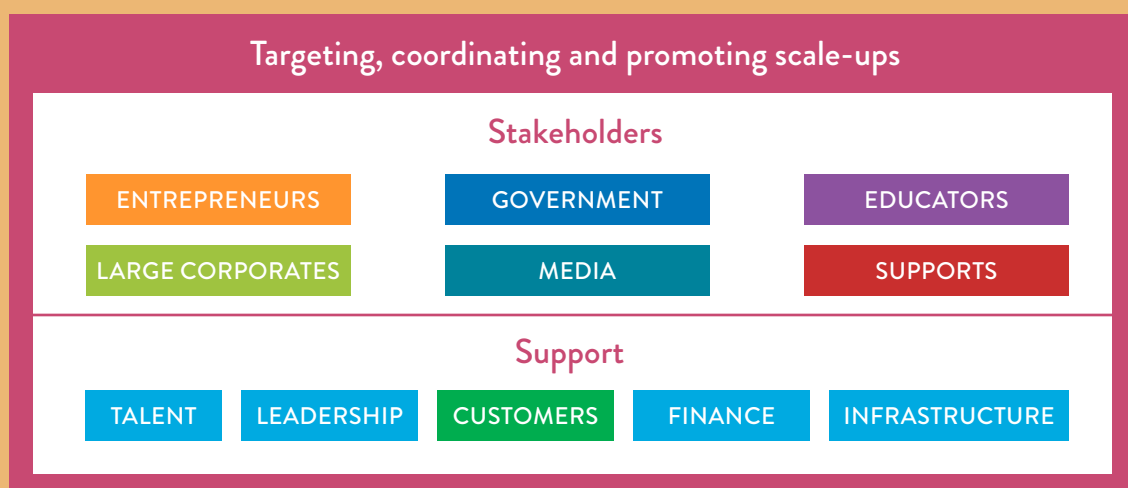


5

**HAVE A SUITE OF SOLUTIONS.** Five major areas present challenges to scaleups – access to talent and skills, leadership capacity, access to markets, finance and flexible infrastructure. To help scaleups effectively at a local level, a suite of solutions is required to overcome these challenges. We are seeing how local programmes are breaking down barriers so that help can be delivered to individual scaleups in a targeted and focused way. The North East scaleup programme uses three approaches – mentoring, a ScaleUp Leaders Academy for action learning, and a Manufacturing Growth Programme. Liverpool is planning four strands to its programme, each with a specific remit – leadership, export, and innovation. Engine Shed is the leader in bringing together the local ecosystem for scaleups in a physical environment with multiple solutions.

6

**ENGAGE LOCAL LEADERS IN THE ECOSYSTEM.** Galvanising local leaders – from the CEOs of corporations, university Vice-Chancellors, secondary school headmasters and governors to City Mayors, City Council members and the media – and engaging them with the scaleup agenda, are vital.



In Manchester, key players such as Manchester Science Partnerships, the University of Manchester, the city's Business Growth Hub and Greater Manchester LEP, have come together to work with local entrepreneurs and scaleups.

The Scotland CAN DO Scale programme brings together Scottish Enterprise, Highlands & Islands Enterprise, Scottish Funding Council, Scottish Government, and Entrepreneurial Scotland with the private sector. In the West of England, Engine Shed is a collaboration between Bristol City Council, the University of Bristol and the West of England LEP; the Bristol hub also hosts several business tenants, local networks and accelerators.

7

**CREATE A VIRTUOUS CIRCLE THAT ENCOMPASSES LOCAL AND NATIONAL PLAYERS.** While it is vital that a scaleup can be assisted at a local level, local players must also be able to prepare and introduce their scaleups to national programmes that can come into play at the right point in their growth cycle. This may be a growth programme such as Goldman Sachs 10,000 Small Businesses UK and the London Stock Exchange's Elite programme or national bodies such as Innovate UK. Having such a local-national nexus creates a virtuous circle of growth.

## 8

**PINPOINT AND CELEBRATE SCALEUPS.** Much is already being done to identify and highlight local high-growth companies. The Cambridge Cluster Map, which has evolved over several years, is a vital data tool for growth companies to attract talent, customers and investors – and to understand the area’s wider economic development. We are seeing advances in areas such as Thames Valley Berkshire, which has created its own local scaleup map compiled using a diverse range of data sources to spot businesses with high-growth potential and outlook.

## 9

**BE SELECTIVE, AND ASSESS IMPACT CONSTANTLY.** Helping scaleup leaders is not effectively achieved through a scattergun process. Successful local programmes apply clear and disciplined filters when assessing the businesses to admit into their cohorts. A filter may be sectoral, such as Manchester’s digital focus or the North East LEP’s Manufacturing Growth Programme. Profiling and eligibility screening are important for the selection of companies; a peer-to-peer network must include true peers.

These are still early days but there is an encouraging emphasis on the measurement of impacts and outcomes for scaleup programmes. The Inspire Network in Swindon and Wiltshire is collecting data from the initial “diagnostic” meetings with companies to use as a baseline and is then following up with one-to-one visits to update that data, which is stored on bespoke CRM systems for regular review. Newcastle University is measuring the impact of the scaleup programmes in the North East. The ScaleUp Institute will continually monitor benchmarks to apply rigorous assessment to what is really impactful and report on these in coming years.

# GREATER BIRMINGHAM AND SOLIHULL EXEMPLAR

## ACCOUNT MANAGER PILOT, AND THE ROLE OF THE CITY COUNCIL AND BUSINESS SCHOOL PARTNERS

Greater Birmingham and Solihull LEP, through its Growth Hub, is developing a new approach for scaleups. It is interrogating a diverse range of datasets to identify businesses with a high-growth mindset from across the city region.

### BACKGROUND

From the ONS data for 2015 there are 830 scaleups in the Greater Birmingham and Solihull LEP: 335 are classified as scaleups due to rapid growth in their employees; 665 are classified as scaleups due to rapid growth in their turnover and 170 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period from 2013 to 2015 the density of scaleups has decreased by 0.3 per 100,000 of population, which is below the median of +1.94 per 100,000 of population.

Participation in the 'Driving Economic Growth through Scaleup Ecosystems' course helped establish a strong sense of the types of actions that could be recommended to scaleup leaders to make it easier for them to continue to grow. Perhaps more importantly, the course instilled a shared vision of how to achieve them between the various stakeholders. It also led to the creation of a very useful peer network for practitioners on local, regional and national levels.

The vision is for the Growth Hub to be at the centre of a local business ecosystem that stimulates activity among target businesses to promote employment and turnover growth significantly beyond the current levels. The approach is also informed by leading work around identifying and moving businesses through the scaleup journey, carried out by Aston University, one of the Growth Hub's delivery partners.

### PARTICIPATING SECTORS



ADVANCED  
MANUFACTURING



CULTURAL  
AND CREATIVE



PROFESSIONAL AND  
FINANCIAL SERVICES



LIFE SCIENCE



DIGITAL AND TECH  
(DISRUPTIVE TECHNOLOGIES)

*"Businesses require a more flexible account management model that offers a tailored approach of support per business. This will help to ensure the education of businesses and business owners themselves is focused on the specific needs of each client whilst providing access to wider business support."*

**JOEL BLAKE OBE**  
Entrepreneur

### SCALEUP PROGRAMMES

The suite of scaleup-focused programmes is led by the LEP and delivered by a mix of public and private providers that include Greater Birmingham Chamber and local business schools such as Aston University and Birmingham City University.

The focus is on working with a pipeline of scaling businesses: these include businesses showing early signs of growth, ambitious growing businesses and scaleups, especially family-owned firms. An important element of the programme is to ensure businesses can take advantage of the opportunities arising from major investment, particularly HS2 via delivery of the HS2 Supply Chain programme.

CONTINUED

*“The Manufacturing Growth Programme has made a significant contribution to our growth and given us strong foundations for further expansion – including plans to move into brand-new purpose-built premises. AE Aerospace, has more than doubled its workforce, whilst sales have also increased fivefold, as the company has capitalised on its specialist ability to prototype new components and retain volume manufacturing in the UK”*

**PETER BRUCH**  
Managing Director, AE  
Aerospace

*“MMX has been frustrated in the past by not being able to bid for contracts. The support of the Business Growth Programme Grant allowed us to bid for and win new contracts and customers. We believe that this will lead to increased revenues, and increased profitability. It will also have a positive effect on the number of staff we need to employ and will help us take our employee numbers beyond the 70 mark, towards doubling our headcount in the 7 years of management ownership.”*

**NEIL BARTLAM**  
Managing Director, MMX  
Communications Services

## CONTINUED

As part of the programme, Aston University and Birmingham City University will run a bespoke series of workshops designed to provide an initial assessment of the growth opportunity and to provide a basic toolkit for growth.

The series of workshops will include an ‘enhanced diagnostic experience’, led by Birmingham City Business School team. This seeks to equip participants with tools they might consider using in order to understand their business options and benchmark their performance against their peers.

Integrated within the diagnostic elements, the ‘exploring strategy options for business’ series, led by the Aston Centre for Growth, focuses on the development of the capacity of local businesses to use planning and strategy tools.

The Growth Hub then links scaleups to a range of available local programmes, from leadership development, to exporting and access to external finance. One example is the Business Growth Programme (BGP) which has been designed to strengthen supply chains, stimulate innovation and grow existing small to medium sized enterprises (SMEs) across the Greater Birmingham and Solihull, Stoke-on-Trent and Staffordshire and The Marches LEPs. The BGP, managed by Birmingham City Council’s Business Development and Innovation Team, invests in ambitious companies, including those requiring new or extended premises or those planning to diversify or innovate their product base.

## IMPACT AND RESULTS SO FAR

- Since June 2017: The Business Growth Programme has had 184 businesses participate and they have grown employees by 588 jobs

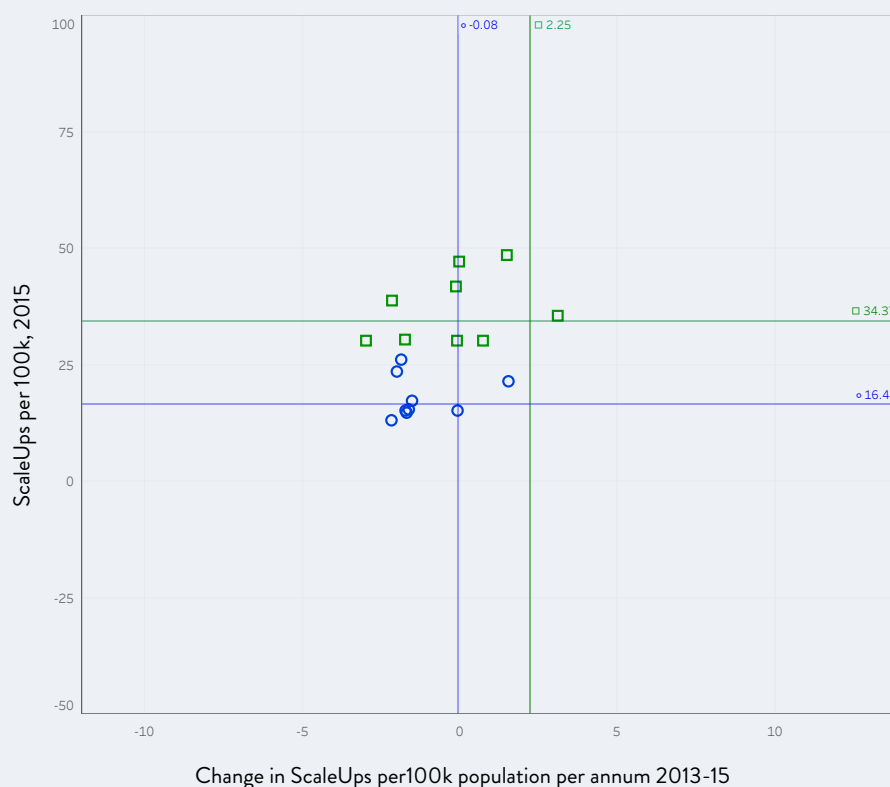
## FUTURE PLANS

**Account management:** Expert face-to-face advice to scaleup companies has always been a core feature of Greater Birmingham Growth Hub. Alongside the scaleup focus the adviser team has been moving towards an account management model with target businesses.

To build upon the success of this service it will be expanded to include sector specialists. A new specialist Access to Finance Adviser has been working as part of the team for the last six months and has already helped clients to access funding.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on the local environment.



## SCALEUP DENSITY: MIXED

The vertical axis of this matrix shows where local authorities located in the Birmingham and Solihull LEP stand compared to the rest of the country: When it comes to 'employment scaleups', 4 of the 9 local authorities have an above median density of scaleups; with regards to 'turnover scaleups', 5 of the 9 local authorities have an above median density.

## SCALEUP TRENDS OVER TIME: NEEDING IMPROVEMENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 1 of the 9 local authorities is above the median when it comes to increasing the density of their scaleups by turnover and 2 of the 9 local authorities are above the median when it comes to increasing the density of scaleups by employee growth.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data utilised on this page is taken from the IDBR 2013-2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# GREATER CAMBRIDGE, GREATER PETERBOROUGH EXEMPLAR

SCHOOL FOR SCALEUPS: DEVELOPED BY SCALEUPS FOR SCALEUPS

## PARTICIPATING SECTORS



EDUCATION



RETAIL



PHARMACEUTICALS  
BIOSCIENCES



ADVANCED IT



TELECOMMUNICATIONS

*“The School for Scaleups has been a fantastic course. I have learned a huge amount and have started implementing this with my team. It has opened my eyes to some of the ways I have been working and the impact this has on others, so the impact will not stop at me.*

*...In the main everyone on the course is at board level, which for me it is an excellent opportunity to network and broaden my horizons.”*

DAN COLE

Bioincubator Facilities  
Manager, Babraham Bioscience  
Technologies

Building on over ten years' work with scaling businesses in the area, the Cambridge Network has created a bespoke programme focusing on leadership skills for scaleup CEOs and their senior management teams. Cambridge has recognised the value of recruiting successful high-growth business leaders to help develop and deliver a tailored programme for scaleups. The content design includes input from leaders in high-growth companies such as ARM<sup>1</sup>.

## BACKGROUND

ONS data in 2015 shows there are 760 scaleups in the Greater Cambridge, Greater Peterborough LEP: 305 are classified as scaleups due to rapid growth in their employees, 615 are classified as scaleups due to rapid growth in their turnover, and 160 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period from 2013 to 2015 the density of scaleups has increased by 2.33 per 100,000 of population, which is above the median of +1.94 per 100,000 of population.

## SCALEUP PROGRAMMES

### SCHOOL FOR SCALEUPS

The programme is open to all high-growth businesses and social enterprises, either for the founding leadership team or for people in operational roles, built on the guiding principle that growth demands leadership at all levels.

The active learning programme runs with a cohort of 12 delegates meeting face-to-face every six weeks for a formal workshop. The cohort works together over 14 months with 11 modules focusing on different aspects of leadership skills. Delegates value the close relationship with peers as a strength of the programme and the community-centric nature of the School.

Participants are also offered additional training, individual coaching and mentoring from Cambridge Network if appropriate. Successful scaleup business leaders visit the School on a regular basis to share their experience and give their insights on issues faced by members.

On completion of the course, scaleup leaders benefit from the Cambridge Network CEO group which acts as ‘the board you can’t afford’ on a continuing monthly basis.



<sup>1</sup> A multinational semiconductor and software design company, owned by SoftBank Group and its Vision Fund, headquartered in Cambridge.



Cambridge's scaleup programme was designed with input from a number of successful and respected leaders in local high-growth companies such as ARM. It was informed by learning from the insights of the Scale-up Report (2014) and the participation of members of the Greater Cambridge Greater Peterborough LEP and the Cambridge Network in the 'Driving Economic Growth through Scaleup Ecosystems' course in 2016.

The result is a bespoke scaleup programme, run by the Cambridge Network, focusing on leadership development in their 'School for Scaleups', a peer-to-peer network and a strong account management role.

## IMPACT AND RESULTS SO FAR

Since the School's launch 250 businesses have received an initial diagnostic and 100 have been invited to take part in the programme. Cambridge Network has reported a positive impact in the first two cohorts of businesses that have participated to date. This has warranted an extension of the programme to be offered to additional cohorts.

- Continued growth of businesses: increased numbers of employees and turnover.
- New business contracts initiated.
- Increased retention and development of teams under the delegates.
- Improved business processes, such as new recruitment practices and written policies.

## LESSONS LEARNED

- Face-to-face time is more valuable and effective for business leaders on a scaleup programme than written materials that they do not have time to read.
- Assumptions regarding knowledge/experience level of the delegates should be avoided – some businesses are successfully led by people with little classic leadership skills but who can learn and improve over a period if frank and constructive feedback is delivered.
- Module content needs to be dynamic. Formal teaching at surprisingly basic levels is useful if integrated and practised well.
- Delegates typically like models and practical tools to aid learning.

## FUTURE PLANS

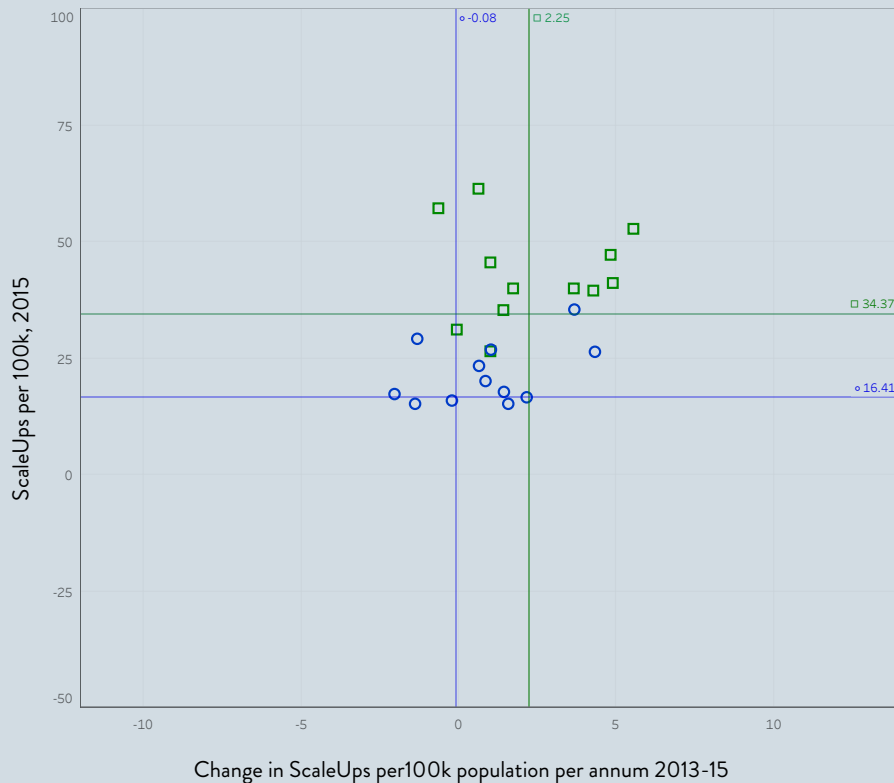
- In the first year the Network's focus has been on the content and richness of the programme. In the second year there will be a shift to concentrate on the way different individuals at growing companies learn best.
- Cambridge will build its database from graduating groups to review and track business impact following completion of the programme.
- Recognising the importance of this scaleup agenda at a regional and national policy level, the GCGP LEP is currently undertaking a comprehensive supply and demand gap analysis of the sector led by the Scale Up and Growth Manager. The analysis will identify the additional provision this sector needs.
- The GCGP LEP has invited business leaders from local scaleup success stories to work with the area's ecosystem players and give something back in a peer-to-peer network that assists and supports new scaleups.

*"The transition to scaleup was tougher than we thought. Culturally these things are quite difficult; ..., once you start to scale people have much more focused roles...the programme has made a substantive difference in the way that I work and I'm very, very pleased that it has done."*

LIZ UPTON  
Co-Founder, Raspberry Pi

## LONGITUDINAL ANALYSIS

According to the ScaleUp Institute's analysis of data received directly from ONS for years 2013-2015 the following picture emerges on the local environment.



Local Authorities in Greater Cambridge, Greater Peterborough (GCGP) LEP have a significant density of scaleups per 100,000 of population, however, the trend over time reveals significant differences where some of the local authorities have seen a decrease in the number of scaleup businesses while others have seen a significant increase in density.

### SCALEUPS BY DENSITY: EXCELLENT

The vertical axis of this matrix shows where local authorities located in this LEP stand compared to the rest of the UK: 8 of the 12 local authorities covered by the GCGP LEP have an above median density of scaleups measured by employment growth and 11 of the 12 local authorities have an above median density of scaleups measured by turnover growth.

### SCALEUP TRENDS OVER TIME: MIXED

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 7 of the 12 local authorities are below the median in terms of improving the density of scaleups by turnover in their community and 8 of the 12 local authorities are above the median for scaleups by employment.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# GREATER MANCHESTER EXEMPLAR

## POWERING UP SCALEUP SECTORS: TAILORED PROGRAMMES FOCUSED ON DIGITAL, TECHNOLOGY AND LIFE SCIENCES

Greater Manchester LEP and Growth Hub aims to leverage the area's capacity for driving growth by focusing on priority scaleup sectors. Programmes offer early, targeted engagement to power up sectors and help scaleups escalate and sustain growth.

### BACKGROUND

ONS data for 2015 shows there are 1,315 scaleups in the Greater Manchester LEP: 520 are classified as scaleups due to rapid growth in their employees, 1,085 are classified as scaleups due to rapid growth in their turnover and 290 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period from 2013 to 2015 the density of scaleups has increased by 1.94 per 100,000 of population, which is at the median of +1.94 per 100,000 of population.

The 'Driving Economic Growth through Scaleup Ecosystems' course helped Greater Manchester Growth Hub to demonstrate the value of focusing on scaleups and on the leading actors in the ecosystem with the power to drive scaleup growth.

### SCALEUP PROGRAMMES

Manchester's programmes have been carefully tailored to meet specific needs and help businesses rise to the particular challenges of rapid growth. Each leaves scaleups with a clear plan that they are confident they can implement and a good knowledge of the wider support available from the LEP, Growth Hub and wider ecosystem.

- **Spark2Scale** is a six-month programme to escalate sustainable and comprehensive growth amongst scaleups. Made up of six masterclasses and peer-to-peer learning sessions with industry experts, the programme is led by a team of four business advisers helping participants on a one-to-one basis. Expert sessions cover leadership development, effective sales and marketing strategies, and accessing finance. Scaleups are equipped with analysis and modelling tools to develop the most effective business growth strategy and continue their upward trajectory.
- **Greater Connected** is an intensive growth programme for scaleups across the digital, creative and technology sectors. Building on a successful 2016 pilot, this short programme has already helped over 100 scaleup businesses, equipping them to grow through collaboration and community.
- **STEP into Healthcare** is a repeatable cohort programme for health and life science scaleups. This four-session programme provides intensive support including access to networks and market access opportunities and workshops with industry experts. Areas covered include market analysis and opportunity, developing a compelling proposition, law and regulation, innovation and putting together a successful pitch.

### PARTICIPATING SECTORS

#### SPARK2SCALE

Cross-sector programme:



MEDIA



MARKETING



FINANCE



ENGINEERING AND  
MANUFACTURING



SOCIAL  
ENTERPRISE

#### GREATER CONNECTED



CREATIVE



TECHNOLOGY



PR  
AGENCIES



GAMES  
COMPANIES



DIGITAL



APP  
DEVELOPERS

#### STEP INTO HEALTHCARE



MEDICAL DEVICES



LIFE SCIENCE



APP  
DEVELOPERS



HEALTH

*“Within four weeks of being on Greater Connected, I’d taken the advice and secured two new briefs worth a combined £12m as a result! The content of the course was highly relevant and practical, and the peer-to-peer network has led to numerous cross referrals.”*

LIZ WHITELEY

Business Development Director,  
Methods Digita

*“As a business, we had achieved much of our ambition but were looking for advice, insight and inspiration for how to map out the next phase of our agency’s growth. We engaged with the Greater Connected programme; through the development of a bespoke growth plan during the sessions we have already made significant changes leading to growth.”*

PETE CAIN

MD, We Are Empire

*“When we signed up to the STEP into Healthcare programme we didn’t know what to expect – but twelve weeks into the programme, I can say we have been overwhelmed by the progress we have made, the help that the team has provided and the leads we have made.”*

ALI MOYED

CEO & Founder, Aerobit Health

## IMPACT AND RESULTS SO FAR

Early evidence on all three programmes has been positive.

### SPARK2SCALE:

Launched March 2017:

- 32 companies have completed the programme, with a second cohort starting this autumn.
- Feedback on the first cohorts of Spark2Scale has been strong.
- Results show this has led to 32 significant client engagements and new opportunities.

### Greater Connected:

- A pilot took place at the end of 2016 and following its success, it has been rolled out to over 100 more businesses across Greater Manchester in 2017. The seventh cohort begins in October 2017.
- Multiple new jobs and three new product lines have already been produced from participant businesses.

### STEP into Healthcare:

- 24 companies have participated to date over two cohorts, with a further 14 companies signed up for a third cohort to take place in 2018.
- Several companies are actively engaged in discussions with NHS procurement teams after taking part the programme.

## LESSONS LEARNED

A lesson for Greater Connected has been that the experience is just as important as the content. Space for participants to process what they have learnt and guidance on how to communicate it back to their wider teams is also crucial.

Feedback from participants is helping shape future direction. The original 12-week STEP into Healthcare programme has been streamlined, with optional technical modules offered on a one-to-one basis.

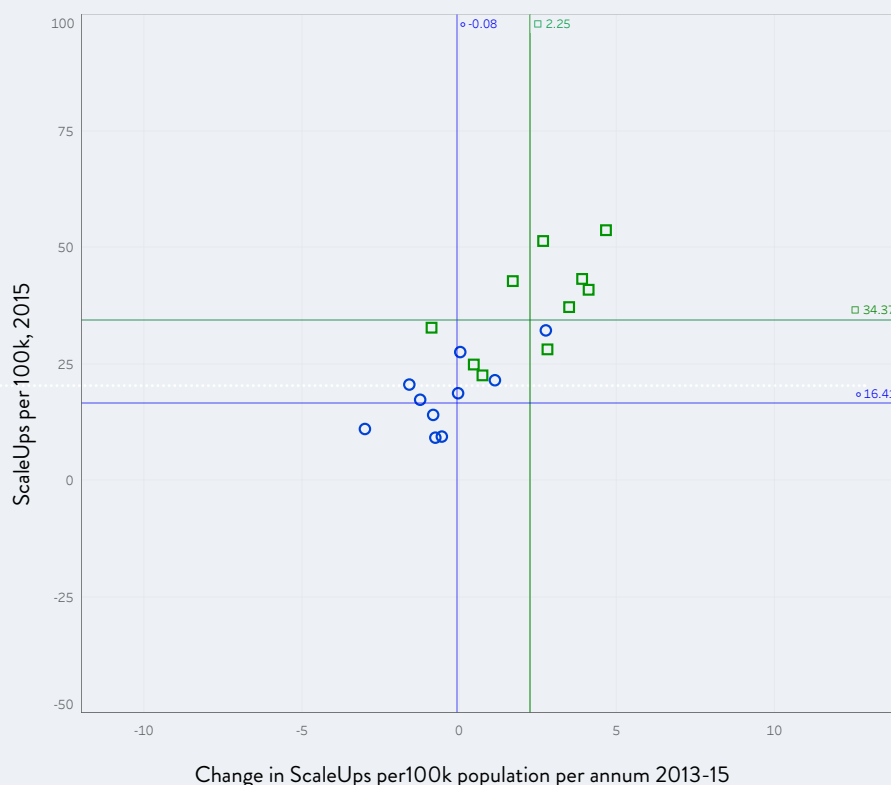
## FUTURE PLANS

The Growth Hub plans to continue to deliver Greater Connected beyond 2017 and fill a gap in provision for companies needing longer-term support and momentum to deliver their growth plans.

Spark2Scale has been adapted to focus more on personal and sales development. An alumni network has been created in response to positive feedback on the importance of a peer-to-peer network to their continued growth and development.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on Greater Manchester LEP.



Local authorities located within the Manchester LEP have a good density of scaleups, however, the trend between 2013 and 2015 reveals that some of the local authorities showed a significant decrease in the number of scaleup businesses while others showed a significant increase in scaleup density.

### SCALEUPS BY DENSITY: MIXED

The vertical axis of this matrix shows where local authorities located in this LEP stand compared to the rest of the UK: In the Greater Manchester LEP, 6 of the 10 local authorities included have an above median density of scaleups measured by employee growth per 100,000 of population and 6 of 10 have an above median density of scaleups measured by turnover growth per 100,000 of population.

### SCALEUP TRENDS OVER TIME: MIXED

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: Although 6 of the 10 local authorities were above the median when it came to increasing their density of scaleups classified by turnover, 8 of the 10 were found to be decreasing in density of scaleups classified by employment growth.

The ScaleUp Institute will continue to monitor increases and decreases in scaleup density closely in the coming months to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# INSIGHTS FROM A LEP LEADER

## WHY SCALEUPS MATTER

### INTERVIEW WITH MARK BASNETT, MANAGING DIRECTOR, LIVERPOOL CITY REGION LEP

#### What is the importance of scaleups to Liverpool City Region's economy?

The City Region Economic Strategy is based on pillars of productivity, people and place. Scaleups are at the heart of driving productivity growth. Up to now, there has been investment in business support and engagement but less work with scaleups. We are aligning our business growth agenda with sector specialisation and a focus on innovation.

It is an important philosophical shift. We have to think like an investor: which businesses have the scope to generate the greatest growth in our economy? How do we make sure that they take full advantage of all the resources available to them?

We will always support the steady businesses but we must invest more in those businesses that will be transformational for our economy. If every scaleup achieves its potential, then our economy will be on the right track.

#### How are you developing your approach?

Scaleup businesses often don't ask for help. They are growing their businesses and are phenomenally busy. They don't have the time to consider additional, external capacity building.

So our approach has to be different. We have to get under the skin of these businesses. What really matters to them? Traditional support mechanisms won't always address that.

Our challenge is to match the expertise in the private sector with businesses that are going through growth phases.

We want to help businesses become better informed consumers of value-added services that will stimulate their growth. We are not competing with the private

sector to provide advice and guidance; we are here to make the market work better. It is our job to understand these businesses, to facilitate and enable, not to implement and deliver.

We should not be acting as the business support police. We should be helping businesses understand what they can do and inspiring them by putting them together with others. Take peer-to-peer networks. Other than needing time, it is a low cost resource which becomes increasingly sustainable as people build their own networks. Our job is to help make that magic happen.

#### This focus on scaleups requires the support of many players in the Liverpool City Region ecosystem. What is the role of the LEP?

Our job is to deliver economic impact – and intensive intervention for higher-growth businesses tends to have higher impact.

So our role is to keep scaleups firmly on the agenda. We are being partnered by the university, the private professional sector, the finance sector, experienced business leaders and our colleagues in the combined authorities. An important role will be played by City Region business leaders who will be strategic mentors to scaleups. Throughout the City Region there is an appetite to back growth and to try new approaches.

The evidence base is crucial. We exist to grow our economy as inclusively as possible, so we must get better at reviewing and understanding what really makes an economic difference. Of course it is good to record business support activities and referrals, but business support is the means to an end. We must have the evidence as to what actually transforms these businesses and improves our economy.

#### What are your next steps?

We need to further co-ordinate our work on scaleups. We have got pockets of good practice and are on the way to joining them together to form an ambitious scaleup programme that will work with approximately



200 businesses. Our ambition is to create the structure by April 2018 with an account management approach at its core.

We have a forerunner project of a scheme that we will look to formalise as a 'scaleup voucher'. We provide a 35% voucher towards the cost of commercially procured business advice which is focused on how to achieve stronger growth. We insist on competitive procurement and we provide advice on how to do this. After that, the business owns the process and chooses who they want. We aim to continue to expand this model. We have found that high-growth businesses want to co-invest in their own growth.

### Why are account managers important?

Account managers can understand the specific needs of each scaleup. It will be the job of the account manager to help the business select whatever is right for that business – for example, some may be suitable for national programmes such as Goldman Sachs *10,000 Small Businesses* UK or London Stock Exchange's *Elite* programme. Crucially, the account manager is not a business adviser, rather a curator and sounding board.

### You are a member of the Government's Scaleup Taskforce. What has been your experience to date?

It is doing what a Taskforce should. The experience has been focused, enjoyable and looks to be very productive. We have been able to apply our collective experience to what works best and be pragmatic about what we are learning. I hope its work will inform and influence government policy in this area.



# LIVERPOOL CITY REGION LEP

## FOSTERING SCALEUPS THROUGH LEP LEADERSHIP

*“Scaleups need different support at different stages of growth. They will need to find support, investment and partners at different times and in multiple places. Collaboration is crucial because businesses at this stage of the cycle need to experiment and access different networks, technologies and skillsets quickly.”*

**ANNA HEYES**  
Managing Director,  
Active Profile Ltd

The Liverpool City Region LEP is providing strong leadership to accelerate the growth of scaleups across the area. It is planning to support 100 local businesses to accelerate growth through the provision of dedicated ‘Scale up Managers’ and from local Business Leaders serving as ‘Strategic Mentors’. The intention is to create the first fully integrated high growth programme for the City Region.

### BACKGROUND

ONS data of 2015 shows there are 550 scaleups in the Liverpool City Region: 200 are classified as scaleups due to rapid growth in their workforce, 430 are classified as scaleups due to rapid growth in their turnover and 80 are scaleups that are increasing both employment and revenues simultaneously.

Liverpool City Region recognises that scaleups are already playing an incredibly important role in helping the area to reach its full potential. The region is growing some hugely exciting scaleups who are trading globally and able to innovate quickly. They are seen as vital for working in partnership with the local ecosystem but also challenging it from within by driving economic, environmental and educational changes. The ‘Driving Economic Growth through Scaleup Ecosystems’ course helped shape the LEP’s scaleup programmes in the region, allowing the participants to take time out to listen and learn from peers in other local areas. Information based on global case studies and discussion of best practice applicable to their local area provided the knowledge to help build an effective programme for their high growth businesses.



## SCALEUP PROGRAMMES

A key part of the programme will involve City Region business leaders acting as Strategic Mentors working alongside Functional Mentors (advising on sales, systems and finance). Scaleup Managers will help businesses diagnose issues and plan for accelerated growth, particularly focused on key growth sectors. The LEP will raise the profile of business mentors through recognition of their key role in networking and community building. The ambition is to grow a stronger, more local business network.

Following extensive consultation, Liverpool's programme has been designed to have four strands of support with an overarching goal of realising the growth potential and ambition of businesses.

Each strand has a specific remit and will be delivered by the LEP and other private sector partners:

The core elements are

- **Scale Up Leadership Programme** – leadership capacity building
- **Scale Up Export Programme** – focus on accessing new markets working with DIT
- **Scale Up Innovation Programme** – working with local universities
- **Scale Up Voucher Scheme** – to unlock the potential in the planned scaleup programmes by providing financial support for up to 50 businesses to access identified activities to increase their growth potential.

*“Scaleups need different support at different stages of growth. They will need to find support, investment and partners at different times and in multiple places. Collaboration is crucial because businesses at this stage of the cycle need to experiment and access different networks, technologies and skillsets quickly.”*

**ANNA HEYES**  
Managing Director,  
Active Profile Ltd

*“These businesses are driving behavioural change and inspiring other business leaders to raise their ambitions and grow their businesses. Their impact on their local environment and economic regeneration will continue to be vitally important in a world of highly disruptive change”*

**MATT JOHNSON**  
Managing Director, Form

## EXPECTED IMPACT AND RESULTS SO FAR

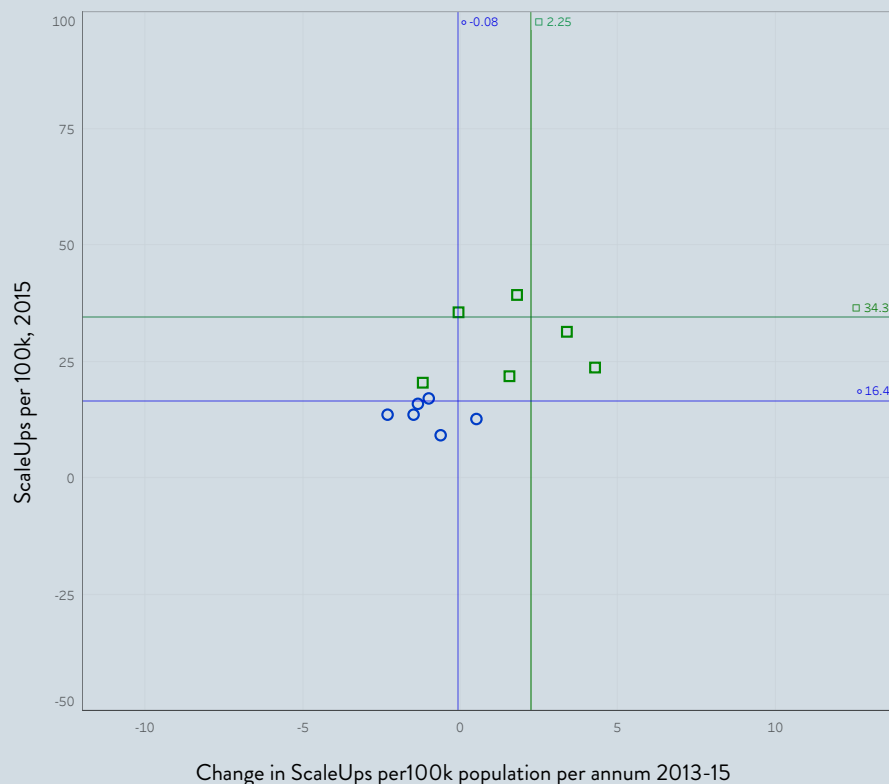
- 250 businesses to be given initial diagnostic
- 100 businesses to be selected for intense support
- Increased exports and access to international markets- at least 20%

## FUTURE PLANS

Liverpool's planned scaleup programme is designed to be a substantive pilot that will be an entry point for scaleup businesses. Liverpool will continuously evaluate and monitor the programme to identify its impact and gaps.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on the local environment.



Local authorities located within the Liverpool City Region LEP had a moderate to low density of scaleups, the trend between 2013 and 2015 reveals that most of the local authorities showed significant decreases in the number of scaleup businesses, while several showed an increase in scaleup density.

### SCALEUPS BY DENSITY: NEEDS IMPROVEMENT

The vertical axis shows where local authorities located in this LEP stand compared to the rest of the UK: Only 1 of the 6 has an above median density of scaleups measured by employee growth while 2 of 6 have an above median density of scaleups measured by turnover.

### SCALEUP TRENDS OVER TIME: NEEDS IMPROVEMENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 4 of the 6 local authorities are below median growth when it comes to scaleups by turnover, 5 of the 6 local authorities are below median when it comes to scaleups by employment.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# NORTH EAST LEP EXEMPLAR

## SCALEUP LEADER ACADEMY AND ENTREPRENEURIAL MENTORING. PARTNERSHIPS TO TURN SCALEUP POTENTIAL INTO SCALEUP PERFORMANCE

The vision of the North East's Strategic Economic Plan, coordinated by the North East LEP is to increase the density of scaleups by 50% and create 100,000 more jobs by 2024. The LEP, together with its partners, has piloted a number of programmes that have tested different approaches designed to turn scaleup potential into scaleup performance. A 'Scaleup Leaders Academy' and 'Entrepreneurial Mentoring' scheme are major elements. A sector-specific programme also offers manufacturing businesses a tailored programme with the central ambition of embedding a scaleup mindset.

### BACKGROUND

ONS data of 2015 shows there 700 Scaleups in the North East Region: 265 are classified as scaleups due to rapid growth in their employees, 575 are classified as scaleups due to rapid growth in their turnover and 140 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period from 2013 to 2015 that the density of scaleups had increased at an annual rate of 1.4 per 100,000 of population between 2013 and 2015. However, this is below the median which was 1.94 per 100,000 of population.

The North East LEP is clear that the 'Driving Economic Growth through Scaleup Ecosystems' course was instrumental in developing its thinking on how to cultivate a local scaleup ecosystem and enabled them to focus on developing their delivery model. Important lessons included how to drive demand, selecting companies through profiling and eligibility screening, and keeping a "laser sharp focus" on delivery quality. The North East has also taken a clear partnership approach to underpin scaling up.


### SCALEUP PROGRAMMES


The North East Scaleup programme's initial focus has been on three approaches:

- **Growth through Mentoring** connects businesses with scaleup potential with business leaders who have an established track record in scaling businesses.
- **A Scale-up Leaders Academy** is delivered by the Entrepreneurs Forum and provides a structured-action learning-based programme aimed at developing scaleup leaders and turning scaleup potential into scaleup performance.

CONTINUED

### PARTICIPATING SECTORS

40%   
MANUFACTURING

17%   
PROFESSIONAL,  
SCIENTIFIC AND  
TECHNICAL  
COMPANIES

10%   
ADMINISTRATIVE  
AND SUPPORT  
SERVICE

*"As businesses in the North East grow they create new jobs stimulating growth in the wider regional economy. To help realise the full potential of these businesses the North East LEP is supporting their leaders by providing the help they need to help them scale up, in the form of training, mentoring and access to business advice and finance."*

MARK THOMPSON, North East LEP business growth board Chair, Managing Partner, Ryder Architecture

*“The more personal support from Manufacturing Growth Programme advisers made us take the time out of our business to consider the future, then create a plan to deal with it. Their advice was so worthwhile. We now expect to continue our growth (17% projected for the next year) with development into new product sales.”*

**JIM BEBBINGTON**  
Manufacturing Sales & Commercial Director, Roundel

*“The Scaleup Leaders Academy has provided me with the opportunity to connect with other business leaders. We get to share our challenges and try out new ways to tackle common problems in a supportive environment with expert guidance.”*

**JOANNA FEELEY**  
CEO, Trend Bible

*“The mentoring process was definitely the right thing for me. It was very bespoke and entirely useful. In terms of business impact, we’ve already seen a notable change within the senior management team – we’re now looking for value within every client opportunity. The programme is a great way of developing the knowledge you need to scaleup.”*

**LUCY BATLEY**  
Co-Founder and Creative Director, JUMP

## CONTINUED

- **Manufacturing Growth Programme (MGP)** is delivered by the Business Enterprise Group and targeted at manufacturing businesses. It is structured around the ‘Improvement Architectures Brain’ model, it provides one-to-one advice from manufacturing growth experts.

The North East is in the process of expanding its scaleup programme having identified what works well.

## IMPACT AND RESULTS SO FAR

- 72 companies are participating in the 2017/18 programme of which 31 have completed it.



### CASH

Generating the profitability, working capital and investment required to grow.



### CAPABILITY

Resulting, retaining and developing the business’s leadership, culture and ‘A grade’ talent required to scale.



### CONNECTIVITY

Connecting scaleups to the expertise and resource required to execute their vision and scaleup plan.



### CUSTOMERS

Deliver a superior value proposition in a business model that will drive the acquisition, growth and retention of the ‘right type’ of customer.



### CAPACITY

Developing the scalable infrastructure and replicable processes, systems and supply chains required to consistently deliver a superior value proposition.



### CONVENING

Scaleups are more successful when they exist in an ecosystem that connects them with other scaleups from whom they can learn from and with.

## FUTURE PLANS

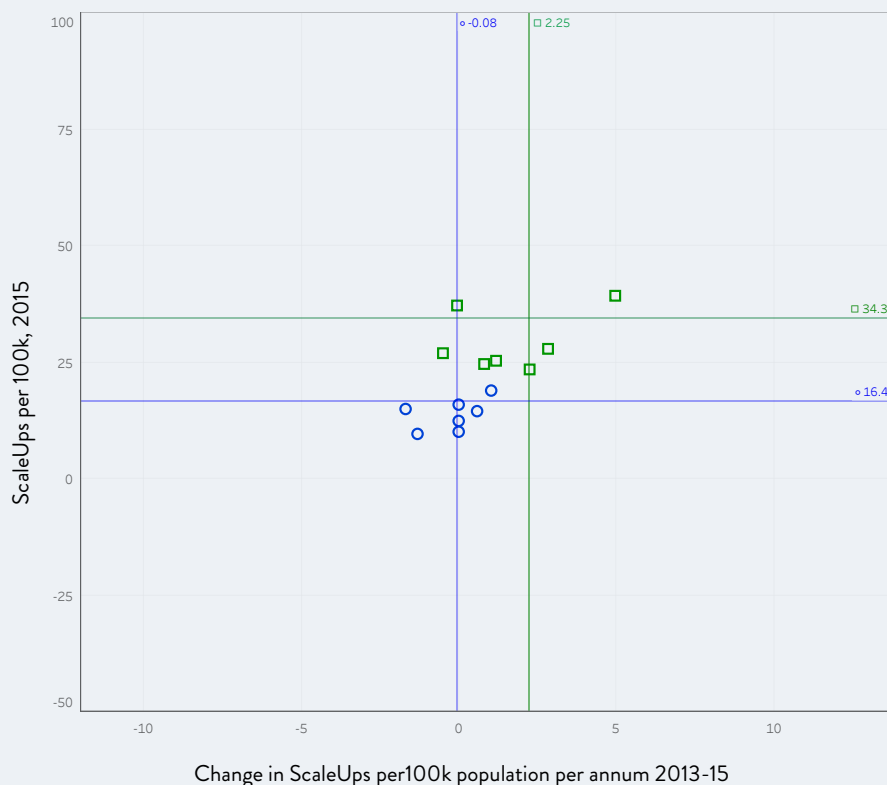
Scaleup North East will be launched in early 2018, framed around the ‘6C Scaleup Ecosystem’ model, incorporating Cash, Capability, Connectivity, Customers, Capacity and Convening (depicted above).

The service will be delivered via the North East Growth Hub and will provide scaleups with access to high calibre scaleup partners all of whom have a track record in scaling businesses. Central to the vision is that they will develop deep, trusting and long-term relationships with existing scaleup businesses as well as those with scaleup potential.

Scaleup partners will have access to a range of proven and flexible tools to draw on to develop bespoke solutions for their clients such as access to business mentors, non-executive directors, scaleup experts, the Scale-up Leaders Academy and a wider scaleup community. The programme will include workshops, masterclasses and peer exchange events designed to nurture the ongoing development of the North East’s scaleup leaders.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on the local environment.



Local Authorities located within the North East LEP have a moderate density of scaleups, however, the trend between 2013 and 2015 reveals that some of the local authorities show significant decreases in the number of scaleup businesses, while others show a significant increase in scaleup density.

### SCALEUPS BY DENSITY: NEEDS IMPROVEMENT

The vertical axis of this matrix shows where local authorities located in this LEP stand compared to the rest of the UK: Only 1 of the 7 local authorities covered by North East LEP have an above median density of scaleups measured by employment growth per 100,000 of population and only 2 of the local authorities have an above median density of scaleups measured by turnover growth per 100,000 of population.

### SCALEUP TRENDS OVER TIME: NEEDS IMPROVEMENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: When it comes to 'employment scaleups', 5 of the 7 local authorities are above the median in term of increasing the density of scaleups but when it comes to 'turnover scaleups', 5 of the 7 local authorities show a relative decline in their scaleup density.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

# SCALE-UP LEADERS' ACADEMY



The Scale-up Leaders' Academy offers targeted support in a programme that complements events and peer-to-peer mentoring organized by the North East's Entrepreneurs' Forum. It focuses specifically on helping high-growth business owners to scale their business through mentoring, coaching and practical workshops. Its first cohort of 12 entrepreneurs joined in February 2017.

The programme was devised following participation in the ScaleUp Institute's Driving Economic Growth through Scaleup Ecosystems' course in Manchester. Members

of the group included educational institutions, entrepreneurs and the North East LEP, all of whom continue to support its development

The Academy is currently open to qualifying members of the Entrepreneurs' Forum and to business owners from all sectors based in either the North East or Tees Valley LEP areas. Participants must have more than ten staff and seen turnover grow by at least 10% each year during the past three years.

Spread over a ten-month period, participants explore six key topics and draw up plans to implement change

within their business. Each then reports back on their success and learning around the following subjects: developing a high-growth mindset; improving leadership capability; enhancing sales skills; accessing and managing the right finance options for growth; recruiting, retaining and developing staff; and branding & marketing.

Help is provided through a mix of inspirational/role model-led events, practical workshops, certified scaleup coaching, peer-to-peer mentoring support and group action-based learning sessions.

# SCOTLAND CASE STUDY

## COMBINING SCALEUP FORCES: PUBLIC AND PRIVATE SECTOR PARTNERS COLLABORATE TO BRING BENEFITS TO SCALEUPS

In Scotland, the Government's Programme for growth and recent Enterprise and Skills Review<sup>2</sup> called upon both public and private sectors to stimulate more businesses to realise their growth ambitions and scale up. In order to create significant economic, growth, jobs and wealth across Scotland.

### BACKGROUND

ONS data of 2015 shows that there are 2,290 Scaleups in Scotland: 830 are classified as scaleups due to rapid growth in their workforces, 1865 are classified as scaleups due to rapid growth in their turnover and 405 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period 2013 to 2015 the density of scaleups had increased at an annual rate of 3.2 per 100,000 of population between 2013 and 2015. This is well above the median which was 1.94 per 100,000 of population.

A collaborative movement involving a partnership of the public, private and industry sectors is driving forward Scotland's scaleup ambition. Entrepreneurial Scotland is using its convening power to facilitate the Scotland CAN DO Scale movement. It has been further honed by working with the ScaleUp Institute, participating in the first cohort of its 'Driving Economic Growth through Scaleup Ecosystems' course as well as through working with customers, partners and other stakeholders.

### SCALEUP PROGRAMMES

In establishing Scotland CAN DO Scale the intention is to create a high-growth entrepreneurial movement to bring about cultural change. It is driving this by creating an environment in which ambitious entrepreneurs have the skills and connections to grow to scale and are provided with appropriate levels of support and challenge from the ecosystem.

While still in the early stages of development, the strength of the movement will come from the collaboration of both public and private sectors and the focus on the scaling business' leadership team. Various initiatives have started to emerge including Strathclyde Business Schools Growth Advantage Programme, the new ScaleUp Scotland leadership programme and the 'Scale' summer school run by Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and the Scottish Funding Council.

CONTINUED

### PARTICIPATING SECTORS

Working with a range of sectors across the portfolio including:



OIL & GAS  
RENEWABLES



TECHNOLOGY



FOOD & DRINK



FOOD AND  
DRINK  
PROCESSORS



FINANCIAL SERVICES  
& FINTECH



MANUFACTURING  
ACROSS A RANGE  
OF SECTORS



MISC. MANUFACTURING  
AND ENGINEERING



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



LIFE & CHEMICAL  
SCIENCES

<sup>2</sup> <http://www.gov.scot/Topics/Economy/EntandSkillsreview>.



*“Tackling international markets with innovative products requires a wide range of skills and expertise. Scottish Enterprise’s support has been fundamental to Deltona in developing the organisational capability to develop and grow exciting new propositions and it’s great news the organisation has enhanced its service which will add even more value for similar fast-growing companies.”*

**MARK ROBINSON**  
Chief Executive of Edinburgh-based games analytics company

*“Attending Scottish Enterprise’s strategy retreat provided a great opportunity for our leadership team to spend time together working on the business rather than in the business. It really helped us to focus on the most attractive opportunities and make the right strategic choices as we continue to grow our business. This is exactly the kind of support which can add real value to a company which makes this enhanced service great news for ambitious Scottish companies.”*

**CALLUM BASTOCK**  
Chief Executive of Troon-based CCL Logistics

## CONTINUED

SE and HIE – as the Scottish Government’s economic development agencies – continue to enhance their assistance to companies to achieve fast growth and scale through programmes such as the Entrepreneurship Development Programme with MIT.

SE has delivered a differentiated approach to account management since 2014 and specifically delivers support to scaleups as part of that service. SE directly delivers a variety of services and programmes through a comprehensive **account management** service that provides strategic engagement and access to a wide range of specialists, products and services to over 2000 companies. The newly-launched Start2Scale brings together this support providing an end-to-end service for scaleups.

Businesses receive support to access talent, infrastructure and investment as well opportunities to develop their leadership capacity and develop new international markets. SE provide this directly and through collaboration with private partners. SE’s one-to-one service is underpinned by access to themed networking events, master classes, coaching programmes and tailored learning journeys. These are delivered in a way that encourages peer-to-peer support with the sharing of challenges, experiences and learning.

Another example of the use of private sector links is the **scaling executive education** programme. Lack of capacity and experience in the senior leadership team can hold back the speed of growth of a business and SE responds to this gap with the right training and support. This is provided through executive education programmes delivered by world-renowned business schools held at Strategic Retreats. Targeted at scaling companies at £10m+ turnover these retreats often result in positive behavioural change and improved strategic thinking. There are also opportunities for pipeline scaling companies to attend providing valuable peer-to-peer networking opportunities and access best practice academic thinking and toolkits.

Scaleups also receive help in accessing international markets through Scottish Development International and guidance on accessing and raising the right finance through Scottish Investment Bank to support growth.



## IMPACT AND RESULTS

- SE's Start2Scale service currently works with 180 companies but has ambition to grow this to 250 during 2018.
- Between June 2014 and March 2017 SE's portfolio of scaling companies (£10m+) has grown from 17-60.
- 120 companies are currently in the scaling pipeline
- Companies with turnover of £10m+ have combined turnover totalling £1.9bn and have grown sales by circa £300m over the last two years.

## LESSONS LEARNED

Businesses have been positive about the existing support they have received but would like stronger support on accelerating international sales, talent attraction and development, and raising ambition of scaleups in relation to their investment needs.

Whilst the journey for scale ups isn't linear, having an end-to-end service offering which streamlines access to support also makes it easier for the customer to access the right support at the right time.

## FUTURE PLANS

- SE has an ambition to increase the portfolio of the Start2Scale service from 180 to 250 and specifically grow the number of scaling companies from 60 to 100 within two years. Work will continue to develop the service so that the customer journey is integrated and seamless.
- Scotland CAN DO Scale is planning to explore a variety of interventions and support within a shared framework, recognising that a one-size-fits-all approach is not the solution for scaleups. It is working on widening the involvement of stakeholders in the movement to include banks and the advisory community and developing a communications plan that will boost engagement and raise the profile of scaleup companies.

*"With the help and support from Scottish Enterprise high growth specialists, Causeway Therapeutics has secured £1 million investment that will allow the development of our ground-breaking therapy for tendon disease, TenoMiR. I can honestly say that this would not have happened without the support SE provides high growth start ups. The program service not only provided the funds to demonstrate proof of concept of TenoMiR but also crucially the commercial mentorship and business training that went along with it."*

**DEREK GILCHRIST**  
Chief Executive, Glasgow-based Causeway Therapeutics

*"It's fair to say that the course has been fundamental in affecting our strategic approach to commercial development. We are progressing, at times slowly but nevertheless we are progressing, towards a more efficient profitable sales function. Our Scaling Account Manager and the Scaling Strategic Retreat were the catalyst for profound change within our business."*

**CHRIS JUST**  
Browns Food Group  
Commercial Director

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges for Scotland.



Local Authorities located within Scotland have a good density of scaleups, but the trend between 2013 and 2015 reveals some of the local authorities showing significant decreases in the number of scaleup businesses while others have a significant increase in scaleup density.

### SCALEUPS BY DENSITY: MIXED

The vertical axis, shows where local authorities stand compared to the rest of the country: 10 of the 32 have an above median density of scaleups measured by employee growth while 11 of the 32 show an above median density of scaleups.

### SCALEUP TRENDS OVER TIME: MIXED WITH EXTREME VARIATION

The horizontal axis, shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 19 of the 32 local authorities are above median when it comes to increasing the density of their scaleups by revenue and 20 of the 32 local authorities are above median when it comes to increasing the density of scaleups measured by employee growth.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# SWINDON AND WILTSHIRE EXEMPLAR

## THE INSPIRE ELITE PROGRAMME, PEER-TO-PEER NETWORKS AND EFFECTIVE ACCOUNT MANAGEMENT

Scaleup businesses have been recognised as an important cohort in developing the local economy. Within Swindon and Wiltshire LEP, two scaleup programmes have been established in partnership with Inspire – a local Chamber of Commerce organisation.

Inspire – a Growth Hub Delivery Partner to the Swindon and Wiltshire LEP and now scaleup partner – has put peer-to-peer networking and a strong focus on scaleup account managers at the centre of its approach. There are two new interlinked networks for businesses: those already scaling (Inspire Elite) and those who aspire to scale up (Inspire Elevate).

### BACKGROUND

ONS data of 2015 shows that there are 310 Scaleups in the Swindon and Wiltshire LEP: 115 are classified as scaleups due to rapid growth in their workforces, 255 are classified as scaleups due to rapid growth in their turnover and 60 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period 2013 to 2015 the density of scaleups had increased at an annual rate of 1.66 per 100,000 of population. However, it is slightly below the median which was 1.94 per 100,000 of population

Inspire Elite was launched in October 2016 just five months after a team from Inspire attended the ScaleUp Institute's 'Driving Economic Growth through Scaleup Ecosystems' course. The team was particularly influenced by the international case studies that demonstrated what worked in local environments to foster the growth of scaleup businesses and the evidence of the value of investment in fast-growing companies.

Inspire was motivated to plan, build and execute a scaleup programme based on peer-to-peer meeting and an account management model.

### PARTICIPATING SECTORS



ENGINEERING AND  
MANUFACTURING



DIGITAL



BUSINESS  
SERVICES



PROFESSIONAL  
SERVICES



RETAIL



COMMUNICATIONS



FOOD & DRINK



CONSTRUCTION



TOURISM &  
HOSPITALITY



HR AND SKILLS



FINANCIAL  
SERVICES

### SCALEUP PROGRAMMES

The Swindon and Wiltshire vision is to build a self-sustaining ecosystem for scaleups across the South West which will gain the reputation in the business community and amongst all stakeholders, as a "go to" resource for scaleups.

Elements of the programme are:

- Quarterly meetings held to facilitate peer-to-peer knowledge sharing and learning. These meetings help businesses collaborate, share experiences, pursue joint ventures, find efficiencies and build expertise. Right from the start, businesses are advised that the peer-to-peer element is about supporting and learning from each other.
- A dedicated and experienced Account Manager for each business who conducts a detailed 'fact find' on the business, works with them to build a robust growth strategy and three to five-year plan, and provides introductions to relevant experts and programmes of support. Specific programmes include leadership development, access to finance and new markets along with skills development.

CONTINUED

*“I think if you’ve got the desire to grow, you need support. Sometimes you feel like you’re the only person carrying the weight of the business, but when you speak to other business leaders you realise you all go through the same problems and experience the same difficulties. Just talking to them sometimes helps you to focus a little bit more.”*

**CHRIS PERRY**

Managing Director, Corsham Print

*“Currently we are enjoying support from Inspire Elite’s comprehensive support network while we source advice on MBOs, funding, due diligence and legal requirements.”*

**GERAINT EVANS**

Managing Director, P&B Weir Electrical

*“We are well on the way to implementing a funded training programme for all our staff; we are in contact with a business coach who we are hoping will help take our business to the next level; and we have also had meaningful contact with three other members to discuss how our commercial offering may be able to assist them in saving time and money in their own operations.”*

**SPENCER BLAKE**

Sales Director, Wessex Fleet

## CONTINUED

- The support of a senior Partnership Director who has experience in building partnerships in the corporate sector and preferably has been an owner-manager of an SME. Their role is to seek out and build strong partnerships with all appropriate business support organisations in the region and beyond who can provide expertise in sustaining the business growth strategy of each scaleup.

## IMPACT AND RESULTS SO FAR

Data is collected using the initial diagnostic as a baseline and then followed up by one to one visits when updated data is collected on areas such as turnover, profitability, employee growth. All data is stored on a bespoke CRM system and reviewed regularly by programme managers.

- 125 businesses supported since October 2016.
- 118 businesses pursuing a clear strategy for growth.
- 422 Referrals made: 36% to public sector bodies and 64% to private sector.
- Quarterly peer-to-peer meetings held, issues covered include leadership development and awareness raising of sector specific support available to scaleups.
- 34 businesses introduced to growth-oriented programmes such as Goldman Sachs 10,000 Small Businesses UK.
- Several complementary businesses have pursued joint ventures after being connected through the programme.

## LESSONS LEARNED

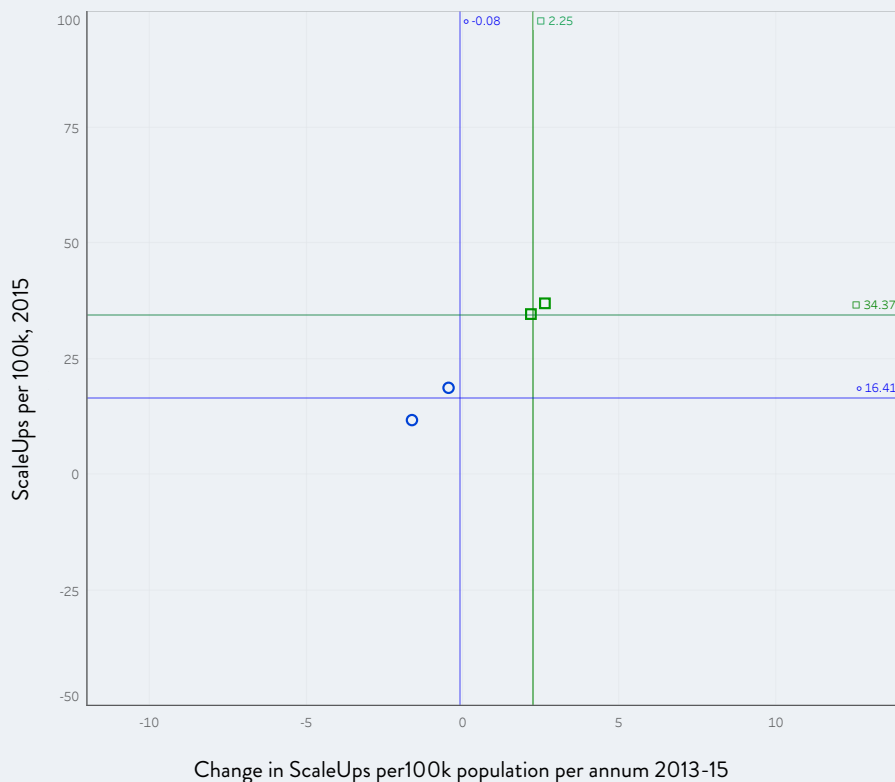
- The best way to find and engage with scaleups is through building partnerships with professional service providers who hold those relationships already.
- Recruit the right account managers with great care and precision. It is essential to recruit individuals at the right level and with the appropriate skills to engage with bright, ambitious scaleup leaders. Look for experience in their sector and either of running their own scaleup or working with ambitious SMEs.
- Do not be tempted to allow businesses who are not truly dedicated to growth to join the group.
- Ensure each business has a robust and detailed growth strategy and if not, to help them build one.
- Only allow partners to support the group if their offering is exactly right and to a high professional standard.
- Flexibility is vital for businesses – no one size fits all programme for all scaleups and a sector specific focus is particularly useful in per to peer networks and other leadership development programmes.

## FUTURE PLANS

Inspire’s main aim is to grow the cohort to around 250 in Swindon and Wiltshire. Inspire Elite is also expanding to the Bristol area in November 2017 with strong support from the local ecosystem in the West of England including the LEP, Local Authorities, Swindon and Wiltshire Growth Hub, the Mayor of Bristol, the University of the West of England and NatWest’s Entrepreneurial Spark.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS, the following picture emerges on the local environment.



Local authorities located within the Swindon & Wiltshire LEP have a moderate density of scaleups, however, the trend between 2013 and 2015 reveals a decrease in the number of ‘employment scaleups’ which is not countered by strong increases in ‘turnover scaleups’.

### SCALEUPS BY DENSITY: MIXED

The vertical axis of the matrix shows where local authorities located in this LEP stand compared to the rest of the UK: 1 of the 2 local authorities covered by the Swindon and Wiltshire LEP have an above median density of scaleups measured by employee growth per 100,000 of population and both have an above median density of scaleups measured by turnover per 100,000 of population.

### SCALEUP TRENDS OVER TIME: NEEDS IMPROVEMENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK. Unfortunately, the analysis shows that both local authorities are below median when it comes to ‘employment scaleups’. Likewise, both of the local authorities are at median when it comes to the density of ‘turnover scaleups’ over time.

The ScaleUp Institute will continue to monitor this closely in the coming months to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# THAMES VALLEY BERKSHIRE EXEMPLAR

## SCALEUP MAPPING. PROMOTING AND ENGAGING WITH SCALEUPS BY PUTTING THEM ON THE MAP

### DATA SOURCES USED

- ScaleUp Institute Map
- MINT/FAME
- DueDil
- The Sunday Times Top 250, Profit Track 100, International Track 200, Fast Track 100, Tech Track 100, SME Export Track 100, Ones to Watch 2016
- ConnectTVT 50 Game Changers
- Companies receiving investment from Innovate UK or the Business Growth Fund
- Tech City UK Future 50
- Deloitte Fast 50
- Sonovate's 'top UK funded companies' lists
- Business Magazines
- Local press (e.g. small innovative firms winning big contracts)
- Recommendations from other scaleups

Thames Valley Berkshire (TVB) LEP is working bring together resources from across its ecosystem to put scaleups on the map. Its new two-phase programme focuses on how the local area can engage with scaleups, develop their potential and promote their success. Proven best practice informs its local interventions, creating new opportunities for growth.

### BACKGROUND

*ONS data of 2015 shows that there are 570 scaleups in the Thames Valley Berkshire LEP: 215 are classified as scaleups due to rapid growth in their workforces, 465 are classified as scaleups due to rapid growth in their turnover and 110 are scaleups that are increasing both employment and turnover simultaneously.*

*The ONS data reflects that across the three-year period 2013 to 2015 the density of scaleups had increased at an annual rate of 2.8 per 100,000 of population between 2013 and 2015. This is well above the median, which was 1.94 per 100,000 of population.*

Given the strong performance of scaleups in the LEP area it is not surprising that many elements of scaleup service were already in place locally. However, TVB LEP was ambitious to do more to help scaleups achieve their growth potential. The 'Driving Economic Growth through Scaleup Ecosystems Course' – attended by both LEP members and partners – was instrumental in turning this ambition into a concrete plan of action.

Inspired by the course, TVB LEP wanted its programme to pull out best practice from other scaleup support models. Its aim was to focus on the activities which were central to the sub-region's Strategic Economic Plan and critical to unlocking growth potential. Two scaleup roundtables brought together partners and other leading players from across the local ecosystem and helped to shape TVB's new two-phase approach to maximise scaleup potential.

### SCALEUP PROGRAMME

TVB LEP's programme is focused on creating the right networks for scaleups and building the softer relationships instrumental to growth.

**Scaleup Mapping:** TVB LEP used a wide variety of sources to develop a list of independent, UK-owned high growth and high growth potential firms operating locally. They initially used Companies House data (accessed via the ScaleUp Institute Map, MINT/FAME and DueDil) to ascertain the main trading address of scaleup companies (using the OECD definition) in Berkshire. They also identified Berkshire-based, UK-owned, high-growth and high-growth potential companies with fewer than 250 employees using a variety of other data sources.

CONTINUED

## CONTINUED

Using their increased knowledge of the TVB scaleup community they have stepped up the promotion of these companies on Twitter, particularly when they achieve a placing on prestigious listings (such as the Sunday Times Fast Track lists). Shining a light on these successful companies brings their achievements to the attention of other local firms.

**ScalingUp Berkshire** is a year-long project to be delivered by Oxford Innovation Services in partnership with TVB LEP, Biz Utd and the Henley Centre for Entrepreneurship.

Launched at the 2017 Brittelstand Symposium for wealth-creating businesses, the first phase of the ScalingUp Berkshire project will secure insights into the specific needs of high-growth, scaleup businesses via a series of interviews and roundtables. Existing support will be mapped against these needs and any gaps in provision will be highlighted. Suggestions on how to fill these gaps will inform future scaleup provision.

The project will increase knowledge of TVB scaleups and potential scaleups, help to raise awareness of these companies and their achievements and promote TVB as a great location to scale a business.

## SKILLS AGENDA

Working with Founders4Schools through the Careers and Enterprise Company has enabled TVB LEP to connect schools and colleges with businesses in the local area.

- Approximately 300 business leaders in TVB are listed on the F4S website.
- 41 business leaders accepted teachers' invitations to visit classrooms to improve their student's employability.
- 10 schools in TVB utilised the service.

*"The ScalingUp Berkshire project will pave the way to enhance the competitiveness of small and medium sized enterprises in Thames Valley Berkshire. Oxford Innovation Services will [also] be able to provide expert guidance and assistance to shine a light on the scaleup community and support them to the next level of growth."*

**ROBIN BARNES**  
Director and Enterprise Lead,  
Thames Valley Berkshire LEP

*"Following the success of the Thames Valley's Brittelstand Symposium, an event aimed at middle-sized and scaleup businesses, it's fantastic that these companies will be supported by this project."*

**CHRIS DODSON**  
Director, Biz Utd

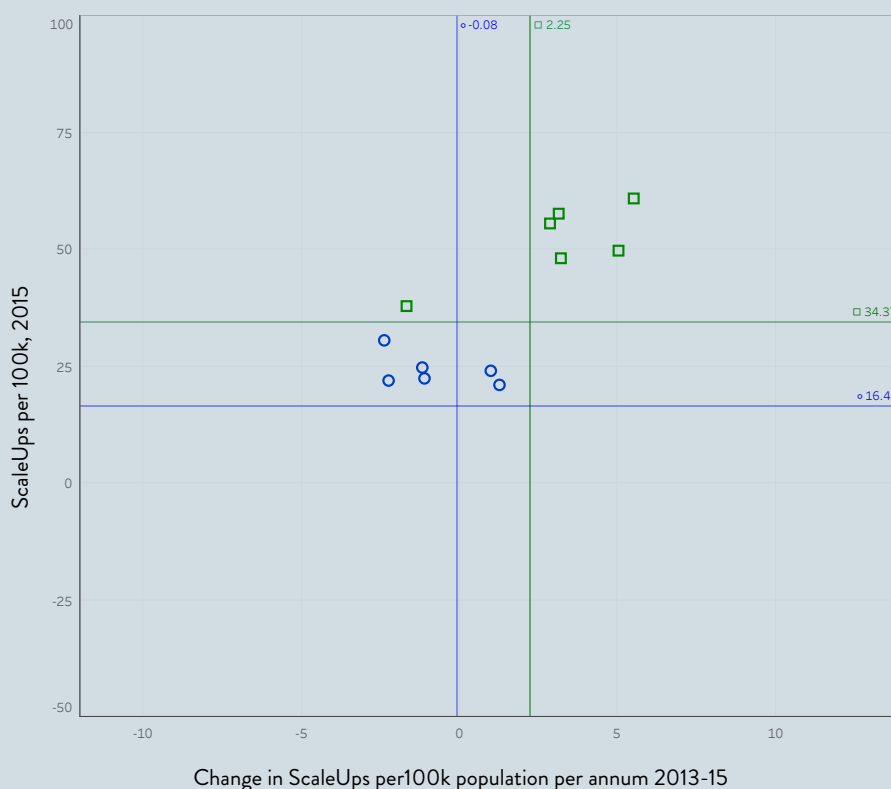
## FUTURE PLANS

- **ScalingUp Berkshire: Phase 2** (currently at initial application stage of an ERDF Call) will build on the findings of the initial phase; it is designed to enhance support for scaleups through the development of a strong local entrepreneurial ecosystem and account management structure. Specific action will be targeted at securing more inward investment and helping innovative companies with exports.
- A scaleup mentoring network will be established, building upon and complementing the Biz Utd offering. Leaders of existing scaleup businesses have already expressed an interest in mentoring future scaleups and participating in the development of the mentoring network.
- Case studies on successful scaleups will be produced and promoted across multiple channels, including the Business Growth Hub, to raise the profile of scaleups in the sub-region and inspire other businesses to emulate their growth.



## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges for Thames Valley Berkshire LEP.



Local authorities located within the Thames Valley Berkshire LEP have an excellent density of scaleups, however, the trend between 2013 and 2015 reveals some of the local authorities showing significant decreases in the number of scaleup businesses while others show a significant increase in scaleup density.

### SCALEUPS BY DENSITY: EXCELLENT

The vertical axis of this matrix shows where local authorities located in the TVB LEP stand compared to the rest of the country: All 6 local authorities have an above median density of 'employment scaleups' and 'turnover scaleups'.

### SCALEUP TRENDS OVER TIME: MIXED

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 4 of the 6 local authorities are decreasing the density of scaleups by employment and 5 of the 6 are increasing the density of scaleups by turnover.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

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# WEST OF ENGLAND EXEMPLAR

## ENGINE SHED. CONVENING THE REGION'S SCALEUP POWERS IN A BESPOKE, PHYSICAL HUB

The West of England's vibrant and diverse ecosystem provides a wealth of opportunity for scaling businesses. West of England delivery partner Engine Shed, together with the region's newly appointed Scaleup Enabler, are working to bring together the region's leading scaleup players to help scaleups make the most of the opportunities the ecosystem offers and to create the right dynamic for their success.

### BACKGROUND

ONS data of 2015 shows that there are 635 Scaleups in the West of England LEP: 255 are classified scaleups due to rapid growth in their workforces, 520 are classified as scaleups due to rapid growth in their turnover and 140 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period 2013 to 2015 the density of scaleups had increased at an annual rate of 3.61 per 100,000 of population. This is well above the median which was well above the median, which was 1.94 per 100,000 of population.

The 'Driving Economic Growth through Scaleup Ecosystems' course was a catalyst for the West of England's scaleup programme. The course challenged existing beliefs and thinking, creating new ambition for their plans. Importantly, it also highlighted the value of collaboration which became the driving force behind their programme, and furnished them with a common language with which to engage others.

The West of England has a vibrant and diverse ecosystem with a wealth of opportunities for scaling businesses. Engine Shed wanted to design a programme that built on this and maximised the opportunities this dynamic environment offers scaleups. Their approach combines collaboration and action across the business ecosystem to bring down barriers and respond to challenges faced by scaleups.

### PARTICIPATING SECTORS



AGRICULTURAL



AEROSPACE



CREATIVE



TECHNOLOGY

*"Business West's 21,000 members encompass a variety of business purposes and types, all contributing to Bristol's economy. However, we applaud The Scaleup Institute's fascination with businesses that provide the fizz in our city and Business West is delighted to join the Institute and Engine Shed in spawning and nourishing these catalysts of growth."*

**PHIL SMITH**  
Managing Director, Business West

### SCALEUP PROGRAMMES

The Engine Shed programme identifies gaps in the ecosystem, proposing potential solutions and bringing together partners with the expertise and foresight to create new opportunities. Its current priorities are:

- **Ecosystem awareness** – exposing existing initiatives and plotting the gaps
- **Investment activity** – generating greater levels of investment activity and successful scale-up investment
- **Grow-on space** – unlocking premises in the city to enable growth of our scale-up community

CONTINUED

*“As manager of a new science and tech innovation space, the monthly Bristol & Bath Networks group initiated by Engine Shed helps me connect effectively with key players locally and provide a great platform for sharing news and views. Of all the regional innovation ecosystems I have participated in across the UK, this has the most collaborative culture; it’s very special.”*

ELAINE MCKECHNIE  
Centre Director, Future  
Space, UWE

## CONTINUED

- **Leadership** – identifying ways to increase availability of ‘Scaleup Ready’ non-executive directors to help businesses scale

Engine Shed’s new Scaleup Enabler – a role co-funded with Business West, the University of Bristol and the LEP – facilitates collaboration and action across the ecosystem to address challenges faced by scaleups. The Enabler will map the current state of the ecosystem, identify businesses that need scaleup support and signpost existing activities as well as design new ones to help them grow.

Deliberate focus on the scaleup community and strengthening the ecosystem in which they operate has allowed the Engine Shed and the Scaleup Enabler to optimise positive outcomes for scaleups. Major focus areas have been identifying opportunities for new funding streams, supporting the design and conception of new programmes and facilitating unexpected beneficial collaborations.

New networks and briefing events foster engagement between the scaleup community and supporters and match potential investors with scaleups to explore investment options both nationally and locally.

## IMPACT AND RESULTS SO FAR

The focus of the Engine Shed and the Scaleup Enabler is on the growth of local ecosystem rather than individual businesses.

- After 1 year of trading Engine Shed had added £7.99m to the local economy<sup>3</sup>.
- In 2013/14, Engine Shed provided business accommodation for over 300 people.
- In 2015/16 20,000 people used Engine Shed meeting rooms and a further 2,500 used the space and opportunities of the Business lounge. A further 7,500 were visiting tenants in the building.
- 30,000 people are estimated to have visited the building in 2015/16
- 480 jobs created and £104m raised in finance through hosted accelerator programmes (Oracle and Bristol SETsquared Centre).

See Chapter 2 for a more detailed case study on Engine Shed

## LESSONS LEARNED

Two recurrent challenges face scaleups in the region and will be the focus of future work. These are:

- A historically opaque investment community and lack of entrepreneurial knowledge about the best finance sources for scaleup businesses
- Lack of flexible office and workshop premises for 10-50 person businesses.

<sup>3</sup> Source: Zeta Economics, a Bristol-based economics consultancy.

## FUTURE PLANS

A 12-month strategy is concentrating on improving intelligence and invigorating growth. Its three strands are:

- to better *know* our community of scale-up businesses;
- to *invigorate* the existing ecosystem;
- to *inspire* action amongst businesses and their supporters.

A new **ecosystem map** will help scaleup businesses identify vital services, and help providers identify gaps in the existing provision. Insights revealed by the map due to be launched in November 2017 will inform the development of future solutions.

Ongoing support will be targeted towards financial investment, office space and leadership development in line with the major challenges identified by local scaleup businesses.

The launch of **Engine Shed 2** will offer greater physical space for businesses and projects that support the region's investment, scaleup, diversity and entrepreneurship agendas.

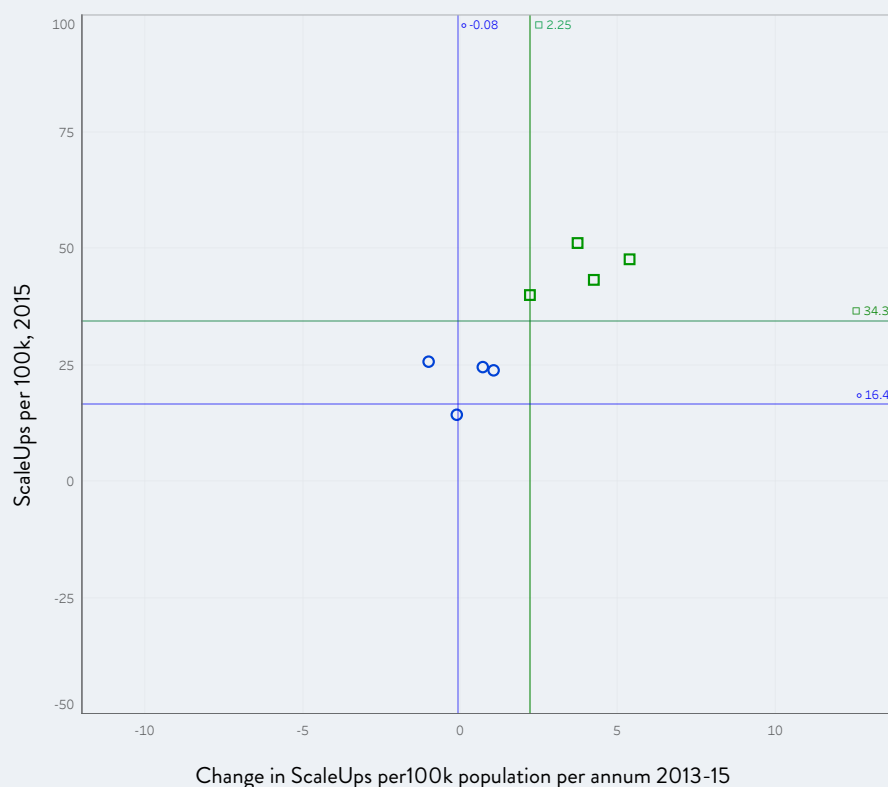
*“The University of Bristol is pleased to co-fund the Scaleup Enabler for West of England. Engine Shed scale-up activity is already driving greater collaboration and activity in the region which will continue to make the City and its business community one of the most innovative and exciting places to work, study and live in Europe.”*

PROFESSOR NISHAN  
CANAGARAJAH

Pro Vice-Chancellor (Research and Enterprise), University of Bristol

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on the local environment. Local authorities in the West of England are a scaleup success story.



Local Authorities located within the West of England LEP have a good density of scaleups, the trend between 2013 and 2015 reveals most of the local authorities showed increases in the number of scaleup businesses.

### SCALEUPS BY DENSITY: GOOD

The vertical axis shows where local authorities located in the this LEP stand compared to the rest of the UK: 3 of the 4 local authorities have an above median density of scaleups measured by employee growth per 100,000 of population while all have an above median density based on turnover per 100,000 of population.

### SCALEUP TRENDS OVER TIME: EXCELLENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: 3 of the 4 local authorities are performing above median when it comes to increasing the density of their scaleups measured by turnover and 2 of the 4 local authorities are above the median when it comes to increasing the density of scaleups measured by employee growth.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# THE MARCHES EXEMPLAR

## PRIORITISING RURAL SCALEUP SECTORS AND COMBINING LEP CLUSTER NETWORKS

The Marches has started to prioritise locally-important sectors and is packaging support into sector campaigns to generate stronger results. It is also working alongside other partners to develop cluster networks for each priority sector which will provide peer-to-peer support, shared learning opportunities, targeted events as well as assist supply chain development and awareness of market opportunities.

### BACKGROUND

ONS data of 2015 shows that there are 300 Scaleups in the Marches LEP: 100 are classified as scaleups due to rapid growth in their workforces, 240 are classified as scaleups due to rapid growth in their turnover and 40 are scaleups that are increasing both employment and turnover simultaneously.

The ONS data reflects that across the three-year period 2013 to 2015 the density of scaleups had increased at an annual rate of 1.48 per 100,000 of population. This is slightly below median which was 1.94 per 100,000 of population.

The Marches participated in the first cohort of the 'Driving Economic Growth through Scaleup Ecosystems' course, alongside colleagues from Worcestershire LEP and Stoke and Staffordshire LEP, through which they were able to develop their scaleup plan for delivery in 2017/18 via the Marches Growth Hub.

### PARTICIPATING SECTORS

Marches LEP has prioritised a number of sectors:



ADVANCED MANUFACTURING AND ENGINEERING (AUTO SPECIALISM)



AGRI FOOD PACKAGING/AGRI TECHNOLOGY (INCLUDING FOOD PROCESSING AND PACKAGING)



DEFENCE & CYBER SECURITY



ENVIRONMENTAL TECHNOLOGY

### SCALEUP PROGRAMMES

Leaders of the Marches LEP have chosen to work in close partnership with a number of organisations and neighbouring LEPs to overcome the specific challenges they face.

The Marches LEP is a key partner in the Midlands Engine and one of the strands arising from this strategy is the **Midlands Engine Investment Fund (MEIF)**. The £250m fund, a joint agreement between the British Business Bank (BBB) and eleven LEPs including the Marches, aims to boost the region's economy and support the growth ambitions of its scaling businesses. Now active since August 2017, this serves as a vehicle to provide a suite of business loan options to companies across the Marches.

Following a successful pilot to support scaleups in the food and drink manufacturing sector, a bespoke programme was set up in 2017 by the Marches LEP alongside Worcestershire, Stoke and Staffordshire and Cheshire Warrington LEPs. The **Agri Tech West partnership** will support scaleups in the food processing, packaging and manufacturing sectors. This project is based at Harper Adams University but is also supported by Reece Heath, Rodbaston and Pershore Colleges working closely with the respective Growth Hubs.

CONTINUED

*“In a very short space of time, Champion & Reeves has gone from a kitchen enterprise to a company manufacturing from a commercial kitchen and exporting their products overseas. It’s great that the Marches Growth Hub has been able to play a part in that success story.”*

AMY FARLEY  
Marches Growth Hub,  
Shropshire

*“We’ve received significant funding support not once, but twice, through the Marches LEP and Marches Growth Hub. We’re now based in a new state-of-the-art food processing facility and investing in new equipment to improve productivity.”*

IVAN WATKISS  
Managing Director, Coopers  
Gourmet Food

*“Support from the Marches Growth Hub saw us not only access £24,000 of funding to extend our manufacturing offer, we were also signposted to specialist help to create an app to track equipment out on hire.”*

HARISH CHANDER,  
New Cabinet Division Director,  
Bond Group

## CONTINUED

Another programme, the **Agri-tech Growth and Resources for Innovation (AGRI)**, delivered by the LEP alongside Harper Adams University and Aston University, is concentrating on removing barriers to growth for scaling companies in the agri-food industry across the Marches. The programme involves a combination of workshops and one-to-one business advice, which may include assistance with technology development or application.

Skills gaps facing local scaleups in the advanced manufacturing sector are being addressed by the **Marches Centre of Manufacturing & Technology (MCMT)**, an employer-led high-tech training facility. Led by the Marches LEP alongside a consortium of partners, the objective of MCMT is to deliver ‘2020 learners by 2020’ through a combination of apprenticeships and specialist training delivered by engineering experts to upskill existing staff.

## FUTURE PLANS

The Marches LEP is developing a network for peer advice and SME collaboration through events held at the Agricultural Engineering Precision Innovation Centre (Agri-EPI) funded by the national strategy for Agricultural Technologies and based at Harper Adams.

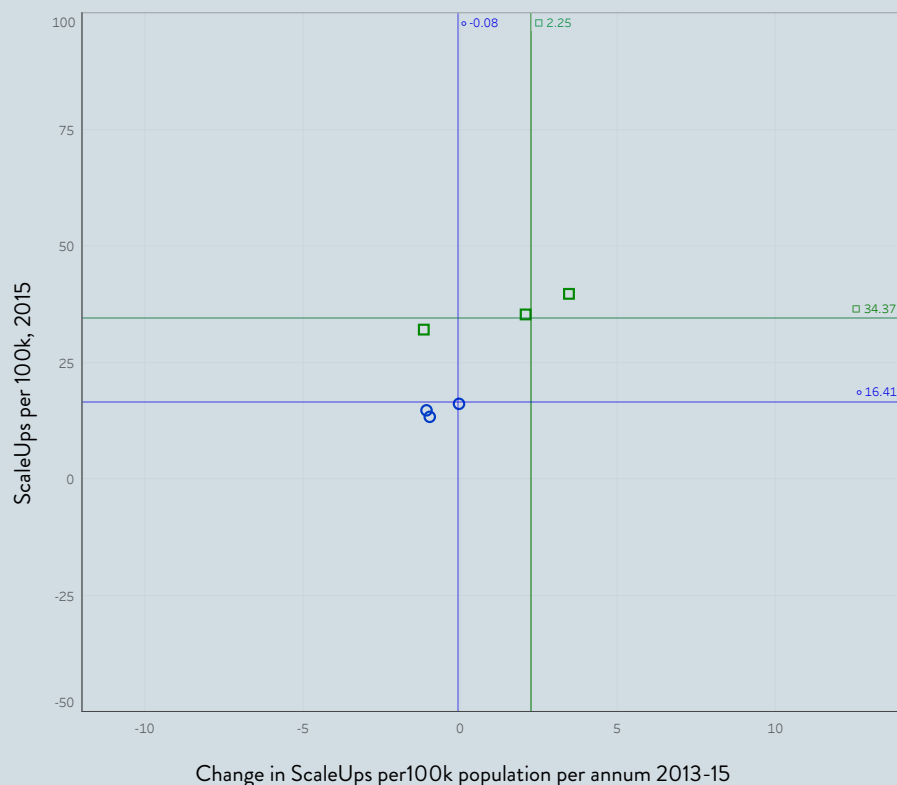
The MEIF will be used as a tool to help identify and target scaleup projects. Following the formal launch, a regional event within the Marches will take place to which identified pre-scaleup, scaleup businesses and the business support network will be invited.

The Marches LEP joined Worcestershire in the Midlands Engine outward and inward cyber security trade missions to Baltimore and Maryland in the USA.

An events programme for 2017/18 is planned to further enable the LEP to celebrate and engage with scaleup businesses.

## LONGITUDINAL ANALYSIS

According to ScaleUp Institute analysis of data received directly from ONS for years 2013-2015, the following picture emerges on the local environment.



Local Authorities located within the Marches LEP have a moderate density of scaleups, however, the trend between 2013 and 2015 reveals most of the local authorities showing decreases in the density of scaleup businesses, while only one shows an above median increase in scaleup density.

### SCALEUPS BY DENSITY: MODERATE

The vertical axis shows where local authorities located in this LEP stand compared to the rest of the UK: When it comes 'employment scaleups', all the local authorities have below median density. When it comes to 'turnover scaleups', two of the three local authorities are above the median.

### SCALEUP TRENDS OVER TIME: NEEDS IMPROVEMENT

The horizontal axis of this matrix shows whether the density of scaleups has increased or decreased over time relative to the rest of the UK: None of the local authorities are above median when it comes to 'employment scaleups'. Only one of the local authorities is above median when it comes to 'turnover scaleups'.

The ScaleUp Institute will continue to monitor this closely in the coming years to track whether the initiatives described above move the dial in the right direction for increasing the density of scaleups.

For the detailed analysis behind this please refer to [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

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# CHAPTER 4

**SHAPING POLICY TO FOSTER  
UK SCALEUPS: BREAKING  
DOWN BARRIERS**

# SHAPING POLICY TO FOSTER UK SCALEUPS:

## Breaking down Barriers

The UK policy landscape to foster scaleups has moved forward in 2017 and momentum from corporate, university and financial services to address the scaleup gap has picked up pace. Initiatives from local and national Government and the private sector are showing stronger signs of awareness of, and engagement with, scaleup businesses than last year. The value that growing businesses bring to both local and national economies and the actions necessary to help them to thrive are increasingly being recognised. It is vital to monitor the situation actively so that no community is left behind.

# 2017

was a year of advancing a national scaleup action plan through education and local engagement

For the ScaleUp Institute, 2017 was a year of advancing a national scaleup action plan through education and local engagement.

A central element of our work has involved monitoring both nationally and locally the talent, leadership, markets and finance challenges that scaleups face and progressing knowledge of what is working and should be emulated.

At the local level we have continued to engage with local stakeholders to share insights on the actions being taken up and down the country to deliver impactful 'joined up' solutions which are relevant and effective in terms of employment and turnover growth to those who lead scaling businesses in their community.

Early in 2017, the Government met three major policy milestones:

1. Margot James MP, the Minister for Small Business, was appointed as cross-government Scaleup Champion.
2. The launch of the UK's Industrial Strategy Green Paper which includes a focus on scaleups and the appointment of a Scaleup Taskforce alongside the Patient Capital and Entrepreneurship Reviews.
3. The requirement across England for every Local Enterprise Partnership (LEP) to create a Scaleup Programme as part of its Strategic Economic Plan

These steps closely align with the wider goals that the ScaleUp Institute has set for the UK if it is to become a true scaleup nation.

At present OECD research currently ranks the UK third for startups but 13th for the number of businesses that scaleup successfully<sup>1</sup>. The Industrial Strategy Green Paper, therefore, appropriately urges that "to raise our productivity we need to marry

our effective startup culture with the right support and investment to facilitate the growth of businesses and social enterprises with the greatest potential"<sup>2</sup>.

In this context, the work of the ScaleUp Institute is ever more important in guiding the response in closing the scaleup gap between the UK and our competitor nations.

<sup>1</sup> OECD (2014) Chiara Criscuolo, Peter N. Gal and Carlo Menon, The Dynamics of Employment Growth: New Evidence from 18 Countries

<sup>2</sup> [https://beis.gov.uk/citizenspace.com/strategy/industrial-strategy/supporting\\_documents/buildingourindustrialstrategygreenpaper.pdf](https://beis.gov.uk/citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf)

## A MODERN INDUSTRIAL STRATEGY FIT FOR SCALING

The Government's Green Paper on 'Building Our Industrial Strategy' issued in January 2017 heralded a significant step forward for the UK. Encouragingly, the Paper

significantly focuses on what the UK needs to do to foster business growth and its ten pillars are closely aligned to core scaleup challenges.

In our response to the Green Paper, the ScaleUp Institute laid out a clear eight-point plan to catalyse scaleup results from a Modern Industrial Strategy.

## THE SCALEUP INSTITUTE'S RESPONSE TO BUILDING OUR INDUSTRIAL STRATEGY

Our response to the Industrial Strategy laid out eight principles that build on the Institute's core recommendations for the private and public sectors.

**SCALEUPS ARE THE KEY TO PRODUCTIVITY AND GROWTH** and it is vital to recognise the role that established fast-growing businesses have in creating jobs, and the support that will help to supercharge growth on a local and national level by encouraging companies to scale.

**BUILD ON WHAT WORKS AT AN INSTITUTIONAL AND LOCAL LEVEL** This means strengthening the LEP Network, Growth Hubs, Innovate UK, Catapult Centres and Knowledge Transfer Partnerships. The Ministerial Scaleup Champion is an important part of drawing these institutions together, and the Patient Capital Review is an excellent opportunity to address finance needs and gaps.

**MAKE IT SIMPLE TO NAVIGATE FOR SCALEUP BUSINESSES** with time-pressed leadership teams and other institutions by embedding an Account Manager model into LEPs and Growth Hubs (as per the Scottish account managers and private sector models). A mirroring of the Ministerial role at a local level using Metro Mayoral offices would also be valuable.

**MAKE EFFECTIVE USE OF EXISTING DATA SOURCES** by continuing Government work to enhance the openness and usability of data, including the use of HMRC data – with Companies House – to help identify fast-growing firms more quickly.

**LEVERAGE PROCUREMENT AND EXPORT OPPORTUNITIES** through simplified Government processes for procurement and export support, and by encouraging best practice amongst corporates and their supply chains. The Department for International Trade should also look at help for fast-growing firms already exporting rather than just new businesses looking to export.

**ALIGN THE SKILLS AND RESEARCH AGENDA TO SCALEUPS** by ensuring that investment the Government makes through UKRI are aware of and closely connected to fast-growth businesses. This includes mandating broader players accessing those funds to engage with high growth firms when opening research facilities and deploying students. It will also be essential to help to foster better connections between educational establishments, LEPs, Growth Hubs, Business Schools and local high-growth firms. Ensuring that schools and scaleups are on LEP Skills and main Boards will help this.

**CREATE INFRASTRUCTURE CAPACITY FOR GROWTH** by helping fast-growth businesses to identify available real estate quickly through an online digital tool drawing upon the 'Workspaces'<sup>3</sup> finder tool developed by the London Enterprise Panel Growth Hub. The new Government should continue a digital drive and inclusion for all.

**COORDINATE ACROSS DEPARTMENTS AND INITIATIVES** to ensure the outcomes are optimised and continue to address regional and sector equity disparities, alongside broader fiscal and regulatory barriers, as part of a comprehensive strategy to improve the attractiveness of our capital markets.

<sup>3</sup> [https://lep.london/content\\_page/london-open-workspaces](https://lep.london/content_page/london-open-workspaces)

A positive development in aligning resources to this end, was the appointment of Margot James MP as a Ministerial Champion for Scaleups. The call for a Government Minister to be appointed with responsibility for closing the scaleup gap was among the original recommendations of the 2014 ScaleUp Report. A cross-governmental view is crucial to breaking down key barriers facing scaleup businesses. For this reason, we particularly welcome this appointment and with it the simultaneous launch of a ScaleUp Taskforce to give impetus to recommendations made and future initiatives.

Throughout 2017 we have been working closely with the Minister and her team alongside the co-chair of the Taskforce, Sahar Hashemi, the co-founder of Coffee Republic, herself a serial entrepreneur and philanthropist. Bringing together the ecosystem of entrepreneurs, corporates, financiers and academics, with local and

national policy makers, to address the challenges at hand has been vital to the impetus of the Taskforce. Armed with the Institute's evidence of the greatest barriers that scaling businesses face, the Scaleup Taskforce has focused its efforts on moving the dial on data; talent and leadership; access to markets and finance with practical, sustainable outcomes.

So where are we in our journey to make the UK the best scaleup nation in the world? Do we have appropriate policies and practices across both public and private sectors? And what are our hopes for 2018?

In the following pages we consider the issues by each scaleup 'gap.' We assess where the journey has taken us and what more still needs to be done. We reflect on the progress made against our 2016 ScaleUp recommendations and refresh them for 2017/18.

# SCALEUP IDENTIFICATION:

Making effective use of existing data sources, and building a data infrastructure that can effectively increase the number of scaleups in every community

Resolving the challenges that scaleup business leaders in every community face requires a more efficient way to identify the UK's fastest growing firms at a national and local level.

We repeat our previously stated recommendation: identifying, verifying and making available the current 'scaleup status' of a business remains the single most important tool for boosting UK productivity.

If a company's scaleup status were freely made available on a national (digital) register, then the rest of the ecosystem could simply focus on initiatives directed towards them and scaleup leaders could focus on selling more products to more customers in more markets.

We continue to recognise that both ONS and Companies House have excellent and developing datasets and welcome the engagement we have had with ONS this year to build a more comprehensive picture of scaleup firms over time. That said, the fact remains that these data sets are not real-time and lag the current scaleup status of any business by at least 18 months. This is further reflected through our Scaleup Index, developed with Beauhurst which highlights the disparity between formally-held public data that must be filed with Companies House, versus scaleups which are below the required filing thresholds and therefore not readily visible. This significantly hampers the ability to deliver timely and effective interventions and the ability to remove barriers scaleup leaders face when they face them.

## SCALEUP DATAFEEDS

In 2014 it was clear that the identification of a company as a scaleup was the single most important ask of the Government. In 2016 we recommended that 'scaleup' should be officially recognised as a formal business classification and that national datasets be used to allow the verification of a company's 'scaleup status' so that national, local public and private sector organisations can collectively drive economic growth more easily.

We further recommended the development of a 'Scaleup Impact Datafeed' derived from various datasets, including HMRC, ONS etc. to provide accurate, real-time information to stakeholders in local communities so that they could identify which of their businesses were growing quickly. This is seen as doubly important in our culture where leaders are reticent to call attention to themselves if they are doing well (or poorly, for that matter).

Identifying scaling businesses at the earliest possible opportunity means that private and public sector resources can be harnessed much more efficiently and effectively towards our fastest growing firms to enable their continued growth, remove hurdles and make sure they can access the necessary talent, leadership, finance and infrastructure in a timely manner.

*"Clearly identify a business as a scaleup or high-growth company. Single these companies out and label them as such."*

North/North East scaleup business leader

We continue to believe these recommendations are vital and we are pleased to note below that in 2017 some progress has been made with HMRC towards these outcomes.

## HMRC COLLABORATION

Using insights gained from a pilot study undertaken by the ScaleUp Institute, Sage and the Behavioural Insights Team earlier this year, HMRC has now undertaken analysis of key datasets to assess the population of scaling businesses.

In coming months HMRC, subject to its statutory responsibilities, will work with the ScaleUp Institute to trial different communication and information strategies in ‘scaleup ready’ locations. These pilots will work in areas with local scaleup programmes already in place. They will inform scaleup companies of their ‘scaleup status’ and make them aware of services into which they can be ‘fast-tracked’ such as trade missions, Innovate UK challenges and proven private sector scaleup programmes that are available to help them with talent, leadership capacity or finance.

Insights from these pilots will allow us to understand how to use data more effectively to boost productivity through removing barriers that inhibit scaling businesses. It will also allow us to explore what options may look like for ‘self declarations’ or ‘opt-ins’ to a central point for identification and/or a tool to allow scaleups to request to self-identify against a closed database when looking at joining a scaleup programme, finance or export scheme.

While this work develops, the ScaleUp Institute will also continue to update its Scaleup Map<sup>3</sup> and ScaleUp Index as developed with Duedil and Beauhurst respectively. We also encourage universities, banks, accounting firms, LEPS and schools to continue to put ‘Scaleups on the Map’ based on indices, client and local knowledge. This has already been undertaken to excellent effect in Cambridge and Thames Valley Berkshire and by Barclays and Sage – to name but a few examples – which can be emulated.

<sup>3</sup> <http://www.scaleupinstitute.org.uk/scale-up-businesses/>

## IN SUMMARY

While progress is being made on a more targeted approach to scaling businesses, very much more still needs to be done and as such we reinforce our earlier recommendations and update them as follows:

1. We recommend that **'Scaleup status'** is officially recognised as a formal business classification and that national datasets are made available to allow local and national stakeholders to verify the 'scaleup status' of a business. If this data were to be released, it would answer the calls from stakeholders in local communities to develop a comprehensive picture of their local scaleup businesses. The development of a scaleup 'kite mark' should also be considered.
2. We recommend that funding for local communities should now be tied to the effective deployment of scaleup initiatives that close the scaleup gap, and the results and impacts that they have on the number of scaleup businesses in their area.



## TALENT:

Extending the Talent Pipeline and creating the right skills for tomorrow's businesses

*"Our overriding issue is – and will continue to be – our ability to attract experienced resource to coincide with our growth."*

South East scaleup  
business leader

*"Understand and instil real-life skills as well as academic and curriculum-focused knowledge, such as how banks and credit work; how to work in teams; how to make presentation."*

East Midlands scaleup  
business leader

*"I would like to see an improved understanding of common business software, arithmetic, more professional style of writing as well as more emphasis on emotional intelligence, task prioritisation, critical thinking and problem solving. Entry-level hires often lack softer skills and wider understanding of business."*

South East scaleup  
business leader

Attracting the right talent remains the single biggest barrier for scaleup leaders.

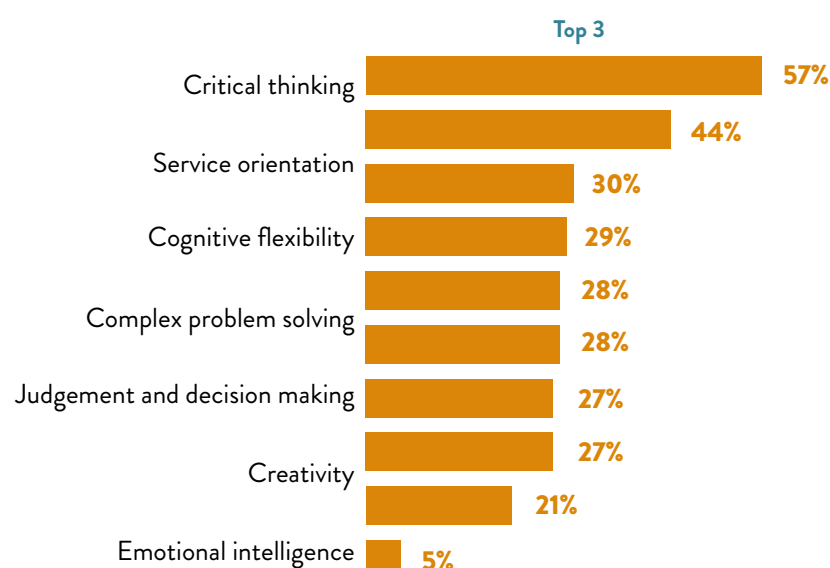
Scaleup leaders continue to experience significant barriers in recruiting people with the requisite technical and business skills, whether taking on young people straight from education or more experienced people. There is an ongoing challenge to attract people to help them simply fill their customer orders. Whilst Science, Technology, Engineering and Maths (STEM) skills remain essential, scaleup businesses have indicated that they also value general social and business skills. This suggests that a re-evaluation of how Personal, Social, Health, and Economic education (PSHE) is approached and leveraged to better prepare

students for the world of work.

When assessing 'future skills' as categorised by the World Economic Forum in their 'Future of Jobs' report<sup>4</sup>, scaleups are clear that the top two requirements are critical thinking and service orientation as outlined below. This means making sure that students are equipped with these skill sets through the education system, and that this is recognised as part of the curriculum along with employability skills. A helpful blueprint is offered by the Gatsby Charitable Foundation's Good Career Guidance<sup>5</sup>.

### Scaleup Leaders Ranking of World Economic Forum future skills

Important future skills for staff



<sup>4</sup> <http://www.gatsby.org.uk/education/focus-areas/good-career-guidance>

<sup>5</sup> The Sutton Trust also looks at this: <https://www.suttontrust.com/research-paper/life-lessons/>



Recent work from Nesta published in collaboration with Pearson & Oxford<sup>6</sup>, has also found that similar traits will be important in the future.

## THE SKILLS GAP IS GROWING

Job-tracking company Adzuna has registered an increase in UK open positions to 1,169,747 in October 2017 – a 3.2% increase from 1,132,844 in September 2016.<sup>7</sup>

Our PISA<sup>8</sup> rankings continue to fall short of international competitors: our Maths ranking worsened in 2016, while Reading only improved one place, although there was notable progress in Science – up from 21st to 15th.

While the UK's focus on STEM education therefore appears to be improving our talent pipeline in science, it remains to be seen whether, coupled with the national computing curriculum, this will move the dial on Engineering, Maths and Technical skills. These technical skills continue to be required by scaling businesses, particularly those in technology-led industries, and currently fall woefully short of expectation. This is an area we will be further monitoring in 2018, along with progress on the Digital Skills Partnership commenced by Government in 2017 which is welcomed.

## CONNECTING EDUCATION COMMUNITIES TO THE SCALEUP COMMUNITIES

Scaleups are good corporate citizens – they offer work experience, employ interns and apprentices – but it is an ongoing challenge to make sure that these scaling businesses are better connected to local educational institutions.

Scaleups want the education system to step up its engagement with them and to get to know them better – this demands co-ordinated action at a local level. More work experience and apprenticeship opportunities would be made available by our scaleups if it was made easier – with readily accessible information on what it takes to make these available, helpful tools and resources and examples of what others have done.

This means that initiatives highlighted in the ScaleUp Institute report of 2016 such as the Careers Enterprise Company in England<sup>9</sup>, the Scottish Government Skills Review<sup>10</sup> and Action Plan, and the Welsh Regional Skills Partnerships<sup>11</sup> must continue to drive forward.

It also means that the work taking place with the Department of Education on API access to the National Pupils Database must progress at pace as this will enable the better assessment of which interventions are working and those that are not and so we can all make more timely decisions on what to invest further in and what to curtail.

The objectives of and funding for schools, colleges and universities should be better aligned to their engagement with local growth businesses. **Primary, Secondary, Further and Higher education establishments should also make it easier for scaling businesses to access the student projects, research facilities and graduates within our education establishments.** This has also been highlighted in the Witty review<sup>12</sup>. To ensure that evolving needs are spotted and acted upon, it will be important to ensure schools and scaleups are represented on the skills boards of LEP and other relevant authorities.

*“Engage with the Careers & Enterprise Company as they are already capturing what businesses want and helping schools and universities deliver that. Business must also engage with the process.”*

East Midlands scaleup business leader

*“Despite trying, universities are not very easy to access. Their co-ordinators need to be more commercially aware.”*

South East scaleup business leader

<sup>6</sup> <https://futureskills.pearson.com/>

<sup>7</sup> <http://www.bbc.co.uk/news/education-38157811>

<sup>8</sup> <https://www.adzuna.co.uk/jobs/uk> (accessed 10 October 2017)

<sup>9</sup> <https://www.careersandenterprise.co.uk/>

<sup>10</sup> <http://www.gov.scot/Topics/Economy/EntandSkillsreview>

<sup>11</sup> <https://businesswales.gov.wales/skillsgateway/regional-skills-partnerships>

<sup>12</sup> <https://www.gov.uk/government/consultations/universities-and-growth-the-witty-review-call-for-evidence>

## BUILDING TEACHING CAPACITY

We must recognise that our teaching profession needs ongoing training and support so they can understand how best to engage with business and local labour market developments. The Government and private sector should continue to work with and support our teachers in their vital role. This can be achieved by supporting organisations such as Teach First, Computing at School etc. in their role as well as considering new models for continual learning of teachers in evolving business skills and opportunities. We are pleased to be working with the National Education Union to look further at how connections between local businesses and teachers can be strengthened, including how employability skills can be better understood and incorporated.

To encourage students to acquire skills needed in a modern business environment, it may be useful to consider adapting innovative models of curriculum delivery and partnering with private sector programmes that provide students with practical approaches to learning (e.g. General Assembly; Founders4Schools; Makers Academy; LifeSkills created with Barclays; and Freeformers).

## THE ROLE OF THE PRIVATE SECTOR

The private sector must continue to enhance its skills programmes. Arguably more of our larger businesses need to step up their skills drive, not just for their own employees, but for scaling businesses in their supply chain. Google and LifeSkills created with Barclays remain leading examples of how to take this agenda forward. Freeformers, featured in Chapter 2, shows how larger companies engaged in improving their digital skills can also 'pay it forward' to the next generation.

## INTERNATIONAL TALENT REMAINS VITAL

Scaleup companies are significant employers of international talent – 75% of them employ staff from overseas. Continued ease of access to overseas talent remains a top priority, particularly for those in highly technical and/or life science sectors, who also report difficulty in finding enough UK PhD level applicants with the requisite skills to support their growth. There is a clear, ongoing need for highly skilled overseas workers to support the UK's scaling economy. As noted in previous reports, a scaleup focused visa scheme will help firms to access the talent that they need to grow in a timely manner.

The work of the Migration Advisory Committee (MAC) to look at the role of talent from overseas in developing a modern industrial strategy is therefore welcome. It should specifically consider impacts faced by high-growth firms as part of the ongoing report it is undertaking on the impact to the UK labour market of the UK's exit from the European Union, and how the UK's immigration system should be aligned with a modern industrial strategy. This assessment should explore the ability to recreate or expand the Tech Nation Visa Scheme to meet the ongoing needs of the UK's fastest growing firms across all sectors and geographies, including broadening the sponsor base.

## IN SUMMARY

The recommendations made in 2016 remain as valid today as they did then: the needs of scaleups have to be closely aligned with the education curriculum and strong connections should be built between schools and higher education institutions with scaleup companies. We therefore continue to recommend that LEPs / Higher Education establishments and schools have scaleups on their Boards and, vice-versa, local authorities align their skills and business boards with education establishments in a joined-up manner.

3. We recommend that the Department for Education and Local Enterprise Partnerships use their convening and promotional power to ensure that students at schools, colleges and universities come into contact with the top 50 scaleup business leaders within 20 miles of their establishment and that an API to the National Pupils database (with suitable protections) is made available so that the impact of these interventions can be measured.
4. We recommend that a 'Scaleup Visa' be made available in communities where there are 100 + scaleup companies to enable scaleup leaders to recruit staff they need to increase their capacity to grow. The Migration Advisory Committee should make the skills needs of scaling businesses a priority.

# SCALEUP INSTITUTE INSIGHTS TALENT ROUNDTABLE 2017



**RECENTLY, THE SCALEUP INSTITUTE BROUGHT TOGETHER STAKEHOLDERS FROM EDUCATION, LEADING CORPORATES, POLICYMAKERS AND INDUSTRY, INCLUDING SCALEUP BUSINESSES. THE AIM WAS TO EXPLORE SOLUTIONS TO THE SKILLS CHALLENGES THAT HIGH GROWTH BUSINESSES FACE AND THE BEST WAYS FOR SCALEUPS TO WORK WITH THE EDUCATION SECTOR.**

Key issues for the group were a better understanding of employability and lifelong learning as a concept and the way it can be taught; the value of work experience; increasing the visibility of scaleup businesses to schools and universities; and building opportunities to bring teachers and industry closer together.

The positive impact of work experience as part of education came out strongly during discussions,

especially the role it plays allowing students the chance for personal development and to gain insights into the world of work. The Careers & Enterprise Company has produced a 'what works' series<sup>13</sup>. However, despite the wide range of programmes, many schools and teachers still do not have easy access to business networks to allow students access to high-quality placements and likewise scaling businesses require easier entry to schools and universities. Participants committed to take three priority actions:

- **SHARE BEST PRACTICE AND TOOLS FOR WORK EXPERIENCE**
- **WORK MORE CLOSELY TOGETHER ON THE EMPLOYABILITY REQUIREMENTS OF SCALEUPS**
- **DEVELOP A GREATER UNDERSTANDING ON LIFELONG LEARNING**

This is work the ScaleUp Institute will be taking forward in 2018 with its partners.

<sup>13</sup> <https://www.careersandenterprise.co.uk/blog-category/what-works>



## LEADERSHIP:

Boosting leadership capacity in our fastest growing scaleup companies

Leadership capacity and building it out remains a top priority for scaleup executives in 2017 and is consistently identified as a key challenge in fast-growing firms.

Scaleup leaders are hungry for local access to high-quality peer-to-peer networks; locally-delivered, impactful business leadership programmes; better access to qualified non-executive directors and mentors with scaleup credentials, and university/business school linkages.

In a time of ongoing uncertainty, confidence and consistency is needed across the business community and it is important to build upon and strengthen programmes that exist and are effective.

### LOCAL SOLUTIONS ARE VITAL

Development of an Industrial Strategy has quite rightly recognised the value of 'place'. The importance of 'place' is further endorsed by the independent Industrial Strategy Commission as enabling growth across the UK.

Critically, our recent research shows scaling businesses most value **locally-rooted resources** as central to enabling their growth. This is emphasised very strongly by the Scaleup Business Survey 2017 and points to the need for much better curation at a local level of current national Government services.

We believe that focus should be given to strengthening, expanding and, where necessary, upskilling current structures to ensure that the local 'toolkit' is fit for purpose for engaging **at a community level** with the fastest growing businesses.

Scaleup businesses are time-constrained. Engaging with them effectively requires the right framework and engagement model to identify and help them across their growth journey, providing the maximum uplift to jobs, productivity and the overall UK economy.

Locally-rooted solutions are an essential component and should also provide the gateway for scaleup businesses to local ecosystems and national programmes from both the public and private sectors.

This is why in 2016 the ScaleUp Institute, in partnership with Goldman Sachs 10,000 Small Businesses UK put such focus on its education programme 'Driving Economic Growth through Scaleup Ecosystems'<sup>14</sup>. Alumni of this programme have in turn developed new scaleup leadership development programmes in the North East, Swindon and Wiltshire, Scotland, Manchester, Liverpool, Cambridge, Thames Valley Berkshire, The Marches, and West of England (these are highlighted in Chapter 3). In 2018 we will continue to monitor their impact and we expect to work further with local areas, including alumni and new participants.

*"Ensuring we carve out time for strategic thinking and leadership team alignment from the busy day jobs of driving growth."*

West Midlands scaleup business leader

*"Leadership and management development programmes that are flexible, local, practical and affordable."*

West Midlands scaleup business leader

<sup>14</sup> With support from Innovate UK

## EVOLVING RELATIONSHIP CO-ORDINATION: DEVELOPING A CLIENT-CENTRIC APPROACH FOR SCALEUP BUSINESSES

Frameworks are starting to emerge which involve an account management model based on the way that private sector firms (e.g. banks) effectively segment their client base.

The ScaleUp Institute has reviewed the Growth House system in Denmark to understand how they are organised to encourage growth and optimise opportunities for their scaling businesses. This system brings together all finance, export and innovation interventions of national government in one local hub to be convenient to the businesses. They provide a single point of contact for businesses with an account management approach. The future funding of the Growth House is also aligned to the performance of the scaling businesses with which it has engaged, providing a clear incentive for adopting best practice.

In the UK, the national Government has many business interventions but research consistently shows that scaling leaders find it very difficult to navigate and access them. Our assessment of the international and domestic market place shows that coordinated engagement with a business at a local level in a curated manner delivers significantly more effective results than multiple ‘scattergun’ stakeholder approaches.

As we assess this international model and those closer to home in Scotland<sup>15</sup>, it is notable that England stands out as **not** having such a dedicated relationship management structure.

As such, the ScaleUp Institute believes that local public sector-funded entities such as LEPs should have ‘Account Managers’ as part of a wholly client-centric, client demand-led approach, with the needs of scaleup business leaders at the centre of the service.

The development of such an approach should draw upon models that already operate in this way. This local ‘go to’ account manager for scaling businesses at a local level could be mirrored in the ‘product specialist’ units of national Government such as Innovate UK, Department for International Trade, British Business Bank so that one creates an effective holistic ‘**relationship team**’ for the scaleup business.

This should engender better engagement with scaling businesses, with the local ‘client account manager’ fully knowledgeable in impactful public and private sector programmes for scaling businesses. To ensure consistency, this Account Management structure should be to a national standard, incorporating standardised KPIs and backed by a comprehensive CRM system to professionally manage the relationships developed. Continued funding should be based upon success.

To augment local engagement through account managers, an online communications toolkit should be provided for scaling businesses to signpost public and private sector programmes and initiatives. This should be created by building on work that is underway with the ScaleUp Institute.

<sup>15</sup> Scotland’s Account Management Model: <http://www.evaluationsonline.org.uk/evaluations/Search.do?ui=basic&action=show&id=530>

## PEER-TO-PEER NETWORKS ARE THE MOST VALUED SUPPORT

In successive years the Scaleup Institute has recommended that private and public sector local ecosystem leaders prioritise the signposting of high-quality mentorship programmes and develop effective matchmaking between peers with scaleup experience. We do recognise, however, there is a shortage of role models to provide vital mentoring and guidance. This is also backed up by other research, including the recent 'State of Small Business' report launched by Nesta<sup>16</sup>.

The 2017 Scaleup Business Survey finds that 89% of scaleup businesses most value peer-to-peer networks in fostering their growth. Some strong examples of peer-to-peer networking programmes are already in place; others are evolving. We have assessed and highlighted exemplar programmes, such as the Supper Club, in Chapters 2 and 3. Key features of these involve clear criteria for participation, the agenda being led by businesses themselves, a confidential environment allowing for open discussion on strategy, finance, markets and people, and the space to air growth challenges with those experiencing similar issues. There remains a need across the UK to develop these types of environments for our scaling business leaders.

## GROWTH HEROES

Entrepreneurial and scaleup growth is still most often inspired by examples of success. It is important to boost the profile of businesses that are succeeding, and create a clear path to growth to generate a halo effect in local areas across the UK. Greater awareness amongst scaling businesses of the success of their peers will help to spur others on. To this end, across all channels of national government, local government, private and education sectors,

it is important to celebrate scaleup success at a local level. A conscious effort to ground all business support and inspiration in the stories of successful "growth heroes" is a vital plank of encouragement.

## THE ROLE OF THE EDUCATION SECTOR

In 2017, local university and business school engagement was ranked by scaling business leaders as the second most important resource to their current and future growth. As such, these entities should align their services to scaling businesses in their community. Insights can be drawn from the manner in which Saïd, Imperial, Bristol, Cambridge, Leeds, Liverpool, Manchester, Strathclyde, Newcastle, Henley, Worcester, Cranfield, Teesside have invested in developing scaleup programmes. Given this is the second-most important matter to scaleups this year, we will continue our focus on this area in 2018. This will include working with the Small Business Charter and others to assess how university and business schools provide programmes that can provide evidence that they work.

*"The private sector can provide non-executives peer to peer mentoring and informal coaching – businesses learn from other businesses."*

North/North East scaleup business leader

*"Better local business networking events with similar sized organisations."*

West Midlands scaleup business leader

*"More work experience should be embedded in the curriculum. There needs to be better engagement with and promotion of graduate careers with SMEs."*

Yorkshire and Humberside scaleup business leader

<sup>16</sup> <https://www.nesta.org.uk/blog/launching-state-small-business-report>



## IN SUMMARY

In successive years, we have recommended that LEPs, universities and the private sector should work together to ensure effective leadership development programmes for scaleup business leaders are available in their areas. We have also highlighted the need for high-quality mentoring programmes to be more easily found. The results of the 2017 survey show that, at a local level, these actions are still important. Peer-to-peer networks, as well as local resourcing available from business schools and universities, are highly valued by scaleups. Local high-quality mentorship and support programmes, including options to recruit high-quality non-executive directors, still need to be better signposted. The same applies to the availability of high quality local leadership programmes which enable scaleup leaders to link with other successful scaleup peers experiencing rapid growth.

We must get better at curating the programmes in a more coordinated and consistent manner with a relationship model that works for scaling businesses.

Leadership support in a rapidly changing and fast-paced environment remains of critical importance to the CEOs of

our scaleup companies. Communities must increase their efforts at a local and national level if we are to enjoy the increased productivity and prosperity that comes with scaleup companies continuing their growth.

5. We recommend that all local communities appoint a Scaleup Champion and develop a relationship management structure for scaleup businesses
6. We recommend that local stakeholders signpost effective mentorship programmes and matchmaking programmes between peers and non-executive directors who have scaled businesses before.

Local and national educational institutions should prioritise the introduction of high-quality flexible courses designed to help scaleup leadership teams with their development needs. Better connections should also continue to be made between national programmes and local ecosystem leaders to encourage scaling business leaders to apply to courses with known impact. The Small Business Charter, and other such mechanisms, should integrate an assessment of 'scaleup engagement' into their performance analysis.



# ACCESS TO MARKETS:

## Opening up markets for scaleups



Access to corporate customers, the opportunity to bid for Government contracts and exporting opportunities are significant for scaleup leaders. There is a strong correlation between a scaling company attaining an “anchor customer” – in the shape of a well-known corporate or a government department – and how this generates further opportunities for growth.

### IMPROVING CORPORATE COLLABORATION

Over the past few years, we have seen strong growth in the number of partnerships, incubators and hubs that aim to foster closer working relationships between corporates and scaling businesses. For corporates, effective collaboration leads to innovation and the creation of new products and new services. For the scaling business, it generates better sales and supply chain opportunities. Over the past few years there has been greater intent to engage with scaling businesses more effectively. However, the pathway to procurement contracts or collaborations is still not easy, simple or clear for scaling businesses. More concerted action is required to facilitate and simplify these processes to enable our scaling businesses to increase engagement with corporates and gain access to procurement contracts and collaboration opportunities.

Many scaleups tell us that the most important help they can receive is the ability to access corporate buyers in a **timely, consistent and efficient**

manner. Our Scaleup Business Survey 2017 shows that this issue has also moved further up the agenda for scaling business leaders. In practice, the culture and procurement processes that go with trying to become a supplier to a large corporate are often difficult and time consuming for a fast-growing business leader to navigate. The Scaleup Business Survey 2017 highlights that the time it takes to secure a contract with a large corporate is now seen as a greater barrier than securing one with Government.

The more we can do to foster the interaction between large corporations and our scaling businesses the better. Corporates can create online tools to become clearer and more transparent on their supplier requirements, and look to other means of refining and standardising their procurement processes to make them more accessible to smaller, growing businesses.

It is evident that there are some practical ways in which improvements can be made in this area and there is scope for industry-led initiatives to develop the capability of scaleup leaders, such as the Sharing in Growth case study reviewed in Chapter 2.

*“A framework for SMEs to showcase what they can do for larger businesses. Some type of government-backed system that helped SMEs win contracts from larger businesses.”*

South West scaleup business leader

*“Hold open events at which SMEs can meet with large corporates in a structured programme of events.”*

North West scaleup business leader

*“Greater support from Government to promote the use of UK suppliers by UK businesses with overseas operations. This provides the bridgehead for establishing credibility in these markets.”*

West Midlands scaleup  
business leader

*“Better access to public sector contracts. Make it easier for small companies to grow by having access to this work.”*

South East scaleup  
business leader

*“We have to comply with numerous schemes which basically assess the same information. It’s the age-old issue of having a single approved supplier scheme.”*

Scottish scaleup  
business leader

*“Provide so much more in terms of tender opportunities, frameworks, supply chains. Our feeling is that we receive very little help or support in this regard.”*

North/North East scaleup  
business leader.

This includes considering ways to support scaling businesses in the supply chain in their talent development and overseas needs. The Unilever Foundry provides a range of opportunities for businesses throughout their growth, including mentoring and opportunities for partnership and investment from Unilever. Deloitte also emphasise the benefits of corporate collaboration in their recent report *Power Up: UK Business*.

In the ScaleUp Institute’s recent reports, and ongoing work with NESTA, we have identified elements of good scaleup collaboration practice and in this year’s review, we publish a checklist in chapter 2 of what corporates and non-executive directors should be considering.

## UK GOVERNMENT PROCUREMENT

Each year, the central Government spends around £45bn centrally with non-public sector organisations, with approximately £4.8bn spent directly with SMEs and a further £7.2bn spent indirectly. Additionally local Government spends approximately £20bn with non-public sector organisations of which approximately £11.1bn goes to SMEs (These reports are based upon 2014/15 data). This offers a huge market for innovative private sector companies to scale through supplying services to the public sector.

As a result of the current Government procurement target to buy 33% from SMEs, it is clear from recent analysis by Public<sup>17</sup> looking at the GovTech market shows that Government sales cycles today are significantly less complicated than even a few years ago, reduced to as little as three months in some cases. Our Scaleup Business Survey 2017 also notes that Government performs slightly better than large corporates in relation to time taken to win a contract.

However, there are still further improvements to be made.

Scaleup leaders still view the current procurement process and requirements from Government as not responsive to their needs. For instance, Contracts Finder allows the user to search for information about contracts with the government and its agencies, but it does not yet contain information on all public sector contracts. Furthermore different procurement policies being implemented by individual local authorities mean that often only contracts worth more than £100,000 appear on Contracts Finder. This compares to £10,000 for central Government. At present, opportunities from large corporate primary providers to Government are also not featured on the site. If this were to be improved, including making it into an interactive smart platform coupled with rolling out of the Crown Marketplace to target scale up businesses earlier, it will create more accessibility through a more intelligent, simple and faster platform.

There is also a need to simplify the navigation of Government procurement opportunities so while it is excellent that procurement champions for SMEs do exist in every Government area, these civil servants are not well known and often undertake multiple roles. Awareness of these individuals needs to be raised substantially within the scaleup community and we would like to see a significant increase in more ‘meet the buyer’ scaleup events undertaken. This is a proven concept in the private sector for delivering results as seen by SVC2UK and ELITE. It is also important to train procurement managers not to raise qualifying thresholds unnecessarily. Whilst this may reduce the risk for the buyer, it raises hurdles for small firms.

<sup>17</sup> [http://www.public.io/wp-content/uploads/2017/07/Public\\_GovTech\\_market.pdf](http://www.public.io/wp-content/uploads/2017/07/Public_GovTech_market.pdf)

## PROVIDING NEW OPPORTUNITIES TO INNOVATE

The Government should build upon the successful FCA sandbox (which is a world-first and continues to grow in popularity). Of the 24 firms successfully accepted into Cohort 1, the majority are expected to take their propositions to market. The programme has now also released the names of 24 firms that have been successfully accepted into Cohort 2, and completed the applications process for Cohort 3. Innovate UK is also doing valuable work in its oversight of the Industrial Challenge Fund Process which works to foster further innovation, and scaleups should be part of this process.

There are also broader examples of a 'sandbox' approach to encourage innovation. Sandboxes help scaleups experiment within a realistic environment without penalty, but they also help 'regulators' learn how they need to adapt. In New South Wales (Australia) there is now an open approach to sandbox environments allowing companies to apply to test ideas relating to any of the State's regulations (federal regulation is not part of the current programme). The nature of the applications submitted will be used to decide the focus of the first sandbox environment. In the UK expanding a sandbox approach to other Government areas such as a central NHS sandbox (overseen by Innovate UK) or one for the Department of Education would allow for greater innovation. Digital Health Valley Belgium<sup>18</sup> and Valencia Urban Laboratory<sup>19</sup> are each good examples of broader applications. It is also important to continue to open up APIs to allow for private sector innovation in this area.

## SUPPLY CHAINS

Large suppliers to Government need to provide opportunities for scaling companies

in their supply chains. In 2014 it was recommended that Government should do more to monitor this and while SME procurement is being kept under review, scaleups within that are not yet tracked. It is also important for government to play its part in ensuring that contractual conditions are passed down the supply chain. The responsibility of the larger company should include nurturing scaleup growth through helping such businesses in their talent, leadership and markets access and by the introduction of activities such as those exemplified by the Sharing in Growth Case Study from Chapter two. Requiring large corporates who are competing for Government contracts to do this will help to shift corporate culture, deliver innovation and lead to breakdown down barriers to business growth.

Celebration of success is also vital, and should include recognition of large companies who have a track record in procuring more from small and medium sized companies over time.

## EXPORTING FOR GROWTH

Building an export market is an important stage for growing companies in their scaleup trajectory and the Government should be directing attention to this area.

As noted elsewhere in this report we have been impressed by the impact of the Mayor of London's Go to Grow programme which has been supported by consecutive London Mayors to establish 'scaleup only' trade missions. The programme has had outstanding results, with the goal of supporting 800 companies so far, with focus in 2016 on scaleups from Tech, Life Sciences, and urban sectors. The programme mentors scaling businesses and takes a cohort to major cities around the world to meet with relevant corporate customers, investors etc. For the first 100

*"More investment opportunities, open calls and grants for innovation and open data projects, particularly those that impact government and civil challenges."*

South West scaleup business leader

*"Public sector needs to make tendering processes easier for small businesses who are just as talented and skilled as their larger competitors."*

East Midlands scaleup business leader

<sup>18</sup> <http://digitalbelgium.be/>

<sup>19</sup> [https://ec.europa.eu/eip/ageing/commitments-tracker/d4/val%C3%A8ncia-urban-lab-innovation-build-more-age-friendly-city-and-environments\\_en](https://ec.europa.eu/eip/ageing/commitments-tracker/d4/val%C3%A8ncia-urban-lab-innovation-build-more-age-friendly-city-and-environments_en)

companies alone this resulted in £51m of new investment, 438 new jobs created and over half entering into new markets.

The ScaleUp Institute recommends that this example should be considered carefully by other Mayoral Cities as well as the Department of International Trade. This should include a review of the mix of allocation of Government, City, and local funding to such (possible export vouchers etc.) and options for local private sector involvement. The Sage programme of City to City exchange for key growth sectors, developed in association with Invest Atlanta, DIT and Newcastle City Council, is also an important example.

The Department for International Trade should have a team trained and dedicated to working with the UK's fastest growing companies, with local resources based in the same locality/building as other product specialists from different departments. This effort should be supported by broader progress towards better use of data, making it easier to identify firms that are already exporting and wanting to grow in current or new markets, and who will benefit from a stronger alignment of Department for International Trade resources.

# SCALEUP INSTITUTE INSIGHTS EXPORT ROUNDTABLE SEPTEMBER 2017



**IN SEPTEMBER 2017, THE SCALEUP INSTITUTE BROUGHT TOGETHER SENIOR FIGURES FROM THE DEPARTMENT OF INTERNATIONAL TRADE, REPRESENTATIVES FROM THE GOVERNMENT'S SCALEUP TASKFORCE, BANKING GROUPS, LEPS AND TRADE ASSOCIATIONS ALONG WITH SEVERAL SCALEUP LEADERS. THE GROUP EXPLORED THE WAYS IN WHICH SCALEUP COMPANIES CAN BE MOST EFFECTIVELY ENABLED TO BEGIN OR CONTINUE THEIR INTERNATIONAL GROWTH.**

Initial results from our Scaleup Business Survey 2017 were considered as part of the discussion. Participants specifically noted that scaling businesses want better connections with international buyers and need the skills to access these markets effectively. While Europe and North America remain key export destinations there is increasing appetite to move in to broader markets such as the Middle East, Africa and notably India.

The group listened to a presentation of the Mayor's

International Business Programme, Go to Grow – a market access programme that has been endorsed by the ScaleUp Institute and agreed there were many lessons to learn from that.

The importance of international trade missions that are tailored for scaleups came out clearly during discussions. It was recognised that a key role for government is to assist scaleups “open doors,” by facilitating introductions and access to potential customers, and that this could be better targeted.

Other issues for the group were a better understanding of the fragmented landscape of export information and support; how a local Department for International Trade account management approach, working more closely with LEPs, could address this; the value of peer-to-peer networks; the availability of finance to support export growth; and ensuring continued access to talent with international experience.

Department for International Trade took away a number of issues to progress and recognised the importance of aligning resources to scaling businesses already exporting and seeking to do more. The ScaleUp Institute will continue to work closely with all parties to ensure that export activity can be better aligned to scaling businesses' needs at a local and national level.

## IN SUMMARY

Market uncertainty has increased the focus of scaleup business leaders and challenges around access to domestic and international markets. The issue is moving strongly up the agenda.

While progress is being made on a more targeted approach to scaling businesses, more still needs to be done and as such we reinforce the prior recommendations made and update them as follows:

7. We recommend that Public bodies review and report on the procurement procedures for scaleups and improve the way opportunities are promoted to scaleup companies so that we see an increase in the extent to which Government procures from scaleups. This could also be achieved by significantly raising awareness of scaleup procurement champions. This should include the evolution of Contracts Finder to become a smart platform and depository of supplier opportunities from large companies that have contracts with Government; the development of 'meet the buyer' events and the development of more sandbox environments.  
  
Any Government agencies that interact frequently with scaleups should introduce fast-track procedures for scaleups and report on these.
- 8: Large companies should report on the level of collaboration and procurement they source from scaleup companies. Any procurement contracts with Government should require an increase in the amount of business undertaken with scaleups as part of the contracting process and provide an annual update.
- 9: We recommend that central Government should align a significant portion of its export activities and resources towards scaleups and create bespoke trade missions for scaleups. All local areas should be encouraged to set up a local exchange programme for scaling businesses, such as that developed by the Mayoral 'Go to Grow' campaign in London.

# ACCESSING FINANCE:

## Attracting appropriate growth capital



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

Finance constraints exacerbate the challenges a fast-growing company leader faces during his or her journey to scale. The 2017 survey shows that business leaders deploy a range of external finance options as they grow – yet four out of ten still do not feel that they currently have the right finance in place for their business.

It is clear that the UK must continue to expand its overall pool of investors, notably institutional investors, willing and able to provide ongoing rounds of follow-on or scaleup finance to ensure there is a connected funding environment from seed through to IPO. 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 originating from the US and Asia.

That is why we welcomed the Government's recent consultation on *Financing Growth in Innovative Firms*<sup>20</sup> which took on board the analyses undertaken by the ScaleUp Institute and its partners in prior years.

The need to address the issue of long-term 'patient' capital within the UK is not new and has been tackled in successive reviews from Cruickshank to Rowlands to the 2012 Breedon Review and the 2014 Scaleup Report on Economic Growth.

As a consequence, much has been done to address some of the long term 'market/structural failures' identified in these reports, such as the establishment by the major banks of the Business Growth Fund (BGF) with its regional offices; the set-up of the British Business Bank (BBB); the flourishing of the UK angel investment market; the creation of the Small Business Act; the fintech revolution supported by the UK regulatory environment. These have all been positive measures which have placed the UK in a stronger, more plural and diverse finance market than has previously been seen.

That said, much more work remains to be done in unlocking UK institutional funding to our fastest growing firms to create a depth of UK-based, long-term capital that is ready to invest in cycles of ten years and more, and capable of multiple follow-on rounds. Scaling businesses consistently cite challenges arising in finding patient ten-year-plus investors for series B and above, which is why they often turn to overseas investors.

History tells us that there is no 'silver bullet' that can solve the challenge, but rather a blend of different and complementary initiatives will need to be adopted and adapted in a timely manner. Resources should therefore be focused

*"There is not enough 'patient' capital for manufacturing businesses."*

East Midlands scaleup business leader

<sup>20</sup> <https://www.gov.uk/government/consultations/financing-growth-in-innovative-firms>



on a number of interventions across a number of different programmes.

The key is to turn consultation and learnings from previous reviews into targeted, appropriate and measured action which achieves the outcomes for which we all strive. With the emerging sentiment among our fastest growing firms that the UK has become a harder environment in which to scale, it has never been more important to make sure the UK is 'match fit' for scaling up. This requires deep pools of

connected capital, available through the lifecycle of a business to reach global scale, sustained growth and longevity. Attention will also need to be given to the talent, skills, market access and infrastructure so critical to scaling up.

Flexibility alongside investment scale will be critical, as will collaborative engagement across regulators, senior finance industry leaders and Government. It is crucial to maintain and build upon what works today.



## IN OUR RESPONSE TO THE CONSULTATION PAPER *FINANCING GROWTH IN INNOVATIVE FIRMS*, THE SCALEUP INSTITUTE RECOMMENDED A SET OF ACTIONS TO BE UNDERTAKEN IN A CONCURRENT MANNER. THESE WERE:

1. **Allocation of new funding to the British Business Bank (BBB) to develop the necessary flexible and scalable substitutes for a UK EIB/EIF that will work with private sector players across debt and equity instruments.** The EIB and the EIF have played significant roles in the development of the UK financial services ecosystem over successive years. They have acted as an essential ‘cornerstone’ to the evolution in the UK of various Growth Capital instruments across debt and equity instruments. The contribution from EIB/EIF in 2016 alone is estimated to be circa £750m mainly spread across Venture Capital (c£300m); Private Equity (c£200m); and Debt Funds (£155m). While we will always encourage a continued fostering of European relationships, with the Brexit dynamics, it is now essential to ensure the UK has the funding capacity to ‘step-up’ to take on what has previously been an EU capital resource to so many UK Financial Investors and growth businesses. The joint initiative between the EIB and the European Commission has also provided vital pools of capital and research collaboration for life science businesses and other innovative sectors under the Horizon 2020 and COSME programmes. As matters evolve and the UK relationship with the EU is clarified, access for UK innovative businesses should be maintained to these schemes, or they must be replicated as part of the UK replacement to EIB/EIF arrangements. Substitute arrangements for EIB/EIF replacements should be housed within the BBB which has built a successful track record. In taking on this enhanced role the BBB’s UK and sectoral reach will be essential, to address regional disparities and sector needs. This may lead to specific sector funds (life science, fintech, creative) as well as localised solutions relevant to local gaps which may be in growth debt or equity.
2. **Continuation of targeted Tax Relief under EIS/SEIS and the lifting of current time and capital limits on Venture Capital Trusts (VCTs) to allow VCTs to provide appropriate follow-on funding for scaling firms in their portfolios. In parallel, assessment of the removal of stamp duty for these and closed end funds should be made and if necessary a principles-based approach could be developed to ensure that funding flows into scaling corporates.** VCTs are a proven route to provide growth finance and significant investors in the real economy – the VCTA estimates that companies currently backed by VCTs have created 27,000 jobs and in 2015 its members alone invested £220m. However, current rules limit VCTs ability to provide follow on funding for scaleup firms who are on a continuing growth trajectory. Current time and capital limits on VCTs should be lifted to allow such to provide appropriate follow on funding for scaling firms. In practical terms, it is clearly immensely disruptive for a fast-growing business to be forced to find an alternative/additional investor due to regulatory barriers. At a time when the Government is focused upon improving productivity, removing barriers that prevent that is essential.
3. **Creation of an ‘at scale’ National Investment Fund / Patient Capital Investment Vehicle / Trust(s) to ‘crowd in’ Institutional and Retail Investors, with the vehicle capable of listing, and operating alongside a substitute EIB /EIF structure.** Releasing Institutional ‘money’ to provide long term, patient capital is key: Life insurers hold assets of £1.81trn and UK corporates have £500bn of cash on balance sheets which could be invested as patient capital. As a result of a number of factors including a range of regulatory and tax constraints only 16% of UK Pension Funds are currently invested in UK equities. The ScaleUp Institute therefore concurs with Government that a National Investment Fund (NIF) or Patient Capital Investment Vehicle(s) (PCIV) should be established for the purpose of ‘crowding in’ large scale Institutional Investors, corporates and retail investors. Arguably the UK has always needed some form of long term, fully fledged, National Investment Fund. There are of course varying methods by which such can be achieved but what is clear is Institutional Investor’s require economies of scale, a portfolio approach with inherent liquidity and a favourable regulatory regime to enable and optimise investment flows. As such ‘scale to scale’ must be a factor in deployment i.e. the NIF/ PCIV must be ‘at scale’ itself and where investing into funds these should also be at ‘scale’ and capable of regional deployment. In developing such a vehicle it will be essential / necessary to work with proven existing players such as BGF and Woodford Investment Management, who have the proven capability to take scaled investment and implement / deploy it to fast-growing businesses across localities and sectors.
4. **Stimulation of demand and improvement of knowledge of finance among high-growth firms, as part of developing comprehensive local ecosystems that are able to effectively support growth in fast-growing firms.** Supply is not the sole answer in addressing the risk capital needs of scaling businesses. Education and demand also have a key role to play as expanded on below.

## ADDRESSING REGIONAL DISPARITY

Regional disparities in access to private equity, both by deal numbers and value, are also noted in recent analysis, with London and the South East attracting

a higher proportion of equity compared to their weight in the UK economy. London received 47% of all equity deals by number and 56% by value in 2016, despite only 20% of high-growth businesses being located in this region<sup>21</sup>.

### Proportion of Equity investment, deals and high growth businesses by region and devolved administration.

	% of total value of UK equity investment (2016)	% of total number of UK equity deals (2016)	% of total number of UK high growth businesses (2014)
London	56%	47%	20%
South East	16%	10%	14%
East of England	12%	8%	9%
North West	4%	7%	11%
Yorkshire and Humberside	3%	3%	8%
Scotland	3%	6%	7%
South West	2%	5%	8%
West Midlands	1%	3%	8%
East Midlands	1%	2%	7%
Wales	1%	3%	3%
North East	1%	3%	3%
Northern Ireland	1%	1%	2%

Source: British Business Bank 2017 Small Business Equity Tracker

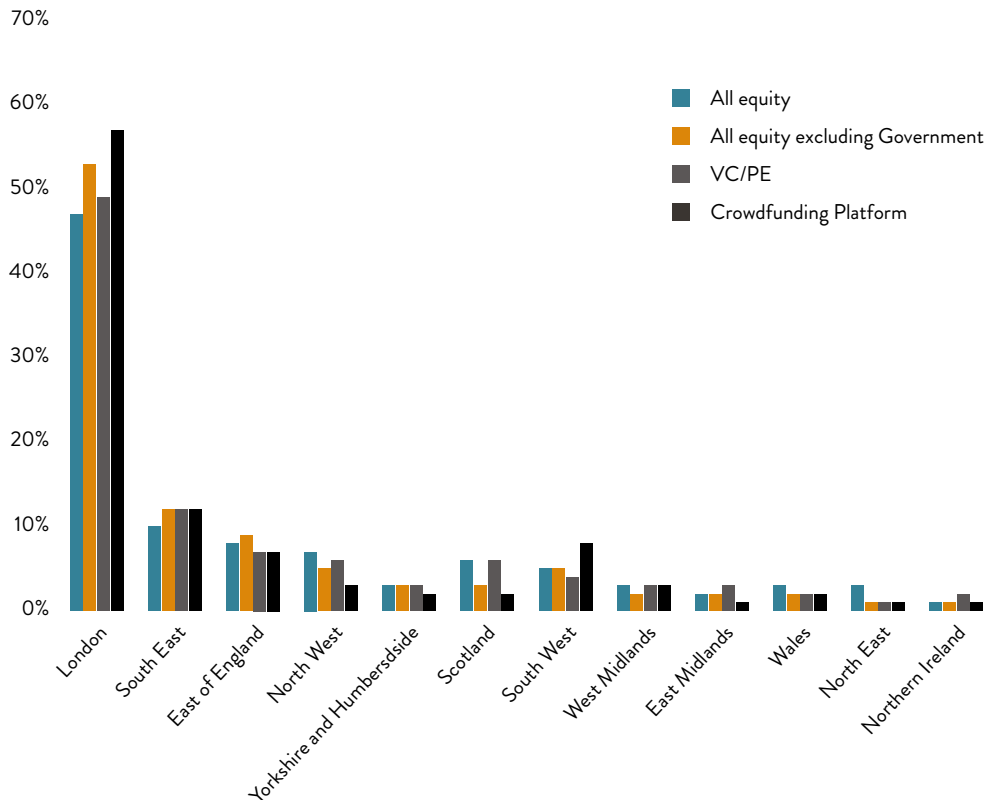
Regional differences can be observed for different types of equity investor. Whilst 47% of all equity deals are in London, the figure is even higher (53%) if Government

VC funds are excluded. Crowdfunding deals are also disproportionately based in London (57%).

<sup>21</sup> British Business Bank (2017) Small Business Equity Tracker

### Distribution of equity deals by type of investor (2016)

Source: British Business Bank



English regions and devolved administrations disguise the large variation in equity deal numbers that occurs within areas as equity deals tend to be grouped into geographic clusters. Whilst equity deals are concentrated in London, there are clusters of deal activity outside of London. The British Business Bank 2017 Equity Tracker report shows the top 25 areas for equity deal activity in the UK in 2016. Boroughs in London form nearly half of top 25 list (with 12 boroughs), but represent 8 of the top 10 areas ranked by number of deals. Cambridge and Oxford are ranked 6th and 12th respectively, but a number of cities outside of London and South East are important equity hotspots including Edinburgh, Manchester, Cardiff, Bristol, Glasgow, Sheffield, Leeds and Birmingham.

This is also seen in our ONS analysis of data from between 2013 and 2015 (Please see further information in Chapter 1 and Annex 1 which also shows that there is a wide disparity between communities in the UK.)

### THE KNOWLEDGE AND DEMAND CONUNDRUM

Supply is of course not the only issue. Demand and knowledge of finance options still play a vital role. In combination with supply levers, demand levers should be encouraged by the building out of sustained education to businesses on the options, benefits and accessibility of growth capital.

The CBI's *Slice of the Pie* report<sup>22</sup> finds that of the businesses that use equity finance, more than two-thirds would recommend it to other businesses.

However, only one per cent of UK SMEs draw on external equity finance, showing that equity capital may be under-utilised despite recognition from those who have chosen it that it is a key form of patient capital for scaleups and aspiring scaleups.

Our recent research with Beauhurst shows that 16% of scaleups use equity and there is a direct correlation between even faster growth and an equity stake. 40% of scaleup events (e.g. if a company has met the OECD criteria for two years, it has had two scaleup events) that saw revenue grow at a rate of more than 100% were in companies that have used equity financing, compared to 18% of scaleup events that saw revenue growth of 20 to 40%. The more equity investment a company has received, the more likely its revenue is to be growing at a rate quicker than 100% a year. There is much more work to be done to encourage other scaling businesses to consider equity finance as an option for growth.

Innovate UK has identified that businesses can miss opportunities to secure investment because of misunderstandings of what investors look for, as is noted in their recent report *Scaling Up: The Investor Perspective*.

Recognition of finance programmes by scaleups could also be improved: only 24% of scaleups are aware of the BGF, 16% of scaleups are aware of the British Business Bank and 5% aware of the Business Finance Guide.

This shows it is important to increase the consistency and quality of guidance and education on growth capital finance. There is a clear opportunity for policymakers to create a long-term and ambitious growth mind-set towards external finance

and to signpost opportunities better for appropriate growth finance to scaleup and scaling businesses.

In 2018 the ScaleUp Institute intends to work with the British Business Bank and other private sector players to develop a digital platform to enable scaling businesses to find the finance options most suitable to their needs, supported by a series of case studies to create further understanding of how peers have approached finance requirements. It is also notable that the British Business Bank plans to put more regional resources in place to work with the investor and business community as it expands its local reach. This is to be welcomed and engenders a relationship management culture, which has worked to good effect in Scotland in joining up public and private sector initiatives to its fastest growing companies.

<sup>22</sup> [http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi\\_equity\\_finance\\_report\\_3\\_feb.pdf](http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi_equity_finance_report_3_feb.pdf)

## IN SUMMARY

No one silver bullet will address the needs of scaling firms or *“encourage the development of young innovative firms ... to foster their ambition ... and ensure they grow to maturity in the UK [and] fulfil their full economic potential”*<sup>23</sup>.

The consultation on *Financing Growth in Innovative Firms* must deliver on several fronts (as detailed above) if we are to make progress. There also remains regional disparity in growth capital distribution in the UK across geographies as well as sectors such as those heavily dependent on R&D or IP (e.g. life sciences or the creative industries), that still require support to tap into non-traditional finance options.

The global competitive landscape is shifting. Many countries are placing more effort and resources into supporting their scaling firms and, indeed, seeking to lure those who have set up operations in the UK to move overseas. We must act now.

Continued concerted action to focus on closing the finance gap for scaleups will secure a long-term competitive advantage to the UK and therefore we continue to recommend that:

10. Government and industry ensure progress is made closing the finance gap. Growth finance to be included as core curriculum in all local scaleup leadership courses.

<sup>23</sup> <https://www.gov.uk/government/consultations/financing-growth-in-innovative-firms>



# INFRASTRUCTURE

## Space with room to grow

It is important to recognise the role that physical infrastructure plays when scaling firms are making decisions about seeking investment and expansion.

*“More incubator type facilities targeting SMEs.”*

London scaleup  
business leader

‘Place’ has been rightly emphasised in the industrial strategy, and a primary infrastructure requirement for most growing businesses is the ability to quickly identify available real estate. The Government, working with LEPs, City and Metro Mayors should consider online tools to showcase available business real estate around the country.

Location, connectivity to high speed internet, and ensuring the existence of the right leasing structures to accommodate fast growing, potentially very new, businesses should be taken into account. Companies with high rates of staff growth may find themselves locked into leases with landlords that dissuade them from hiring, or taking on finance to grow more quickly. Artificial barriers like this dampen productivity and can undermine otherwise sound business growth.

Science Parks like Alderley Park BioScience Campus in Manchester and initiatives such as Engine Shed in Bristol provide important solutions to the infrastructure needs of fast-growth firms. These hubs combine Government, education and private sector initiatives, including peer-to-peer networks, to excellent effect.

Looking beyond office space to manufacturing capacity, however, scaleup businesses do highlight that the UK has fewer ‘plug and play’ factories with pre-existing and trained work forces. This makes the ability to quickly augment production within the UK more of a

challenge and can mean that – as growth is achieved – complex international negotiations are necessary – especially for high tech manufacturing.

Research and Development (R&D) is intrinsically tied to the education agenda, but is also strongly linked to the infrastructure available to growing firms. The new structure the Government proposes, under UK Research and Investment (UKRI) and the allocation of an Industrial Challenge Fund, is a step forward and essential if we are to keep pace with global and European developments. The significant investment the Government makes through UKRI and the Challenge Fund must ensure our research and innovation drives are closely connected to scaling businesses – and sectors.

It should be mandated that those accessing such funding ensure engagement with scaleups, including the opening up of research facilities and deployment of students to projects with scaling businesses. This engagement must be across the country and seek to bolster scaling business across all localities. Programmes that are geared towards the commercialisation of research are likely to have more impact if the role that fast-growing firms have in the area of innovation and research is effectively captured. The options for evolving the R&D tax credit treatment should also be kept under review including ways in which it could support firms in adopting new technologies, driving productivity.

*“Establish a central government R&D collaboration portal where it is easier to find who is researching and developing what, for whom and why.”*

South West scaleup  
business leader

## IN SUMMARY

In 2018, the ScaleUp Institute will be reviewing additional initiatives throughout the UK designed to help make it easier for scaleup leaders to access the infrastructure they need. We have received nominations to review Manchester Alderley Park and Silverstone Technology Cluster which we plan to review in our programme of work in 2018.

Some good progress has been made with certain infrastructure needs of our scaleup leaders being answered. We need to ensure this continues and encourage ecosystem stakeholders from across the country to take inspiration from peers so that this hindrance can be removed from

scaleup leaders' list of growing pains. The continued focus and investment by the Government on local infrastructure will remain key, as will development of local hubs such as those exemplified in Manchester and Bristol (Engine Shed).

# 2016 RECOMMENDATIONS: PROGRESS

## PROGRESS KEY



STRONG PROGRESS



PROGRESS



FURTHER PROGRESS NEEDED



SIGNIFICANT PROGRESS NEEDED



### EVIDENCE GAP

**1:** We recommend that scaleup status is officially recognised as a formal business classification and that national datasets are utilised to allow the verification of a company's 'scaleup status' so that national, local, public and private sector organisations can collectively drive economic growth more easily.

We welcome the progress that is being made with Government on the range of data sources held particularly within ONS and HMRC and how these can be utilised to better effect. This is the single most important action that can be taken to drive up the ability for all to lean in and interact with scaling

In late 2017 and into the first half of 2018 the ScaleUp Institute will be working with HMRC on a number of data pilots with 'scaleup ready' areas.

We look forward to reporting further on this throughout 2018.

**2:** We recommend that local stakeholders have funding they receive from central Government tied to whether or not their strategy addresses closing the scaleup gap and whether or not this strategy is working.

It is encouraging that Government, through the Cities and Local Growth team, have requested that LEPs include within their Strategic Economic Plans a core focus on scaling businesses and the development of specific scaleup programmes. We are also encouraged by Scotland's progress in this area and the recently launched Scotland CAN DO Scale programme. These initiatives are reported upon in Chapter 3 and Annex 1 to this report.

In 2018 the key is to ensure that this progress leads to actual delivery of impactful scaleup initiatives.

The ScaleUp Institute will be monitoring this closely as well as working further with local areas including building on our work with Scotland, Wales and Northern Ireland.

**3:** We recommend that central Government make a Minister accountable for closing the scaleup gap and local governments and local stakeholders should make someone responsible for the same.

We are pleased that the Government has appointed a Ministerial champion for 'Scaleups' in Margot James and has initiated a ScaleUp Taskforce.

The development of local scaleup champions has also progressed.

In 2018, we hope to be able to report that all local areas have appointed scaleup Account Managers to work with individual scaleup business leaders, and have also appointed someone to be responsible for increasing the number of scaleups in their community so that we can report on their progress.



### SKILLS

**4:** We recommend that the Department for Education and Local Enterprise Partnerships use their convening and promotional power to guarantee that students at schools, colleges and universities come into contact with the top 50 scaleup business-leaders within 20 miles of their establishment.

Through the Careers Enterprise Company and private sector initiatives there is better alignment between schools and scaleup businesses, but there is still much to be done on the skills gap as well as efforts to align students with scaleup business leaders. Many scaleups still do not feel as connected as they need to be to educational institutions and initiatives and 93% of them are worried about the skills of young people who are coming to them straight from formal education.

The progression of an API to the National Pupils Database has made some progress with the Department for Education. We hope this will develop at pace in 2018.

**5:** We recommend that a 'Scaleup Visa' be made available in communities where there are 100 + scaleup companies to enable scaleup leaders to recruit staff they need to increase their capacity to grow.

Further work is required on implementing a suitable Visa system to support the ongoing skills needed by businesses that are growing rapidly.

The Tech Nation Visa is a proven model and one that should be built upon, and sought to be rolled out to all scaling businesses, from all sectors, across local communities in 2018.

In 2018, the Migration Advisory Committee should consider ways to achieve this in its work.





## LEADERSHIP GAP

**6:** We recommend that local stakeholders prioritise the signposting of high quality mentorship programmes and develop effective matchmaking between peers and non-executive directors who have scaled businesses before.

Local and national educational institutions should prioritise the introduction of high-quality flexible courses designed to help scaleup leadership teams with their development needs. Better connection should also continue to be made between national programmes and local ecosystem leaders to encourage scaling business leaders to apply to courses with known impact.

Many local stakeholders, including those in the private sector, have responded to the challenge to the leadership gap setting up peer-to-peer networks, 'matchmaking' services between mentors and non-executive and new leadership programmes.

The leadership gap has also been a key feature of the work of the Scaleup Taskforce. In 2018 the ScaleUp Institute will continue to assess and monitor progress and the impact of developing initiatives.



## ACCESS TO MARKETS

**7:** We recommend that public bodies report on the level of procurement they source from, and the collaboration they have with, scaleup companies and their funding should be tied to increasing this amount.

Local and central Government procurement / collaboration has been a key focus of ScaleUp Taskforce consultation exercise.

Whilst it is welcome progress that SME procurement champions exist within Government departments, these are not well known to scaling business leaders and significant awareness raising is needed, as well as a continued focus on procurement opportunities for scaling businesses.

In 2018, we hope to be able to report on 'meet the buyer' events occurring in every local area; a scaleup friendly evolution of Contracts Finder' and would hope to see sandbox environments being utilised more.

**8:** We recommend that large companies report on the level of procurement they source from scaleup companies and the collaboration they have with scaleup companies.

Any procurement contracts with Government should require an increase in the amount of business undertaken with scaleups.

The ScaleUp Institute continues to work with NESTA, among others, to monitor progress in corporate collaboration with scaleups and the checklist published in chapter 2 should facilitate adoption of best practice.

It remains a priority area and, whilst progress is being made, barriers still exist to scaling businesses working effectively with corporates and these need to be broken down.

By the end of 2018, we hope to be able to report that suppliers to Government list opportunities on Contracts Finder.

**9:** We recommend that agencies that interact frequently with scaleups, such as the Border Authority, Listing Authority and HMRC, have fast-track procedures for scaleups and report on these in relation to peers in other countries.

Data referred to in Recommendation 1 is essential in order to be able to make progress on Recommendation 9.

In 2018, we hope that data will be made more available so that progress on fast tracking for scaleups can develop further as a result of Government utilising its data more comprehensively.



## FINANCE GAP

**10:** We recommend that Government and industry ensure that progress is made closing the finance gap and ensure that growth finance is included as core curriculum in all local scaleup leadership courses.

The Government's 2017 consultation on Financing Growth in Innovative Firms recognised the importance of scaleups and closing the finance gap. How this is progressed will be crucial and we will be specifically monitoring how risk capital and equity evolves as part of this.

Alongside this, a range of private sector companies continue to progress education on finance: In 2018, the ScaleUp Institute will work with the British Business Bank and others to make available a robust knowledge digital hub for scaleups.



The background features a series of overlapping rectangular blocks in various shades of blue and teal, creating a sense of depth. At the bottom, a row of seven light blue bars of increasing height is outlined with a thick orange border, resembling a bar chart. The text is positioned on the left side, overlaid on the blue blocks.

# CHAPTER 5

## LOOKING FORWARD

# MAKING THE UK THE BEST PLACE TO SCALE A BUSINESS

We have come a long way together since 2014 when *The Coutu Scaleup Report on UK Economic Growth* made 12 recommendations for actions we could take to break down the barriers that prevented ambitious business leaders from achieving scale.

In our 2016 Review, we reported how leaders from government, large companies, media, finance industry, universities, and schools had heeded the rallying call to establish a much more focussed ecosystem for scaling companies.

This year, there has been significant progress within the private, public and educational sectors, giving us new exemplar programmes we can endorse. Local communities have taken valuable practical steps having participated in the ScaleUp Institute's education programme 'Driving Economic Growth through ScaleUp Ecosystems'. In addition, the UK Government has promoted scaleups in its Industrial Strategy Green Paper and appointed a Ministerial Champion.

We must progress at pace if we are to realise our ambition to move the UK from 13th to the top of the OECD ranks in growing a business, with the hundreds of thousands of jobs, billions in economic value and prosperity that would bring.

Overall, scaleup density has been improving, but the national picture masks the significant local diversity and drivers of scaling up. This reinforces the need for targeted local action. A large proportion of scaleup leaders are concerned about whether the UK will continue to be a good place to grow a business and do not believe they are as well served as businesses that are not growing as fast. We must now act in an even more coordinated and

collaborative manner if we are to address their concerns and close the scaleup and productivity gaps.

The ScaleUp Institute will maintain momentum with an ongoing programme of analysis, research, education, and local engagement. Our Committees will continue to evaluate the evidence provided through case studies, with a particular emphasis on local and regional programmes, and we will continue to recommend policy actions for local and central government to address the barriers faced by business leaders.

It is imperative that work on harnessing existing Government data sources to identify scaling businesses is accelerated and completed at pace enabling far better intragovernmental, local and private sector engagement with our fastest growing firms. This remains our number one priority.

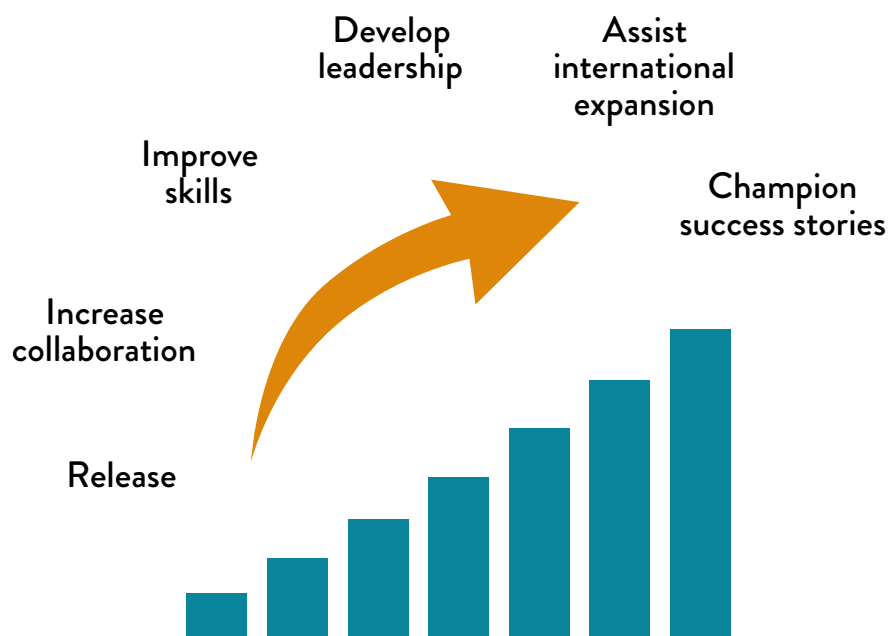
The three P's – People, Place and Productivity – are key, as is the coordination and curation of services at local level. Opening up digital access to expanded robust data sets and getting the right engagement framework will increase the capacity for local ecosystem stakeholders to collaborate, and ensure that their scaleup leaders flourish. We view these as vital outcomes from the ScaleUp Taskforce and Industrial Strategy.

We will keep the emphasis on local actions because that is where real value lies for

scaleups and where they most want action to occur. We will report once more on progress in November 2018 and developments as they unfold throughout the year.

Scaleups are of even greater importance now as we ensure that the scaleup gap that existed before the UK referendum on EU membership is closed rather than further opened.

We pledge ourselves again to the vision of making the UK the best place in the world for a leader to choose to scale their business. We encourage you to join us in making this ambition a reality.



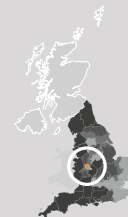


# ANNEX 1

## LOCAL AREA SUMMARIES

BLACK COUNTRY  
BUCKINGHAMSHIRE THAMES VALLEY  
CHESHIRE & WARRINGTON  
COAST TO CAPITAL  
CORNWALL & THE ISLES OF SCILLY  
COVENTRY AND WARWICKSHIRE  
CUMBRIA  
DERBY, DERBYSHIRE, NOTTINGHAM,  
NOTTINGHAMSHIRE (D2N2)  
DORSET  
ENTERPRISE M3  
GLOUCESTERSHIRE  
GREATER BIRMINGHAM AND SOLIHULL  
GREATER CAMBRIDGE & PETERBOROUGH  
GREATER LINCOLNSHIRE  
GREATER MANCHESTER  
HEART OF THE SOUTH WEST  
HERTFORDSHIRE  
HUMBER  
LANCASHIRE  
LEEDS CITY REGION  
LEICESTER & LEICESTERSHIRE  
LIVERPOOL CITY REGION  
LONDON  
NEW ANGLIA  
NORTH EAST  
OXFORDSHIRE

SHEFFIELD CITY REGION  
SOLENT  
SOUTH EAST  
SOUTH EAST MIDLANDS  
STOKE-ON-TRENT & STAFFORDSHIRE  
SWINDON AND WILTSHIRE  
TEES VALLEY  
THAMES VALLEY BERKSHIRE  
THE MARCHES  
WEST OF ENGLAND  
WORCESTERSHIRE  
YORK, NORTH YORKSHIRE AND EAST RIDING  
  
SCOTLAND  
WALES  
NORTHERN IRELAND



# BLACK COUNTRY LEP

Data provided by ONS



TOTAL NO. OF SCALEUPS

430



NO. BY EMPLOYEE GROWTH

140



NO. BY TURNOVER GROWTH

360



NO. BY EMPLOYEE AND TURNOVER GROWTH

70



TOTAL EMPLOYEES

50,859



TOTAL TURNOVER

£2.8bn

## KEY SECTORS



MANUFACTURING AND ENGINEERING



STEEL



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### INTOUCH GAMES

Develops mobile games.

#### BALDWINS

Provides accountancy services for both small and large businesses within a range of sectors.

#### N.G.

N.G. supplies pharmacies with wholesale pharmaceuticals, medical devices and healthcare products.

#### DIRECT CORPORATE CLOTHING

Manufactures workwear, such as protective clothing and company uniforms.

#### ASH & LACY

Provides a range of roof and building systems such as rainscreen cladding and steel frame systems.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### T.H. BAKER

Operates a chain of jewellery stores selling their own and other brands of jewellery, watches, and accessories.

#### CHARTER COURT

Provides retail banking services.

#### STERLING POWER GROUP

Offers a range of engineering services specialising in the energy industry.

#### BALDWINS

See previous description.

#### INTOUCH GAMES

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Advice, Investments & Market Development (AIM) for the Black Country has business navigators to help businesses scale up. Delivered through a partnership between the Black Country Growth Hub, Local Authorities, the Black Country Chamber of Commerce and the University of Wolverhampton, our programme offers scaling businesses a coordinated approach to a range of services.

Business navigators work with scaleups to agree a bespoke 12-month targeted programme to help break down barriers to growth.

Specifically, two peer to peer networks exist for scaleup leaders:

- The Platinum Group – a network of senior leaders from the high value manufacturing, automotive, logistics, freight and distribution sectors
- The West Midlands Manufacturing Club – which involves 28 manufacturing and engineering businesses, both scaleups and large organisations.

Boosting leadership skills and scaleup management teams' capabilities, the Black Country Chamber Strategic Leadership Programme was run successfully in 2016. High levels of demand resulted in a further cohort starting in September 2017 complemented by a Management Leadership Programme aimed at team leader level.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth but these businesses are more likely than others to cite access to international markets and leadership development as barriers. They are looking for a wide range of support from public sector bodies either through LEPs or with funding for R&D and innovation as well as locally from universities and business schools, leadership development programmes and from peer to peer networks.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes
- Public sector funding for innovation and R&D



**WHAT'S NEXT/FUTURE PLANS:** The LEP is working with neighbouring LEPs and Growth Hubs to explore the impact of a pilot one-to-one coaching programme for scaleups. Future plans also include referring businesses that meet the scaleup criteria and come from LEP priority sectors to relevant programmes, including the Department for International Trade's International Growth Project.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.





# BUCKINGHAMSHIRE THAMES VALLEY LEP

Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

270

NO. BY EMPLOYEE  
GROWTH

110

NO. BY TURNOVER  
GROWTH

210

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

50

TOTAL EMPLOYEES

24,660

TOTAL TURNOVER

£3.8bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



DISTRIBUTION



IT SUPPORT  
SERVICES



OTHER SUPPLY  
CHAIN

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### ALLIED WORLDWIDE

Provides IT outsourcing and consultancy services to their clients.

#### TRANSLUX

Provides vehicles for hire, designed for use in the film and television industry.

#### RECTORY

Provides house construction and development services.

#### LIFE BUILD SOLUTIONS

Operates a property construction company, specialising in refurbishment and new build projects across a range of sectors.

#### HYPNOS

Manufactures high-end pocket-spring beds.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### COMLAND

Operates a property development company.

#### AVINITY

Develops a variety of programmes for businesses which are designed to increase the satisfaction and retention of their customers and staff. These include customer incentive and employee engagement schemes, and the introduction of a staff recognition platform called AvinityAlive.

#### WE BLACK

Builds traditional style homes.

#### RECTORY

See previous description.

#### HYPNOS

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Buckinghamshire Thames Valley has a range of services for scaleups focused on overcoming barriers such as leadership skills, access to new markets, finance and infrastructure.

Peer to peer networking is a major aspect of these programmes with Business Leaders' Dinners, round table forums, workshops, and Directors' Meet Ups, to discuss issues of business interest.

A team of advisers provide one-to-one general and specialist business advice, including in depth advice on inward investment, developing action plans, and signposting to relevant provision. The LEP is also championing simplified cooperation with universities and workspaces for incubation and collaboration.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Scaleups are looking to develop their business through local leadership courses, access to non-exec directors, peer to peer networks and local universities and business schools

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes



**WHAT'S NEXT/FUTURE PLANS:** Buckinghamshire Business First is recruiting an Apprenticeship Coordinator who will work with scaleups to ensure the talent and skills gap is being addressed.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.

# CHESHIRE AND WARRINGTON ENTERPRISE PARTNERSHIP LEP



Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

515

NO. BY EMPLOYEE  
GROWTH

190

NO. BY TURNOVER  
GROWTH

430

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

105

TOTAL EMPLOYEES

54,147

TOTAL TURNOVER

£15.4bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



DISTRIBUTION



FOOD AND DRINK  
PROCESSORS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### APS GROUP

Grows and supplies retailers with fresh produce, specialising in tomatoes.

#### KIDS PLANET

Operates a number of nurseries, catering for children from 3-months to 8 years old, on a full or part-time basis.

#### SPINNEY

Runs a number of vehicle dealerships selling new and used caravans and motorhomes.

#### THE ALCHEMIST

Is a cocktail bar and restaurant chain based in London, Leeds and Manchester.

#### SECURED MAIL

An independent postal operator.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### SECURED MAIL

See previous description.

#### INVIEW

Inview produce digital television set-top boxes with integrated tools for program discovery and the ability for broadcasters to raise money through advertising space in the electronic program guide.

#### PROXIMO

Proximo provides a range of outsourcing services to companies operating in the insurance sector, including third party claims handling, and the management of incident responses.

#### APS GROUP

See previous description.

#### CREST MEDICAL

Supplies first aid and pharmaceutical products such as plasters, bandages and burn gels to both retail and commercial clients.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

In 2017, Cheshire and Warrington Enterprise Partnership launched its 'Scale Up Programme' providing targeted services, developing partnerships, and establishing a peer-to-peer mentoring schemes.

The LEP is using a series of digital data sources and social media platforms to identify the scaleup businesses in the area as well as recognise trends in their growth when they would benefit from information on the provision available.

Growth experts are available to give advice, they are generalists with experience in business, including managing and running their own scaleups. The next step is to further gear up the resourcing to create a broader dedicated Scaleup Service with specialist scaleup advisers.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. These businesses are looking for wide range of support, from local and regional government through LEPs and Growth Hubs, to local leadership schemes and universities, or more directly from peer to peer networks.

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Local leadership development programmes
- Significant emphasis on the desire to see more Peer to Peer networks

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** The LEP is current considering the next stage of development including options for reactive and proactively seeking out businesses looking to grow.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.

# COAST TO CAPITAL LEP



Data provided by ONS



TOTAL NO. OF SCALEUPS

905



NO. BY EMPLOYEE GROWTH

370



NO. BY TURNOVER GROWTH

735



NO. BY EMPLOYEE AND TURNOVER GROWTH

200



TOTAL EMPLOYEES

93,084



TOTAL TURNOVER

£13.2bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



BUILDERS



IT SUPPORT SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### CCS GROUP

Provides food and beverages to businesses in the travel industry, including airlines, train operators, and ferries.

#### FOCUS GROUP

Operates a number of companies within the telecommunications, IT maintenance and internet network provision industries, specialising in providing services and infrastructure for small, medium and large businesses.

#### GLOBAL FREIGHT SOLUTIONS

Provides enterprise carrier management software and services to retail and B2B shippers.

#### WATES

Operates a construction company, specialising in the building and refurbishing of schools, residential development, office refurbishment and housing maintenance.

#### GIFT UNIVERSE

Operates a number brands that have gift and gadget stores throughout the UK including MenKind, RED5, and Gadget Grotto. Their subsidiary, The Source, supplies wholesale gifts and gadgets to international markets.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### J.W. STRATTON

Operates a property construction company, specialising in building residential houses and apartments.

#### CHESS DYNAMICS

Designs and manufactures surveillance products and other security equipment for military applications.

#### 1ST CENTRAL

Provides consumers with car insurance, which can be purchased on their website or through a number of comparison sites.

#### GIFT UNIVERSE

See previous description.

#### PSI-PAY

Provides consultancy services designed to simplify how companies manage their MasterCard payment card programmes.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Coast to Capital LEP has taken a strongly targeted approach to scaleup businesses. Using a range of databases to identify scaleup and growth businesses, as well as sharing information with the Growth Hub team, enables Coast to Capital LEP to proactively engage with identified businesses ready to scale.

Key sectors Coast to Capital are currently focused on include manufacturing, construction, retail and wholesale, and real estate.

Recently introduced business advisers, focus on working with scaleup businesses, providing in-depth mentoring and analysis.

Coast to Capital help directly with raising finance and international trade opportunities. Scaleups are introduced to funding options such as the Growing Places Fund for high jobs growth and an Expansion Loan Scheme.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. They are looking to develop their business through local leadership courses, access to non-exec directors, peer to peer networks and local universities and business schools

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** Setting up peer to peer networks, leadership development events, grant programmes linked to growth and leadership development, and an Innovation Hot House Programme.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# CORNWALL AND ISLES OF SCILLY LEP

TOTAL NO. OF SCALEUPS

250

NO. BY EMPLOYEE GROWTH

110

NO. BY TURNOVER GROWTH

185

NO. BY EMPLOYEE AND TURNOVER GROWTH

45

TOTAL EMPLOYEES

14,619

TOTAL TURNOVER

£1.1bn

Data provided by ONS

## KEY SECTORS



BUILDING MATERIALS



CIVIL ENGINEERING SERVICES



DISTRIBUTION



FOOD AND DRINK PROCESSORS



HOTELS



OTHER BUILT ENVIRONMENT AND INFRASTRUCTURE



MANUFACTURING AND ENGINEERING



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION

## TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

### SEASALT

Designs and manufactures clothing that it sells in its stores.

### MJL CONTRACTORS

Provides groundworks services to the construction industry.

### THE GREENBANK HOTEL

Operates a number of hotels.

### GOONVEAN

Acts as a holding company for a range of businesses, including a clay manufacturer, a producer of PAT test labels.

### FRED CHAMPION

Operates a groundworks contracting business.

## TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

### STEVE HOSKIN CONSTRUCTION LTD

Operates a construction company, specialising in housing infrastructure and ground works.

### MJL CONTRACTORS

See previous description.

### FRED CHAMPION

See previous description.

### GOONVEAN

See previous description.

### SEASALT

See previous description.

## LOCAL LEP SCALEUP PROGRAMMES

Cornwall and the Isles of Scilly LEP is in the early stages of developing its scaleup plans.

A key element for Cornwall and Isles of Scilly (CioS) is to collaborate closely with neighbouring LEPs.

Working with three other LEPs (Heart of the South West, Devon and GFirst) CioS will determine the number of businesses with the potential to scale up.

Plans and networks will be developed when this work is completed.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Scaleups are looking for access to peer to peer networks and mentors to help them develop, as well as support from public sector bodies through LEPs and Growth Hubs and more general business support from local or national government.

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Peer to peer networks
- Public sector funding for innovation and R&D
- General business support from local or national Government

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** Look out for our Scaleup Plans in 2018.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# COVENTRY AND WARWICKSHIRE LEP



TOTAL NO. OF SCALEUPS

410



NO. BY EMPLOYEE GROWTH

160



NO. BY TURNOVER GROWTH

335



NO. BY EMPLOYEE AND TURNOVER GROWTH

85



TOTAL EMPLOYEES

143,886



TOTAL TURNOVER

£5.9bn

Data provided by ONS

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



MANUFACTURING AND ENGINEERING



MACHINERY

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### ASSURED GROUP

Provides full service vehicle management, including offers such as distribution, vehicle maintenance and car rental.

#### FOREVER LIVING PRODUCTS

Sells a large range of natural health and beauty products such as aloe vera herbal teas.

#### QUANTA

Develops portable haemodialysis devices for clinical and home treatment of patients.

#### MILLBOARD

Produces and sells a range of wood-impression outdoor flooring.

#### STAIRCRAFT

Produces bespoke wooden staircases for house building companies. They also provide wooden floors and decking.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### GEOTHERMAL INTERNATIONAL

Develops and manufactures geothermal heat pumps, air source heat pumps, dry air coolers. The company also manages its own clean energy projects, producing electricity, thermal energy and back-up power for commercial and institutional markets.

#### FOREVER LIVING PRODUCTS

See previous description.

#### DEELEY GROUP

Operates a number of companies within the property acquisition, construction and development industries, providing services to a range of sectors including residential, commercial and industrial.

#### STAIRCRAFT

See previous description.

#### MCS GROUP

Carries out construction projects including extensions, fit-outs, refurbishments, and new builds.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Coventry and Warwickshire uses data on turnover and number of employees to identify scaling businesses.

Account managers, who have focused on scaleups since 2014, are responsible for strategically coordinating district plans working as a whole team to ensure a joined-up approach.

The LEP has a well-developed system of peer to peer networks including a network of experienced business mentors and leadership programmes. In 2017, it established a Scaleup Academy which focuses on two key points in the business cycle – the phase of initial growth and when a natural growth spurt takes place or is needed.

A recent innovation is the CW Connect Portal that enables local scaleups to develop business opportunities and highlight the structures and qualifications they need to compete for such opportunities.

Launching an annual fortnight-long Business Festival with a wide-ranging programme of events hosted by organisations from across the region, will bring businesses together to encourage collaboration, networking, learning and sharing opportunities.

Other programmes available include:

- Innovate 2 Succeed which provides scaleups with funded coaching, tools and expertise to stimulate innovation access finance and markets, commercialise and grow;
- KEEN which provides graduate placements and academic for dedicated projects;
- Innovation Networks which provides grants for scaling businesses who are working with at least 2 other businesses to develop innovative products, processes or services.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth but scaleups locally are more likely than others to cite access to international markets and leadership development as barriers. They are looking for a wide range of support from public sector bodies either through LEPs or with funding for R&D and innovation as well as locally from universities and business schools, leadership development programmes and from peer to peer networks.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes
- Public sector funding for innovation and R&D



**WHAT'S NEXT/FUTURE PLANS:** CWLEP's next focus is on skills and infrastructure. The 'talent and skills' gap is potentially holding back growth in the region as unemployment is the lowest in the country. The LEP is also looking carefully at investment in infrastructure to help retain the area's strength in digital.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# CUMBRIA LEP



TOTAL NO. OF SCALEUPS

215



NO. BY EMPLOYEE GROWTH

90



NO. BY TURNOVER GROWTH

160



NO. BY EMPLOYEE AND TURNOVER GROWTH

35



TOTAL EMPLOYEES

14,525



TOTAL TURNOVER

£1.6bn

Data provided by ONS

## KEY SECTORS



RESTAURANTS AND CAFES



HOTELS



CIVIL ENGINEERING SERVICES



GARAGES



WHOLESALE



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

**LOWE CLOTHING INTERNATIONAL**  
Operates a number of clothing companies.

**WESTMORELAND FAMILY**  
Operates a number of motorway service stations with farm shops and kitchens, small hotels and caravan parks.

**STORY CONTRACTING**  
Offers construction and civil engineering services, specialising in transport infrastructure projects.

**GAWITH HOGGARTH**  
Imports and supplies retailers with a variety of tobacco and related products, including cigars, cigarettes and snuff.

**CUBBY CONSTRUCTION**  
Provides a range of construction, joinery and civil engineering services for both the public and private sectors.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

**IMPACT INTERNATIONAL**  
Impact International provides leadership and management training to organisations.

**STORY CONTRACTING**  
See previous description.

**WESTMORELAND FAMILY**  
See previous description.

**CUBBY CONSTRUCTION**  
See previous description.

**LAKELAND LAND ROVER**  
Lakeland Land Rover sells new and used Land Rover vehicles, parts and accessories and offers automotive servicing.

## LOCAL LEP SCALEUP PROGRAMMES

Cumbria is developing a programme for scaleups based on leadership development, investment, trade and export awareness. The LEP has been using existing data as a first step to discover suitable scaleup companies to target.

A significant part of this is to work with large corporations based in Cumbria to develop local supply chain knowledge, overcoming barriers to accessing new customers and markets at a local level, for scaleups.

Existing networks are being used as a knowledge transfer network and scaleups are invited to participate in this.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

In Cumbria scaleups highlighted access to talent as a key barrier to growth. These businesses are most interested in local level support which could come from city council, LEP and Growth Hub as well as local universities and business schools, or professionals such as accountants, but less interested in support from large corporates.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Greater engagement from local public sector entities from LEPS, growth hubs, local authorities to enable their growth
- Better access to local universities and business schools for their talent and development needs
- Further engagement with Innovate UK
- Better access to local professional service such as accountants and lawyers



**WHAT'S NEXT/FUTURE PLANS:** Look out for our developing scaleup programme in 2018.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# DERBY, DERBYSHIRE, NOTTINGHAM, NOTTINGHAMSHIRE (D2N2) LEP



Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

920



NO. BY EMPLOYEE  
GROWTH

380



NO. BY TURNOVER  
GROWTH

720



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

180



TOTAL EMPLOYEES

107,150



TOTAL TURNOVER

£8.9bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



MANUFACTURING  
AND ENGINEERING



CIVIL  
ENGINEERING  
SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### FRANK KEY

Supplies timber, building and landscaping materials, and operates showrooms selling kitchens, bathrooms and furniture. They also have a tool hire division.

#### COLLINS EARTHWORKS

Provides a range of civil engineering and haulage services, such as machinery and earthwork haulage, land surveying and demolition.

#### 3AAA

Works with employers and apprentices in order to provide apprenticeship training, specialising in the professional services sector.

#### TIOGA

Operates electronic assembly facilities offering contractual manufacturing services for advanced electronic products, to a range of sectors from healthcare to telecommunications.

#### WHEELDON HOMES

Provides house design and construction work services.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### TCL GROUP

Provides estate management services as well as landscape installation, design and consultancy services.

#### LASERSHAPE

Provides laser and waterjet cutting for a wide range of materials.

#### SHACKLOCKS

Provides plumbing, electronic and heating installation and maintenance services.

#### SWIFTOOL PRECISION ENGINEERING

Manufactures a range of components, turnkey projects and kits.

#### 3AAA

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

D2N2 has developed a database of scaleup companies using a variety of public sources.

Research has shown that the region's scaleups' needs are immediate and have to be responded to on a tailored basis.

Working with the Midlands Engine Investment Fund, D2N2 is building a scaleup programme focusing on Leadership and Management Development, 'Route to Market' and Access to Finance, to launch in 2018.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Businesses here are looking to develop through effective mentoring schemes and local leadership courses and to innovate through more access to public sector funding for R&D and innovation and better access to Innovate UK but are less interested in support from the local public sector eg via LEPs

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

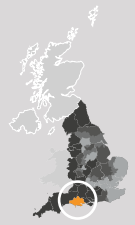
- More public sector funding for innovation and R&D
- Peer to peer networks were seen as vitally important.
- Engagement with Innovate UK would be welcomed

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** From 2018 D2N2 will start a two-year Scale Up Programme in collaboration with a local business school. Sessions will be delivered by the British Business Bank and a peer to peer network is part of the activity.

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Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

355

NO. BY EMPLOYEE  
GROWTH

130

NO. BY TURNOVER  
GROWTH

275

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

50

TOTAL EMPLOYEES

24,858

TOTAL TURNOVER

£2.3bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



BUILDERS



DISTRIBUTION



MACHINERY

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### BUCKLAND CARE

Operates a number of care homes that provide residential nursing and care services for the elderly.

#### CANFORD HEALTHCARE

Provides residential homes and home care services for the elderly.

#### PENTON MOTOR GROUP

Operates a car dealership, selling used and new cars for brands such as Vauxhall and Citroen. It also provides related services such as maintenance and financing.

#### ANKERS & RAWLINGS

Operates a property investment and development company that works in the commercial and residential sectors.

#### OSPREY

Manufactures and sells a variety of backpacks which are designed for outdoor activities, travel and sports.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### BUCKLAND CARE

See previous description.

#### WYATT HOMES

Operates an upmarket property developer.

#### CANFORD HEALTHCARE

See previous description.

#### PLATFORM ONE

Offers asset management services to investors.

#### SUNSEEKER POOLE

Manufactures luxury motor yachts and offers marine services.

## LOCAL LEP SCALEUP PROGRAMMES

Dorset LEP is in the early stages of developing its scaleup plans.

Working with three other LEPs (Cornwall and Isles of Scilly, Heart of the South West, Devon and GFirst) to identify businesses with the potential to scale up.

Plans and networks will be developed when this work is completed. These plans will deliver the attraction and retention of high-skilled workers in the local growing business population.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. These businesses are looking for access to peer to peer networks and mentors to help them develop, as well as support from public sector bodies through LEPs and Growth Hubs and more general business support from local or national government.

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Peer to peer networks
- Public sector funding for innovation and R&D
- General business support from local or national Government

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** Look out for Dorset's plan for local scaleup businesses in 2018.





Data provided by ONS

TOTAL NO. OF SCALEUPS

1,060



NO. BY EMPLOYEE GROWTH

450



NO. BY TURNOVER GROWTH

835



NO. BY EMPLOYEE AND TURNOVER GROWTH

225



TOTAL EMPLOYEES

96,182



TOTAL TURNOVER

£18.8bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



NURSING AND CARE SERVICES



BUSINESS AND PROFESSIONAL SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### HEALIX

Provides medical, security, and travel assistance services to multi-national corporations, governments, NGOs, and insurance companies.

#### ESTEEM

Maintains and manages IT services.

#### LES CAVES DE PYRENE

Imports, distributes and sells wine, focussing on varieties from organic, biodynamic orchards.

#### CUSTOM INTERCONNECT

Offers electronics manufacturing services to companies.

#### STATE OIL

State Oil operates eleven fuel service stations throughout the UK which provide fuel, convenience retail and fast food services. Under the brand Prax Petroleum they also import and supply automotive and industrial fuels to both the wholesale and retail sectors.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### R&W

Provides a wide range of civil engineering and other environmental infrastructure services, specialising in highway maintenance.

#### PENNYFARTHING HOMES

Operates a construction business, specialising in high-end homes.

#### NEWVOICEMEDIA

Has developed software that enables consultants to receive calls on any phone anywhere in the world as if they were all in the same office. The system is integrated with Salesforce; this allows for client calls to be directed to specific consultants depending on data held on those clients within the client relationship management system.

#### REASSURED

Operates a comparison website on which consumers can compare a variety of life insurance policies from a range of both major and smaller insurance providers.

#### MAINSTREAM CLEANING

Offers cleaning services to a range of businesses.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Enterprise M3 (EM3) has focused on building a strong evidence base to identify and reach scaleups.

EM3 has also built stronger relationships with banks, law and accountancy firms to develop cross-referrals.

The LEP holds scaleup workshops at our offices on the Surrey Research Park focused on finance, export, talent and recruitment management, topics that have been identified as priority areas for scaling businesses and engaging in niche forums where high growth businesses congregate such as the Camberley Animators.

Encouraging cooperation between local businesses has led to the stimulation of digital and entrepreneurial growth of the gaming sector around Camberley, Guildford and Aldershot. Direct involvement by the University of Surrey and local authority partners has seen the cluster grow and develop.

Growth Champions deliver a personal service to scaleups normally through six sessions that identify and deliver opportunities of most value and impact to high growth companies, including development of growth plans.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Businesses here are looking to develop through access to peers who have grown and to effective mentoring and access to local business schools and universities. They would like more general business support and more contact with Innovate UK.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Local universities and business schools seen as vital
- Innovate UK engagement was desirable
- General business support from local or national Government



**WHAT'S NEXT/FUTURE PLANS:** EM3 is planning to develop its services further by offering a blend of business and technology services. The priority areas for this work are: adoption of digital processes and access to 5G technology services, availability and access to talent and skills, access to finance, infrastructure (specifically access to flexible office space, incubators and accelerators), access to markets including export markets, mentoring and local professional coaching.

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Data provided by ONS

TOTAL NO. OF SCALEUPS

320

NO. BY EMPLOYEE GROWTH

135

NO. BY TURNOVER GROWTH

250

NO. BY EMPLOYEE AND TURNOVER GROWTH

65

TOTAL EMPLOYEES

40,727

TOTAL TURNOVER

£7.7bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



OTHER SUPPLY CHAIN



OTHER PERSONAL HEALTHCARE SERVICES



OTHER BUILT ENVIRONMENT AND INFRASTRUCTURE



NURSING AND CARE SERVICES



FOOD AND DRINK PROCESSORS



BUSINESS BANKING AND FINANCIAL SERVICES



BUILDERS

## TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

### BAMFORD

Produces women's fashion and cosmetic products, sourcing the materials and ingredients from artisans, whilst also running a day spa.

### BLANCHWORTH

Operates a number of care homes, a meals-on-wheels service, assisted living housing schemes and a training centre.

### DAIRY PARTNERS

Produces and wholesales frozen and fresh cheese products.

### HOWARD TENENS

Operates a logistics company, offering warehousing and distribution across a range of sectors.

### IMPCROSS

Designs and manufactures high precision machine components that are used in the aerospace, automotive, military and petrochemical industries.

## TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

### MIKE BURTON

Operates an event management and hospitality company specialising in sporting events such as Wimbledon.

### NEWLAND HOMES

Operates a property construction business, specialising in flats, townhouses and executive homes.

### BAMFORD

See previous description.

### IMPCROSS

See previous description.

### PKL GROUP

Hires out catering equipment and installs temporary or permanent kitchen complexes for use in events or refurbishment projects in the public and private sectors.

Data powered by Beauchurst

## LOCAL LEP SCALEUP PROGRAMMES

In 2017 GFirst has created a Scale Up peer to peer network of 30 scaling businesses who are invited to 6 sessions over a 6 month period.

This familiarity and frequency of attendance has brought about shared experiences and application of lessons learnt throughout the programme.

The engagement of Growth Guides to tackle key barriers to growth facing the scaleups in Gloucester provides an opportunity to seek expertise. A mix of private and public sector actors from the ecosystem are brought together to support these peer to peer networking events. These include Ernst and Young to deliver sessions on product and processes looking at the key issue of disruption and innovation, and systems and IT looking at technology delivery and change. Other sessions have focused on talent management, leadership and leading change, Finance and how to access it, as well as sales strategy.

The LEP will continue to encourage this expert-led peer to peer element in 2018.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Scaleups are looking for access to peer to peer networks and mentors to help them develop, as well as support from public sector bodies through LEPs and Growth Hubs and more general business support from local or national government.

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Peer to peer networks
- Public sector funding for innovation and R&D
- General business support from local or national Government

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** The LEP will be working with the University of Gloucestershire in delivering Gloucestershire's Accelerated Impact Network (GAIN) programme. GAIN will provide tailored coaching for growth businesses and provide an additional route through which Scale Up companies can access guidance towards their growth goals.

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# GREATER BIRMINGHAM AND SOLIHULL LEP

Data provided by ONS



TOTAL NO. OF SCALEUPS

830



NO. BY EMPLOYEE GROWTH

335



NO. BY TURNOVER GROWTH

665



NO. BY EMPLOYEE AND TURNOVER GROWTH

170



TOTAL EMPLOYEES

79,120



TOTAL TURNOVER

£10.7bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



BUILDERS



MANUFACTURING AND ENGINEERING

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### HILLS

Supplies the international automotive industry with number plate parts, and also manufactures number plates.

#### RUDOLPH & HELLMANN AUTOMOTIVE

Provides logistical efficiency management services for the automotive manufacturing sector.

#### UK POWER RESERVE

Operates a portfolio of power plants that help improve supply at times when there is high demand on the national grid.

#### PALETTLINE

Operates a distribution company which offers a range of services including next-day delivery, lift assistance and European transport.

#### THE GILL GROUP

Operates a holding company for companies in a range of industries, such as civil engineering, plant hire and aviation.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### G&P

Provides management services to the Manufacturing industry, namely to the Automotive and Aerospace sectors.

#### JUMAR

Provides enterprise IT support and recruitment services.

#### MURRAY & WILLIS

Operates a property refurbishment and fit-out contractors, working across a range of sectors including retail, health and high end residential.

#### PALETTLINE

See previous description.

#### PCE

Designs, manufactures and builds prefabricated structures made from PreFastCore, a hybrid precast concrete, which are used in the construction and civil engineering industries.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

The LEP has interrogated a diverse range of datasets to identify businesses with scaleup potential. Indicators, such as whether the business exports, if it has accessed other programmes, or is looking to attract talent, are used as key identifiers.

The scaleup population is mostly on trend for an area of the size and make up of Greater Birmingham. Although, the city experiences a higher business mortality rate over the 2-5 year period. This means that fewer businesses than would be expected actually scaleup and demonstrates why a scaleup programme would have significant impact on growth.

Working with a pipeline of scaling businesses to take advantage of opportunities arising from major investment, particularly HS2 via delivery of the HS2 Supply Chain programme. There is a strong element of face-to-face engagement focusing on information brokerage and signposting to services.

The LEP is moving to an account management for scaleups model, informed by leading edge work led by the Hub's delivery partner, Aston and Birmingham City University. In partnership they will develop a bespoke series of 'growth' workshops designed to provide an initial assessment of the growth opportunity and a basic toolkit for growth.

### FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Scaleups in the area have more of an international markets focus and would like easier access to Visas, as well as better help to innovate through R&D and access to Innovate UK. They see local universities and business schools as a key support and more of a role for larger corporates than other areas but are less likely to want more access to non-exec directors.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers internationally

Access to markets and customers in the UK

## WANT TO SEE MORE OF:

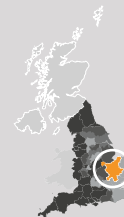
- Greater engagement from Local universities and business schools
- More public sector funding for innovation and R&D
- Visas (eg easy access to visas for talent and skills needed from overseas)
- Greater engagement from Large corporates



**WHAT'S NEXT/FUTURE PLANS:** The LEP is working with the Midlands Engine Investment Fund to address barriers to access to finance and implement a sustainable investment advice and brokerage service. Birmingham also proposes to work with Professor Tim Dafforn to implement policy recommendations that emerge from his entrepreneurship review.

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# GREATER CAMBRIDGE GREATER PETERBOROUGH ENTERPRISE PARTNERSHIP **LEP**



Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

**760**

NO. BY EMPLOYEE  
GROWTH

**305**

NO. BY TURNOVER  
GROWTH

**615**

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

**160**

TOTAL EMPLOYEES

**70,652**

TOTAL TURNOVER

**£8.3bn**

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



MANUFACTURING  
AND ENGINEERING



AGRICULTURE  
AND FARMING

## TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

### ALPHA

Provides translation and localisation services, writing and editing content to make it appropriate for specific cultures, and offers consultancy services to advise businesses on new markets.

### ONE CALL RECRUITMENT

Provides recruitment services for temporary jobs in a range of sectors, specialising in the food industry.

### JOHN HENRY GROUP

Provides civil engineering services including consultancy and project management to the Telecoms, Utilities and Highways sectors.

### TRB LIGHTWEIGHT STRUCTURES

Designs and manufactures a variety of bespoke lightweight components and structures that are used in the automotive, aerospace, rail and energy sectors.

### AJN STEELSTOCK

Processes steel and supplies a range of metal products to a range of sectors such as agricultural and construction.

## TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

### PRAGMATIC PRINTING

Manufactures ultra-thin microcircuits for use in mass-market objects and packaging.

### ONE CALL RECRUITMENT

See previous description.

### JOHN HENRY GROUP

See previous description.

### PRINCEBUILD

Offers a range of construction, building and maintenance services as well as building insurance.

### MJS CONSTRUCTION

Operates a property construction company, specialising in groundworks and building reinforced concrete structural frames.

## LOCAL LEP SCALEUP PROGRAMMES

The LEP has appointed a scaleup manager and is working with a range of academic organisations and business networks to provide services to scaling businesses with specifically Barclays Bank locally and the Cambridge Network both offering bespoke scaleup schemes.

As a LEP GCP is also working with neighbouring LEPs to ensure complementary programmes are provided across our shared areas and businesses are offered choice and clarity.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth and these businesses are looking to recruit staff with experience of growing a business and/or get better access to mentors. They are more likely than others to see national government as vital/very helpful to them, together with UKEF and Catapults.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
FINANCE

Access to the right finance for the business (including debt finance, bank loans, credit cards, overdrafts)



ACCESS TO  
MARKETS

Access to markets and customers in the UK

## WANT TO SEE MORE OF:

- National Government engagement seen as vital particularly UKEF (UK Export Finance) and Catapults



**WHAT'S NEXT/FUTURE PLANS:** Look out for GCP's Scaleup Programme in 2018.

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TOTAL NO.  
OF SCALEUPS

430



NO. BY EMPLOYEE  
GROWTH

160



NO. BY TURNOVER  
GROWTH

360



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

90



TOTAL EMPLOYEES

35,102



TOTAL TURNOVER

£4bn

Data provided  
by ONS

## KEY SECTORS



WHOLESALE



DISTRIBUTION



FOOD AND DRINK  
PROCESSORS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### STREETS FINANCIAL CONSULTING

Provides a wide range of financial advice services for businesses and consumers, ranging from pension planning to life insurance and investment advice.

#### NATURAL PAVING

Supplies natural and ethically sourced paving stones.

#### JDM FOOD GROUP

Provides a wide range of food products for large and small retailers.

#### LINCOLN & YORK

Produces and packages roasted coffee beans.

#### L J FAIRBURN & SON

Operates several brands that produce free range eggs.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### KEIGAR HOMES

Operates a property development company, specialising in constructing new build residential houses.

#### CHESTNUT HOMES

Develops and sells residential properties.

#### LEW

Operates an electrical wholesalers, selling a range of electrical goods including lighting, ventilation systems and cables.

#### THE COACHING INN GROUP

Runs a chain of hotels in the UK.

#### LINCOLN & YORK

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

The Business Lincolnshire Governance Board is focussing on scaling businesses in the key sectors of agri tech, manufacturing and renewables.

The LEP is developing a Coaching and Mentoring Peer to Peer programme and is in process of recruiting a Scaleup Account Manager.

The Account Manager will work with local scaling businesses to enable strategic growth plans, deliver expertise in legislation and business regulations, and explore opportunities to work with the University of Lincoln.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Scaleups are looking for public sector support through funding for R&D and innovation, more general business support from local or national government, or access to effective mentors but are less likely to mention local universities or business schools, peer to peer networks or local professionals such as accountants or non-exec directors.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Peer to peer networks
- Public sector funding for innovation and R&D
- General business support from local or national Government

**WHAT'S NEXT/FUTURE PLANS:** Watch out for the Account Manager's Scaleup plans as well as our P2P Networking programme.





# GREATER MANCHESTER LEP

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

1,315



NO. BY EMPLOYEE  
GROWTH

520



NO. BY TURNOVER  
GROWTH

1,085



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

290



TOTAL EMPLOYEES

137,928



TOTAL TURNOVER

£34.2bn

## KEY SECTORS



MANUFACTURING  
AND ENGINEERING



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



BUILDERS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### GLOBUS

Designs protective gloves for the manufacturing, engineering, construction, healthcare, oil & gas, and waste management industries.

#### VIL RESINS

Manufactures Alkyd resins which are used in the paint and ink manufacturing industries to provide a protective coating to products.

#### REGATTA

Manufactures and sells a wide range of outdoor clothing, accessories and camping equipment.

#### AVECTO

Designs software for businesses to secure their IT systems, working with them on planning and installation. The aim is to provide a solution which impacts on users' freedoms as little as possible.

#### ESL

Wholesales a range of electrical products from a variety of brands.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### AMSCREEN

Supplies bespoke wireless digital screens designed for displaying HD video content. The company also provides installation, distribution, integration and remote monitoring services.

#### ASK

Operates a property construction and redevelopment company, specialising in urban developments for the commercial, retail and hospitality sectors.

#### SUDLWS

Operates an infrastructure specialist, focussing on 3 particular type of projects: data centres, IT infrastructures within businesses, and fibre network installation.

#### BYROM

Provides management services such as transportation and logistics for large sporting events and specialises in ticketing.

#### RENAKER

Operates a property development and real estate business, focused on the development of residential building on a large scale.

Data powered by Beahurst

## LOCAL LEP SCALEUP PROGRAMMES

Greater Manchester benefitted from the Driving Economic Growth Course to evidence the value of supporting scaleups. The LEP has invested in developing a substantial partner network of organisations. This ensures our programme recruitment is highly targeted.

Identified businesses are engaged and diagnostics used to determine the growth and scale up potential. The services they then have access to is matched to their specific needs and scaleup ambitions. Through dedicated scaleup programmes, one to one adviser relationships, or assistance from specialist services, they tackle specific issues, such as barriers to accessing finance, innovating through new products or services, investing in digital technology or in seeking specific sector provision. Business can benefit from a combination of these services to meet their growth ambitions.

Currently scaleups are offered three programmes:

- Spark2scale a six-month peer to peer programme with workshops and masterclasses covering core growth issues.
- Greater Connected which serves digital, creative and tech businesses through collaboration and a peer to peer community.
- StepINNto Healthcare, a sector specific growth programme.

The Business Growth Hub also partners with a number of private sector organisations:

- Ignite offers mentorship, accountability, peer-to-peer learning, investment and preparedness for follow-on investment.
- Stockport Business and Innovation Centre for drop-in clinics, master classes, pitching practice, one-to-one meetings with advisors and access to mentors
- Barclays Eagle Labs which offers co-working space, access to expert mentoring networks, finance partners, event space and Digital Fabrication equipment.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Scaleups are looking to develop through better access to mentors and peer to peer networks. They look for a wide range of sources of support - they more interested in private sector support than other areas, but also seek support from local universities and business schools and national government. They would also welcome better access to procurement contracts.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS



ACCESS TO  
MARKETS



LEADERSHIP

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers in the UK

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Peer to peer networks
- Local universities and business school engagement
- More access to procurement contracts



**WHAT'S NEXT/FUTURE PLANS:** The LEP will invest in business services directly responding to challenges set out in the Greater Manchester Strategy.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# HEART OF THE SOUTH WEST LEP

TOTAL NO. OF SCALEUPS

735

NO. BY EMPLOYEE GROWTH

285

NO. BY TURNOVER GROWTH

580

NO. BY EMPLOYEE AND TURNOVER GROWTH

130

TOTAL EMPLOYEES

62,053

TOTAL TURNOVER

£4bn

Data provided by ONS

## KEY SECTORS



### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

**THE DARTMOUTH HOTEL, GOLF & SPA**  
Operates a hotel, spa, golf courses and a number of self-catering cottages.

**PATHFINDER PARK HOMES**  
Manufactures holiday homes and lodges for parks.

**CLAIMS CONSORTIUM GROUP**  
Has developed a property claims handling network, including four main services Property Consortium UK, Property Consortium Drainage, Building Claims Service and Motor Claims Services.

**THE DOLPHIN HOTEL**  
Operates a hotel, providing accommodation with a restaurant, cafe and bar suitable for holidays or weddings and events.

**HOME FROM HOME CARE**  
Operates residential care homes in small communities for adults with special needs and learning disabilities.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

**ABBEY MANOR GROUP**  
Builds and manages commercial properties.

**P J DAVIDSON**  
See previous description.

**THE DARTMOUTH HOTEL, GOLF & SPA**  
See previous description.

**SUPACAT**  
Designs and manufactures high-mobility military vehicles.

**PATHFINDER PARK HOMES**  
See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Heart of the South West LEP is in the early stages of developing its scaleup plans.

A key element is to collaborate closely with neighbouring LEPs (Cornwall and Isles of Scilly, Devon and GFirst) to determine the number of businesses with the potential to scale up.

Plans and networks will be developed when this work is completed in the autumn. The LEP will then use the intelligence from the evidence gathering to deliver targeted opportunities to appropriate businesses.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Scaleups have more of an international markets focus and whilst they are less concerned than others about access to talent, they are keen to hire people with specific experience of growing a business. They are also looking for support from mentors. They more interested in private sector and national government support than other areas and also UKEF and Catapults.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



Access to markets and customers internationally



Access to the talent you can hire who can do the jobs you have available



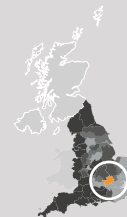
Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

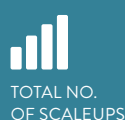
- National Government seen as vital with UKEF (UK Export Finance) and Catapults highlighted

**+ WHAT'S NEXT/FUTURE PLANS:** Look out for our targeted delivery plans for scaleups in 2018.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# HERTFORDSHIRE LEP



TOTAL NO. OF SCALEUPS

590



NO. BY EMPLOYEE GROWTH

215



NO. BY TURNOVER GROWTH

485



NO. BY EMPLOYEE AND TURNOVER GROWTH

110



TOTAL EMPLOYEES

96,407



TOTAL TURNOVER

£11bn

Data provided by ONS

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



BUSINESS AND PROFESSIONAL SERVICES



RECRUITMENT AGENCIES AND PERSONAL SUPPLY SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### OAKMAN INNS

Operates a number of independent pubs and British Larder, a recipe website.

#### MOTOR FUEL GROUP

Operates petrol station convenience stores.

#### FLYNN PHARMA

Acquires and commercialises pharmaceuticals and secondary healthcare products.

#### ASPIN GROUP

This group of engineering companies designs and constructs foundations for railway lines.

#### BAMBOO DISTRIBUTION

Recycles and refurbishes electronic devices such as mobile phones and then resell and distribute them.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### RES

Develops renewable energy production and storage devices.

#### CONAMAR

Operates a construction company, providing property construction, maintenance and refurbishment in the public and private sectors

#### BEECHWOOD HOMES

Designs and builds residential properties from apartments to large houses.

#### BAR2

Provides contract management and payroll services for freelancers and recruitment companies hiring contractual workers.

#### MOTOR FUEL GROUP

See previous description.

## LOCAL LEP SCALEUP PROGRAMMES

Hertfordshire LEP believes that scaleups are the drivers of growth but are not achieving their full potential in its area.

In 2014 the county had 109 scaleups but the annual increase since has been below the national average despite having a highly skilled workforce, strong corporate sector and a start-up rate that is second only to London among LEPs.

The LEP is focusing its attention on overcoming some of the challenges of growing a business in Hertfordshire, specifically access to skills including leadership and management, access to finance, and access to markets.

Hertfordshire does not yet have a specific peer to peer network but the LEP recognises a network should be created and will develop one in 2018.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Scaleups in the area are more likely to see access to UK markets as a barrier. They are keen to have more contact with large corporates (including in the supply chain) but also see peer to peer networks and local/regional government as key to their development. They are open to a wide range of support, being more likely than others to want more contact with UKEF and Catapults or private sector led support.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Large corporates engaging with them
- DIT (Department of International Trade) opportunities Peer to peer networks seen as vital



**WHAT'S NEXT/FUTURE PLANS:** Hertfordshire LEP are excited to be working with the University of Hertfordshire to co-design a scaleup programme. Also look out for our Peer to Peer network in 2018.

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Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

360



NO. BY EMPLOYEE  
GROWTH

140



NO. BY TURNOVER  
GROWTH

280



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

60



TOTAL EMPLOYEES

33,269



TOTAL TURNOVER

£4.8bn

## KEY SECTORS



BUILDERS



MANUFACTURING  
AND ENGINEERING



DISTRIBUTION



BUILDING  
MATERIALS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### WALKER MODULAR

Designs and manufactures bathroom pods for large companies and developers.

#### ATLAS LEISURE HOMES

Designs and builds holiday homes, caravans and lodges.

#### ESP GROUP

Operates a number of companies within the transport industry, including Journeycall, which provides customer support services for public transport users, Systex, which develops software systems and smart cards that are used to scan into transport systems, and Viaqio, which integrates designs that increase mobility on public transport.

#### SPENCER BRITISH ENGINEERING

Operates a transport and infrastructure engineering company providing construction and design services across multiple sectors such as rail, waterways, bridges, and highways.

#### RIX PETROLEUM

Sells and distributes domestic heating oil and commercial fuels, and provides boiler repair services.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### SPENCER BRITISH ENGINEERING

Operates a transport and infrastructure engineering company providing construction and design services across multiple sectors such as rail, waterways, bridges, and highways.

#### C.F. STRUTHERS LTD

Operates a stainless steel and carbon fabrication business.

#### ATLAS LEISURE HOMES

See previous description.

#### WALKER MODULAR

See previous description.

#### INTERNATIONAL BULK LIQUIDS

Operates a number of storage facilities that offer storage of liquids at sub zero and positive temperatures, and provide distribution services.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Humber LEP have identified and targeted the businesses in their area with growth ambitions.

Collaboration with the University of Hull and use of its innovation research has resulted in shared knowledge and a higher quality assessment of the number of scaleups in the local area, which means a targeted approach to providing services. An experienced team of advisers ensures the intelligent brokerage of services.

Humber LEP is developing a framework for effective peer to peer networking for scaleups, helping them address issues through shared experiences and resources working also with the Northern Powerhouse Growth Hub Group.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. Scaleups are likely to see the value in recruiting people into the business with experience of scaling a business or of working in a larger business, rather than using mentors or peer to peer networks. They do though value local support from accountants, LEPs and Growth Hubs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can  
hire who can do the jobs you  
have available



ACCESS TO  
MARKETS

Access to markets and  
customers internationally



LEADERSHIP

Leadership development:  
training and developing the  
people you have

## WANT TO SEE MORE OF:

- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Peer to peer networks
- Local professional services eg accountants and lawyers



**WHAT'S NEXT/FUTURE PLANS:** Humber LEP and Growth Hub are recruiting additional specialist advisers and deliver new workshops and briefing sessions for scaleups. All scaleup services will be featured on a dedicated section of their website.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# LANCASHIRE ENTERPRISE PARTNERSHIP **LEP**



TOTAL NO.  
OF SCALEUPS

**680**



NO. BY EMPLOYEE  
GROWTH

**280**



NO. BY TURNOVER  
GROWTH

**560**



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

**160**



TOTAL EMPLOYEES

**51,951**



TOTAL TURNOVER

**£7bn**

Data provided  
by ONS

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



AUTOMOTIVE



DISTRIBUTION

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### MOTOGB

MotoGB operates a motorcycle distribution company.

#### MI VEHICLE INTEGRATION

Manufactures large special purpose vehicles, such as buses and military vehicles.

#### HARRISON LEISURE

Operates a number of holiday caravan parks which contain a range of facilities including convenience stores, swimming pools, gold courses and games rooms.

#### HAYDOCK FINANCE

Provides asset finance facilities, mainly to small-to-medium enterprises.

#### EMPORIA LEISURE GROUP

This group operates a number of companies within the hospitality, retail and leisure industries, including hotels, pubs, gyms and an interior design shop.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### VITAL ENERGY

Provides sustainable energy utilities to the public and private sectors, as well as consultations and technology to manage and reduce energy and carbon outputs.

#### 1ST STOP GROUP

Offers financial products such as personal and secured loans to clients.

#### HARRISON LEISURE

Operates a number of holiday caravan parks which contain a range of facilities including convenience stores, swimming pools, gold courses and games rooms.

#### LAILA'S FINE FOODS

Manufactures and sells a range of ready meals.

#### HAYDOCK FINANCE

Provides asset finance facilities, mainly to small-to-medium enterprises.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Boost – Lancashire's Enterprise Hub – is working with the University of Central Lancashire to gather further data on the issues and barriers faced by the areas fast growing businesses.

These findings will inform and shape new interventions.

The Hub is working with local partners to establish the right engagement framework for Lancashire's scaleups and sees establishing a mentoring and peer to peer network as a priority. This will match scaleups with experienced business mentors and business coaches from across a range of sectors.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. Scaleups are looking for wide range of support, from local and regional government through LEPs and Growth Hubs, to local leadership schemes and universities, or more directly from peer to peer networks.

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Would like to see more of:
- Local universities and business schools eg access to their talent, facilities and R&D
- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Local leadership development programmes
- Significant emphasis on the desire to see more Peer to Peer networks

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** Lancashire Enterprise Partnership is looking to appoint a new Scaleup Champion following the retirement of Mike Damms, former LEP Director and Chief Executive of East Lancashire Chamber of Commerce.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# LEEDS CITY REGION LEP

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

1,355



NO. BY EMPLOYEE  
GROWTH

555



NO. BY TURNOVER  
GROWTH

1,095



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

295



TOTAL EMPLOYEES

179,911



TOTAL TURNOVER

£25.1bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



WHOLESALE



MANUFACTURING  
AND ENGINEERING



DISTRIBUTION

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### HARVARD ENGINEERING

Manufactures LED, wirelessly controlled and other lighting products.

#### LANES GROUP

Provides waste water management services, specialising in the inspection and clearance of drains or sewers.

#### SIGMA

Provides advice on the installation, use and disposal of retail fittings and fixtures.

#### KEELHAM FARM SHOP

Operates farm shops, selling a range of foods and drinks.

#### ONEMEDICALGROUP

Provides a range of services to the NHS, including general healthcare provision, property development, and GP practice management.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### RUSHBOND

Operates a property investment and development company, working on projects across a range of sectors, including residential, retail and commercial.

#### DAVID WOOD BAKING

Produces a range of frozen bake-off and artisan bakery products for trade clients.

#### PRODUCTION PARK

Operates a live events venue with large amounts of space and no noise restrictions.

#### HB PROJECTS

Operates a construction company offering pre-construction, design, building and site management services on a contractual basis. The company specialises in industrial, retail and commercial construction projects.

#### CADDICK GROUP PLC

Operates a number of companies in the civil engineering and property development industry.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Leeds City Region LEP is working with partners to develop a new database to identify companies with high growth potential and track performance.

It has also completed the first stage of a research project, run in partnership with the University of Leeds, using detailed interrogation of performance data to identify those companies with scaleup potential.

Further research and analysis will now pinpoint the services these companies most need and how it is best delivered. This will include assessing the suitability of services already available.

A team of Growth Managers work directly on a one-to-one basis with growth orientated scaleups across the district, proactively recruiting those organisations with growth ambition and potential.

The LEP has two key scaleup projects Strategic Business Growth and AdVenture, which will deliver peer to peer networks for scaleup businesses as part of their delivery models as well as providing accommodation and accelerator-type support for high growth firms.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. They are likely to see the value in recruiting people into the business with experience of scaling a business or of working in a larger business, rather than using mentors or peer to peer networks. They do though value local support from accountants, LEPs and Growth Hubs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS



ACCESS TO  
MARKETS



LEADERSHIP

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers internationally

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Peer to peer networks
- Local professional services eg accountants and lawyers



**WHAT'S NEXT/FUTURE PLANS:** Two new innovation and incubation centres, at the Universities of Leeds and Huddersfield will offer a new suite of services for scaleups, including accommodation and an accelerator-type environment for high growth firms.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# LEICESTER & LEICESTERSHIRE LEP

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

510



NO. BY EMPLOYEE  
GROWTH

215



NO. BY TURNOVER  
GROWTH

420



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

125



TOTAL EMPLOYEES

53,192



TOTAL TURNOVER

£6.2bn

## KEY SECTORS



MANUFACTURING  
AND ENGINEERING



DISTRIBUTION



BUILDING  
MATERIALS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### HKS

Operates a number of service stations, partnering with supermarkets such as Spar to provide onsite convenience stores in some of the locations.

#### APAC PACKAGING

Imports and distributes products for the floristry industry such as baskets and wrapping film.

#### REFLEX VANS

Provides a van hiring service that allows clients to track the location of any vans that have been hired through their website.

#### INDUSTRIA

Provides temporary and permanent recruitment services within the industrial, construction, driving and commercial sectors.

#### CLIFTON PACKAGING

Manufactures packing and packaging machinery for the food sector.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### HKS

See previous description.

#### INDUSTRIA

See previous description.

#### MORNINGSIDE

Develops and supplies healthcare products and pharmaceuticals.

#### EESMITH CONTRACTS

Provides interior design, manufacturing and fitting services for hotels, commercial and private clients.

#### UNIQUE WINDOW SYSTEMS

Designs, manufactures and installs windows and doors, specialising in PVCu and aluminium products for commercial and residential properties.

## LOCAL LEP SCALEUP PROGRAMMES

LLEP Business Gateway has developed a programme of seminars for scaleup companies, focusing on key areas including accessing new markets, investment marketing, accessing finance, intellectual property and exporting.

LLEP Business Gateway is also part of the Better Business for All programme (BBFA). This brings business and regulators together to find better ways to implement and administer regulation. Leicester & Leicestershire LEP is one of three pathfinder LEPs involved in BBFA and hopes this will further enable scaleups in 2018.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. These businesses are looking for public sector support through funding for R&D and innovation, more general business support from local or national government, or access to effective mentors but are less likely to mention local universities or business schools, peer to peer networks or local professionals such as accountants or non-exec directors.

## TOP 3 BARRIERS TO GROWTH:



Access to the talent you can hire who can do the jobs you have available



Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Peer to peer networks
- Public sector funding for innovation and R&D
- General business support from local or national Government

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** Seeking new ways for Leicester & Leicestershire's LEP work with scaleups.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



# LIVERPOOL CITY REGION LEP

Data provided by ONS



TOTAL NO. OF SCALEUPS

550



NO. BY EMPLOYEE GROWTH

200



NO. BY TURNOVER GROWTH

430



NO. BY EMPLOYEE AND TURNOVER GROWTH

80



TOTAL EMPLOYEES

50,197



TOTAL TURNOVER

£5.3bn

## KEY SECTORS



MANUFACTURING AND ENGINEERING



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



CIVIL ENGINEERING SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### CASTLEROCK RECRUITMENT GROUP

A healthcare recruitment business that provides permanent and temporary staff to clients that include the Ministry of Defence (MOD), NHS, HM Prisons and private sector companies.

#### THE CONTACT COMPANY

Operates a call centre and provides outsourced customer support services to businesses.

#### POPPIES EUROPE

Manufactures and sells a variety of bespoke and disposable catering products such as napkins, tablecloths and cutlery.

#### I-PAYE

Provides employment management services to foreign workers in the UK and Europe as an umbrella company that contractors, freelancers, and self-employed professionals can work through.

#### CAPITAL REINFORCING

Produces reinforced steel bars for the construction industry.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### CHESHIRE MOULDINGS

Manufactures and supplies a wide range of wooden products from stair parts to garden decking.

#### CASTLEROCK RECRUITMENT GROUP

See previous description.

#### RAINFORD SOLUTIONS

Manufactures a range of cabinets and other enclosures for electrical equipment.

#### FLETCHERS SOLICITORS

Offers a range of legal services specialising in personal injuries and medical negligence.

#### WARMER ENERGY SERVICES

Provides installation and maintenance services for heating, renewable energy and insulation systems for commercial clients and private homeowners.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Liverpool City Region LEP is providing strong leadership to foster scaleups across the region. It is working with 60 local businesses to accelerate growth through the provision of dedicated 'Scale up Managers' and mentoring from local Business Leaders serving as Strategic Mentors. The intention is to create the first fully integrated high growth programme for the City Region.

A key part of the programme will involve City Region business leaders as Strategic Mentors working alongside Functional Mentors (advising on sales, systems and finance) and Scaleup Managers. Their role will be to help businesses diagnose issues and plan for accelerated growth particularly focused on key growth sectors.

The programme is designed to have four strands of activity with a joint goal of realising the growth potential and ambition of businesses. Each strand has a specific remit and will be delivered through a combination of procurement and the LEP directly. The elements are:

- Scale Up Leadership Programme
- Scale Up Export Programme
- Scale Up Innovation Programme
- Scale Up Voucher Scheme

The Voucher Scheme will provide scaleup businesses with funding to unlock the potential in the planned programmes.

The Programme is designed to work with 250 businesses and create 450 jobs. It will operate in two segments with all 250 firms receiving diagnostic analysis; 100 companies will be selected for more intense programme engagement and the voucher scheme will be available to 50 businesses.

The LEP will continue to focus on the priority sectors of the current Strategic Economic Plan, inclusive growth and increasing productivity.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

These businesses are more likely to see access to UK markets as a barrier. They are keen to have more local support through a network of peers, local government or public sector bodies such as LEPs or Growth Hubs, but also support from large corporates through the supply chain. They are also more likely to be looking for public funding for R&D and innovation.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



Access to the talent you can hire who can do the jobs you have available



Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Peer to peer networks
- Local professional services eg accountants and lawyers

## WHAT'S NEXT/FUTURE PLANS: Launching the LEP's first fully integrated high growth programme for the City Region.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.





# LONDON ENTERPRISE PANEL **LEP**

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

**6,250**



NO. BY EMPLOYEE  
GROWTH

**2,410**



NO. BY TURNOVER  
GROWTH

**5,180**



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

**1,340**



TOTAL EMPLOYEES

**768,670**



TOTAL TURNOVER

**£466bn**

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



BUSINESS AND  
PROFESSIONAL  
SERVICES



BUSINESS BANKING  
AND FINANCIAL  
SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### CLESHAR

Provides design and construction services to the rail industry, alongside related services such as maintenance, repair and training.

#### FUNDING CIRCLE

An online marketplace where savers and investors can directly lend to small businesses.

#### ALPHA PLUS GROUP

Runs independent prep schools.

#### VM FABRICS

Manufactures knitted fabrics.

#### SPARK44

Offers marketing and advertising services to the luxury and automotive industries.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### WORKING TITLE TV

A television production company.

#### STUART PETERS

Manufactures jersey, knit and outerwear clothing for large companies.

#### ROSEBERYS

Operates an auction house and antiques dealers, selling a range of items including contemporary and antique artworks, furniture and jewellery.

#### OPTAL

Develops payment processing technology that issues a Virtual Account Number for MasterCard users.

#### AITCH GROUP

Provides property developments services for residential and commercial buildings

## LOCAL LEP SCALEUP PROGRAMMES

Partnership working with organisations that have strong relationships with scaleups has been the lynchpin of the London Economic Action Partnership's (LEAP) approach.

The data gathered is being used to identify and target potential growth businesses and shape the services offered.

A cornerstone of this is the Business Growth programme run by London & Partners, the capital's official promotional agency which runs GotoGrow a leading international and export programme for our scaling businesses.

In addition to the Business Growth Programme, other services available to scaleups in the capital come from many private sector leading institutions such as:

- LSEG ELITE
- Goldman Sachs 10,000 Small Businesses UK, which operates across the county
- The British Library's Innovation for Growth Programme

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth and these businesses are more likely to be looking for better access to visas. They are looking to develop through better access to non-exec directors and peer to peer networks, but are less likely to see local or regional government as a key source of support.

## TOP 3 BARRIERS TO GROWTH:



Access to the talent you can hire who can do the jobs you have available



Access to markets and customers internationally

Access to markets and customers in the UK

## WANT TO SEE MORE OF:

- Peer to peer networks
- Visas (eg easy access to visas for talent and skills needed from overseas)
- Large corporates engaging with them

Analysis by BDRC Continental from the Scaleup Survey 2017



**WHAT'S NEXT/FUTURE PLANS:** LEAP is now exploring peer to peer mentoring and property guidance for scaling businesses. The latter will include how best to facilitate follow-on space for growth organisations.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

700



NO. BY EMPLOYEE  
GROWTH

265



NO. BY TURNOVER  
GROWTH

555



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

120



TOTAL EMPLOYEES

71,346



TOTAL TURNOVER

£7.5bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



DISTRIBUTION



BUILDERS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### TRU7.COM

Operates an e-commerce website for purchase and hire of commercial vehicles.

#### IT FLEET AUTOMOTIVE

Provides a range of services to companies in the automotive industry, including the logistical transport of cars, vehicle refurbishment, and secure vehicle storage.

#### TOPPESFIELD

Surfaces and maintains roads and highways such as motorways and airport runways.

#### ROCKFORD

Designs and manufactures electrical components such as wiring and electro-mechanical control units for use in the nuclear, aerospace, marine, and defence industries.

#### IWJS

Provides industrial cleaning and waste management services.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### CHURCHMANOR

Churchmanor operates a property construction and development company, specialising in building developments for the business, industrial, retail and science sectors, including business parks, research and development facilities, shopping centres and offices.

#### TRU7.COM

Tru7.com operates an e-commerce website for purchase and hire of commercial vehicles.

#### MONICA VINADER

Monica Vinader is a jewellery retailer.

#### OPTIMISE

Optimise provides a marketing and branding optimisation service.

#### IWJS

IWJS provides industrial cleaning and waste management services.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

New Anglia LEP is actively identifying local businesses that have the potential to step up their growth rate and become scaleups.

This approach is enabling targetting, means we offer programmes to those scaling businesses who will most benefit from it and tailor it to meet their specific needs.

A new three-year Invest East project will help 120 growing businesses. Developed with Norfolk and Suffolk County Councils and the Adapt Group, tailored programmes will help business participants overcome key barriers to growth. The project will create new peer to peer networks to share experience and expertise and deliver a new productivity mentoring scheme.

New Anglia is also actively working with potential scaleup companies to access national and international programmes, such as Goldman Sachs 10,000 Small Businesses UK, ELITE, Horizon 2020 etc.

Other initiatives include new tracking systems to evaluate the effectiveness of engagements and the delivery of a new productivity mentoring scheme.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth and these businesses are also more likely to be looking for local leadership development schemes, or support from Innovate UK, with less interest in non-exec directors, or support from large corporates.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



LEADERSHIP

Leadership development: training and developing the people you have



ACCESS TO  
MARKETS

Access to markets and customers in the UK

## WANT TO SEE MORE OF:

- Local leadership development programmes highly in demand
- Local universities and business schools engaging with them
- Peer to peer networks seen as vital



**WHAT'S NEXT/FUTURE PLANS:** New options for peer to peer mentoring, property guidance and facilitating the availability of follow-on space are currently in development. The LEP is working with the ScaleUp Institute on development of these.

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# NORTH EAST LEP

Data provided by ONS

TOTAL NO. OF SCALEUPS

700

NO. BY EMPLOYEE GROWTH

265

NO. BY TURNOVER GROWTH

575

NO. BY EMPLOYEE AND TURNOVER GROWTH

140

TOTAL EMPLOYEES

75,298

TOTAL TURNOVER

£7.8bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



MANUFACTURING AND ENGINEERING



BUILDING MATERIALS



FOOD AND DRINK PROCESSORS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### CLAYTON GLASS

Manufactures and supplies glass for conservatory roofs and doors.

#### END

Sells high-end streetwear of its own creation alongside other fashion labels.

#### HTL

Produces equipment for sale and hire for engineering companies, such as hydraulic pumps, hydraulic cutters and subsea equipment

#### LANCHESTER WINES

Imports and sells wine.

#### CHAINBRIDGE STEEL

Operates a group of steel stockholders.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### RINUS ROOFING SUPPLIES

Sells a wide range of roofing materials such as tiles and insulation.

#### TEMPLEMAN TRADING

Sells and delivers snack food and drinks to be sold in vending machines.

#### THARSUS GROUP

Partners with companies that have developed robot related IP in order to help them design and manufacture robots and autonomous systems.

#### N B CLARK

Develops residential properties and provides an extensive range of construction services including demolition, recycling, plant hire and haulage.

#### PARTNER CONSTRUCTION

Provides property development services such as building land driven affordable houses.

Data powered by Beauprest

### FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## LOCAL LEP SCALEUP PROGRAMMES

The North East Scaleup programme has focused on three key strands as drivers for growth: mentoring, a new Academy for scaleup leaders, and targeted provision for manufacturing.

- Growth through Mentoring connects potential scaleup businesses with business leaders with a proven track record in scaling businesses.
- A Scaleup Leaders Academy is delivered by the Entrepreneurs Forum and provides a month-long structured learning programme aimed at developing scaleup leaders and tackling barriers to growth.
- The final strand is target specifically at the North East's manufacturing sector. The Manufacturing Growth Programme (MGP) is based around Improvement Architectures' Brain model and gives scaleups one-to-one coaching and mentoring from manufacturing growth experts.

Scaleups are seen as vital and integral to the North East Strategic Economic Plan Business Growth Strategy.

Delivered via the North East Growth Hub, it will match scaleups to high calibre Scaleup Partners, each with a proven track record in scaling businesses. Scaleup Partners will draw on a range tools to deliver bespoke solutions for clients. These include access to business mentors, scaleup experts, the Scaleup Leaders Academy and a wider scaleup community.

A programme of workshops, masterclasses and peer exchange events will help develop talent among the North East's scaleup leaders. Scaleup North East will develop strong long-term relationships with existing scaleup businesses as well as those with scaleup potential.

## SCALEUP VIEWS:

Access to talent is a key barrier to growth and scaleups are looking for people who have grown a business before, non-exec directors with relevant experience and/or a peer to peer network. They would also welcome more local support through local and regional government and local universities and business schools.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS



ACCESS TO MARKETS



LEADERSHIP

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers in the UK

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Peer to peer networks seen as vital
- Local and Regional Government engagement seen as vital
- Local universities and business schools also vital

## + WHAT'S NEXT/FUTURE PLANS: Scaleup North East will launch in early 2018.

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Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

375

NO. BY EMPLOYEE  
GROWTH

140

NO. BY TURNOVER  
GROWTH

310

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

75

TOTAL EMPLOYEES

68,944

TOTAL TURNOVER

£6.2bn

## KEY SECTORS



BUSINESS AND  
PROFESSIONAL  
SERVICES



DISTRIBUTION



AUTOMOTIVE

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### GIGACLEAR

Provides ultrafast broadband internet access using fibre-optic service to homes and businesses in rural communities.

#### IMMUNOCORE

Develops drugs to treat cancer, viral infections and autoimmune diseases.

#### YASA MOTORS

Develops and manufactures electric motors for automobiles.

#### BRASPEAR

Operates a chain of pubs.

#### AIRTANKER

Manufactures and leases a specialised aircraft model that can be used to refuel other aircraft in mid-flight.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### OXFORD NANOPORE

Has developed a small device that performs DNA sequencing and analysis.

#### GIGACLEAR

See previous description.

#### PYE HOMES

Builds and sells houses.

#### NEWTON

Provides management consultancy services to a range of industries.

#### MMR RESEARCH WORLDWIDE

Provides businesses with consumer research, specialising in customers' sensory connection with products.

Data powered by Beauhurst

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## LOCAL LEP SCALEUP PROGRAMMES

Oxfordshire's team of Network Navigator advisers are already well established within the region's business community and actively engage with companies that are ambitious about growth.

They also have strong links to other local, privately funded networks of mentors and accelerators and refer companies on to this.

Oxfordshire LEP help design tailored programmes for each scaleup, including ensuring access to services that encourage innovation, finance, mentoring, and a range of workshops and masterclasses.

In addition, three new programmes are planned in 2018 which will equip Oxfordshire's scaleups with a comprehensive programme designed to ensure scaleups overcome key barriers to growth. Combined, they tackle access to finance, innovation and exports.

The Innovation Support for Business programme is designed to help companies commercialise innovations, promote business investment in innovation and building and strengthening links between businesses and researchers.

A new Access to Finance programme will help with raising finance or growth, business planning and sales for worth.

The programmes, delivered by First Ascent Group who also give delegates with lifetime mentoring, will help scaleups overcome the barriers to growth in the local area.

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. These businesses are less interested in support from mentors or the local public sector via LEPS, but would look to Growth Hubs and Innovate UK.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
FINANCE

Access to private equity (eg from Venture Capital)



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Strong desire for general business support from local or national Government
- Growth Hubs in demand
- Innovate UK engagement would be welcomed



**WHAT'S NEXT/FUTURE PLANS:** Oxfordshire LEP is exploring options for specific programmes for the space and life science sectors and seeking to appoint a Scaleup Network Navigator and a Relationship Manager with a specialist scaleup remit.

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# SHEFFIELD CITY REGION LEP

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

730



NO. BY EMPLOYEE  
GROWTH

285



NO. BY TURNOVER  
GROWTH

590



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

145



TOTAL EMPLOYEES

54,729



TOTAL TURNOVER

£7.5bn

## KEY SECTORS



MANUFACTURING  
AND ENGINEERING



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



MACHINERY

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### METER PROVIDA

Meter Provida specialises in metering facilities for several utilities, including gas, water and electricity.

#### MELETT

Manufactures turbochargers, as well as its components, and repair kits for them.

#### TOMMY TUCKER

Produces and supplies popcorn and confectionary products to the cinema and leisure industries.

#### TRACKWORK

Offers rail construction and track maintenance services. The company also supplies track material, rail equipment and workers.

#### JIGSAW FOODS

Produces a range of food sauces and dressings, and specialises in the use of liquid nitrogen technology to chill products.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### CONCORDE BGW

Offers interior fit-out, design and building services to the hospitality and leisure sectors.

#### TOMMY TUCKER

See previous description.

#### BARBER OF SHEFFIELD

Manufactures business healthcare supplies such as specialised needles and medical saws.

#### M&D FOUNDATIONS

Provides a range of structural works for projects in the construction sector, including underpinning, building foundations and basement walls.

#### CMC

Sells motorcycles, motorcycle clothing and accessories.

## LOCAL LEP SCALEUP PROGRAMMES

Careful interrogation of data available on businesses in the Sheffield City Region points to a world class and nationally significant industry, manufacturing and engineering base.

A number of existing peer to peer networks are currently offered to local scaleups. This focuses on fostering growth, collaboration and innovation.

Sector specific groups, such as the Manufacturing Forum work with local scaleups to foster opportunities for growth.

The Hub's team of 10 growth specialists helps potential scaleup companies identify and overcome barriers to growth. This includes helping companies access new markets and brokering access to services.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. They are likely to see the value in recruiting people into the business with experience of scaling a business or of working in a larger business, rather than using mentors or peer to peer networks. They do though value local support from accountants, LEPs and Growth Hubs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Peer to peer networks
- Local professional services eg accountants and lawyers



**WHAT'S NEXT/FUTURE PLANS:** The ongoing delivery of its existing programmes is the immediate priority for Sheffield City Region. These continue to exceed targets and have contributed growth in all sectors and to the region's resurgence as a leader in innovation, manufacturing and engineering.

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Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

780



NO. BY EMPLOYEE  
GROWTH

325



NO. BY TURNOVER  
GROWTH

615



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

160



TOTAL EMPLOYEES

63,136



TOTAL TURNOVER

£11.3bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



MANUFACTURING  
AND ENGINEERING



RECRUITMENT AGENCIES  
AND PERSONAL SUPPLY  
SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### THE INTEGRATED CARE CLINICS

The Integrated Care Clinics provides rehabilitation services including physiotherapy, cognitive therapy, and nursing.

#### HIGHWOOD GROUP

Operates a land acquisition and property construction company, specialising in building residential properties and care home developments.

#### MILLBROOK GROUP

Operates a number of different companies such as Millbrook Painting and Millbrook Healthcare.

#### FORMAPLEX

A manufacturer specialising in automotive components.

#### CRAYFERN HOMES

Operates a property construction company, specialising in new build residential housing developments.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### STR GROUP

Provides specialist recruitment and personnel management services to clients in technical, pharmaceutical and professional industries.

#### HIGHWOOD GROUP

See previous description.

#### EXOSECT

Designs, develops and commercialises bio-control solutions for the food industry that protect food from insect damage and disease while reducing the use of and dependence on traditional chemical pest control products.

#### THE AGEAS BOWL

Operates a cricket stadium which is used for sporting and music events, and a Hilton hotel which contains corporate and wedding event space, a golf club, spa and restaurant.

#### MILLBROOK GROUP

See previous description.

Data powered by Beauchurst

## LOCAL LEP SCALEUP PROGRAMMES

Solent has seen a marked increase in the number of high-growth companies. The challenge now is to match this with equally strong growth in jobs and productivity.

A new Productivity and Growth Strategy is designed to help close this gap, boosting productivity and accelerating job growth in high-value areas. New access to finance routes, delivered through the Solent Growth Fund, will help scaleups operating in innovative sectors, including the region's strong maritime, aerospace, energy and green technology bases.

Additional services for scaling businesses comes through a new innovation programme. Launched in July 2017, it offers investment to high-growth companies looking to improve productivity through innovation in products, services and manufacturing processes or wanting to forge new supply chain partnerships. This comes on top of the LEP's existing investment in pioneering regional projects including the Cancer Immunology Centre, Fareham Innovation Centre, the Solent Test Bed Facility and the Future Technology Centre.

Solent LEP is also making sure the wider services it offers high-growth companies is easily accessed. A new Enterprise Solent publication showcases achievement and themed sessions help scaleups with innovation, intellectual property and exports.

Venturefest South, launched in March, brings together innovators, entrepreneurs and investors to showcase innovation, pitch for finance and shape business growth. Solent LEP is a founding partner of the programme which saw an attendance of over 500 at its first event. Wider advice comes through Solent's three senior navigators along with a dedicated adviser for scaleups.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. They are looking to develop their business through local leadership courses, access to non-exec directors, peer to peer networks and local universities and business schools.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK

Access to markets and customers internationally

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes

**+** **WHAT'S NEXT/FUTURE PLANS:** Z21, a new LEP-backed programme, will enable web-related research projects and early stage commercial initiatives that can be accelerated towards commercialisation. An Enhanced Growth Accelerator programme will give 500 scaleups access to tailored services. This new level of service will be offered in partnership with Hampshire Chamber of Commerce.

These are programmes offered by the LEP and do not represent all the programmes offered to scaleups in the local area. These have not been evaluated or endorsed by the ScaleUp Institute for their impact and effectiveness. Data utilised at the top of this page is taken from the IDBR 2015. The confidentiality of all data held on the IDBR is protected by the National Statistics Code of Practice and associated Protocols and by specific legislation. In accordance with these requirements, data presented is rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used.



Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

1,795

NO. BY EMPLOYEE  
GROWTH

655

NO. BY TURNOVER  
GROWTH

1,450

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

310

TOTAL EMPLOYEES

161,431

TOTAL TURNOVER

£17.9bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



OTHER BUILT  
ENVIRONMENT AND  
INFRASTRUCTURE



BUILDERS



CIVIL  
ENGINEERING  
SERVICES



DISTRIBUTION

## TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

### MOTORLINE

Sells new and used cars.

### BVG GROUP

A manufacturer and retailer of clothing, sport supplements, fishing equipment and homeware, available via various channels.

### SRC AGGREGATES

Offers construction services such as concrete mixing, operates a number of quarries and reservoirs and supplies building materials.

### PUREPRINT

Provides digital and lithographic printing and packaging services.

### JOSEPH GALLAGHER LTD

Provides civil engineering services, specialising in tunnel building.

## TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

### COOPER ESTATES

Operates a property investment and development company.

### WILLERBY LANDSCAPES

Operates a landscaping contractors, providing a range of services including irrigation, land maintenance and the construction of living walls, working within the commercial and residential sectors.

### MILLWOOD DESIGNER HOMES

Provides design and construction services for properties.

### JOHN F HUNT

Operates a group of companies providing construction-related services such as demolition, rail infrastructure works and asbestos removal.

### EGL HOMECARE

Manufactures a variety of wholesale scourers, sponges and cleaning cloths.

## LOCAL LEP SCALEUP PROGRAMMES

Research shows a marked regional variation in the numbers and types of potential scaleup businesses in South East LEP's area. To meet the needs of these different sectors and clusters, three regional sub-hubs – Business Essex Southend and Thurrock (BEST), Business East Sussex (BES) and the Kent and Medway Business Hub – will deliver targeted action.

One common theme is the number of companies currently sitting just below the scaleup definition. The key driver of action is helping these companies step up into scaleup territory. Targeted scaleup advice is offered to companies across sectors and sub-regions. BES offers specialist face-to-face engagement through its Locate East Sussex programme, and an additional BEST adviser will offer bespoke provision to scaleup companies in Essex following an account management model.

A new Ashford-based pilot programme aims to create a 15 percent increase in gross added value as well as creating new jobs. It will also expose key barriers to and incentives for growth. This will extend across the region once the pilot is complete. A BEST series of pilot workshops for scaleups will be evaluated and extended. Other programmes will link up with existing projects such as the Manufacturing Growth Programme, Growth Places Fund and Knowledge Transfer Partnerships.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent and to UK markets are equal barriers to growth. These businesses are more interested in access to local leadership courses and Growth Hubs and less interested in external expertise via non-exec directors or peer to peer networks.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS



ACCESS TO  
MARKETS



INFRASTRUCTURE

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers in the UK

Access to infrastructure/ premises and broadband

## WANT TO SEE MORE OF:

- General business support from local or national Government
- British Business Bank involvement
- Local universities and business schools seen as vital



**WHAT'S NEXT/FUTURE PLANS:** A combination of LEP-wide and tailored local activity is in the pipeline. This includes the new South East Business Boost offering 30 percent grants along with ongoing advice, as well as the extension of a number of key pilot projects. Other action will help scaleups access finance and services offered by partner organisations including local authorities, central government and investment bodies. New networking opportunities will also be tailored to the needs of specific areas. In Essex, for example, BEST is advancing plans for a 'growth club' to share best practice and learning.

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# SOUTH EAST MIDLANDS LEP



Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

850



NO. BY EMPLOYEE  
GROWTH

355



NO. BY TURNOVER  
GROWTH

685



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

190



TOTAL EMPLOYEES

102,747



TOTAL TURNOVER

£9.5bn

## KEY SECTORS



RECRUITMENT AGENCIES  
AND PERSONAL SUPPLY  
SERVICES



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



MANUFACTURING  
AND ENGINEERING



AUTOMOTIVE

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### THE DELGARTH MOTOR GROUP

Operates a car dealership supplying new and used cars from specific brands.

#### HYBRID AIR VEHICLES

Has designed and manufactures a hybrid aircraft, which is a cross between lighter than air technologies, as used in airships, and heavier than air technologies, as used in aeroplanes.

#### CHARGEMASTER

Provides a comprehensive range of electric vehicle charging points that have been developed to accommodate new technological advances.

#### ID MEDICAL

Offers recruitment services to public and private medical organisations.

#### EUROPA COMPONENTS

Manufactures and supplies distributors with a variety of electrical components, specialising in fuses, switchgear, and industrial plugs and sockets.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### HYBRID AIR VEHICLES

See previous description.

#### THE DELGARTH MOTOR GROUP

See previous description.

#### COMLINE AUTO PARTS

Distributes a large range of vehicle parts to the automotive sector and specialises in Japanese and Korean car brands.

#### ID MEDICAL

See previous description.

#### FEVORE GROUP

Encompasses a group of independently run companies, primarily in the automotive sector: ICR Leasing, SalesMaster, Landar, Rival Insurance Services, G Ryder & Co, Richter Sport, Denbigh Land and Murph Varley.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

South East Midlands LEP's (SEMLEP) research programme with scaleups reveals three common traits: a skilled and ambitious management team, detailed knowledge of their markets and strong financial acumen. The research also highlights specific needs.

Meeting these needs is the driving force of SEMLEP's scaleup strategy. Scaleups need services tailored to the particular challenges they face, and real value is attached to help from companies and individuals who have already been through the scaleup process.

SEMLEP runs Networking breakfasts with businesses looking to scale with businesses who have been through Goldman Sachs 10,000 Small Businesses UK and Cranfield Business Growth Programme. They have facilitated networking with the London Stock Exchange to support this too. Other Events include Panel Interviews with networking opportunities afterwards to connect local actors in the ecosystem, such as the Midlands Engine Investment Fund, with scaling businesses.

Scaleups also want new programmes to complement existing provision for key areas, such as:

- Overcoming barriers to accessing talent and skills, and finance.
- Better signposting to finance and investment sources, writing applications, and raising the profile of investing to scale.
- Accessing incubator and accelerator programmes across the region, with many businesses unaware of their eligibility for programmes available.

SEMLEP is focused on meeting these needs through their scaleup provision.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. Businesses in this area are keen to access non-exec directors alongside peer networks and local leadership courses, but do not see a need for support from larger corporates or local public sector bodies. Nor do they see local or national government as vital/very helpful but they would welcome better access to procurement contracts.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK

Access to larger corporates in supply chains

## WANT TO SEE MORE OF:

- More from Growth Hubs
- Better access to procurement contracts



**WHAT'S NEXT/FUTURE PLANS:** SEMLEP will develop a scaleup profile to help identify potential high-growth companies and its network of advisers will receive dedicated scaleup training. It will also create a new scaleup focus group to better understand the needs of scaleups as they overcome barriers to growth. This programme of work will shape the development new scaleup services. Close monitoring and evaluation will assess its penetration and impact.

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# STOKE-ON-TRENT AND STAFFORDSHIRE LEP

Data provided by ONS



TOTAL NO. OF SCALEUPS

460



NO. BY EMPLOYEE GROWTH

175



NO. BY TURNOVER GROWTH

385



NO. BY EMPLOYEE AND TURNOVER GROWTH

100



TOTAL EMPLOYEES

43,292



TOTAL TURNOVER

£3.9bn

## KEY SECTORS



BUILDING MATERIALS



DISTRIBUTION



GARAGES



OTHER CLEANTECH



OTHER SUPPLY CHAIN

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### PDM

Grows a range of lettuce and baby leaf produce.

#### A.P. WEBB PLANT HIRE

Supplies the construction and rail industries with a variety of plant machinery and trucks on a rental basis.

#### THORP PRECAST

Manufactures and erects architectural cladding and precast concrete parts such as walls and beams.

#### WELLS FARM DAIRY

Supplies milk and other dairy products as well as eggs, bread, and juices to retailers, wholesalers, and food processors.

#### BRI-STOR SYSTEMS

Manufactures van storage systems and provides van conversion services.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### BIOCOMPOSITES

Biocomposites develops technology that can be used to repair and rebuild bone and soft tissue.

#### BRI-STOR SYSTEMS

See previous description.

#### A.P. WEBB PLANT HIRE

See previous description.

#### FGD

Supplies the construction and civil engineering industries with a variety of quarried aggregates, sand and gravel, and provides contaminated waste disposal services.

#### FRIELS

Operates a property development and groundworks company specialising in residential properties.

## LOCAL LEP SCALEUP PROGRAMMES

Scaleup services are delivered through a strong, well-established partnership network, ensuring a range of services and experience is available to high-growth companies. The network includes the city and county councils, Make it Stoke on Trent & Staffordshire, Staffordshire Chambers of Commerce and the Staffordshire Skills Partnership. Jointly, partners offer a high-level wraparound service to scaleups.

A high-level Partnership Group and Enterprise Round Table facilitate intelligence sharing and important networking opportunities for businesses and regulators.

Work is underway to look at how market trends, business planning, ownership structure and succession planning impact companies' capacity for growth.

The Hub streamlines its approach according to each company's growth status, current position and ambition. The top 100 growth businesses across the region have a dedicated account manager and activity is monitored through an investment and development database.

A further 250 businesses with demonstrable growth potential are targeted by advisers following an account management model. Each receives a Business Assessment Report and ongoing access to services. Visits to companies involve established partners, minimising disruption to business and allowing for maximum intelligence and information sharing.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauhurst

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. These businesses are looking for wide range of support, from local and regional government through LEPs and Growth Hubs, to local leadership schemes and universities, or more directly from peer to peer networks.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS



ACCESS TO MARKETS



LEADERSHIP

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers in the UK

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Local leadership development programmes
- Significant emphasis on the desire to see more Peer to Peer networks



**WHAT'S NEXT/FUTURE PLANS:** Further development of our scaleup programme to ensure a growing number of scaleups receive the services.

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# SWINDON AND WILTSHIRE LEP



TOTAL NO. OF SCALEUPS

310

NO. BY EMPLOYEE GROWTH

115

NO. BY TURNOVER GROWTH

255

NO. BY EMPLOYEE AND TURNOVER GROWTH

60

TOTAL EMPLOYEES

25,628

TOTAL TURNOVER

£4.7bn

Data provided by ONS

## KEY SECTORS



OTHER BUILT ENVIRONMENT AND INFRASTRUCTURE



HOUSEHOLD GOODS



E-COMMERCE



CAR SHOWROOMS



BUILDERS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### TONIC CONSTRUCTION

Provides civil engineering and groundwork services to both the private and public sector.

#### NEPTUNE

Sells furniture and homeware, focussing on the use of natural materials.

#### BATH ASU

Provides manufacturing services for pharmaceutical products. Service include deployment of clinical trials, batch manufacturing and patient-specific manufacturing.

#### JB GLOBAL

Operates an ecommerce retailer, specialising in products for the home.

#### BLUE MAX BANNER

Retails school uniforms online.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### BATH ASU

See previous description.

#### VYSIION

A provider of communications infrastructure and IT support services for businesses, schools and government.

#### OUTSOURCE UK

Outsource UK provides recruitment services to a range of industries such as engineering and banking.

#### ADVANCED PLASMA POWER

Develops technology and systems for the generation of fuel gases from municipal waste and commercial/ industrial waste.

#### TONIC CONSTRUCTION

See previous description.

Data powered by Beauhurst

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## LOCAL LEP SCALEUP PROGRAMMES

Swindon and Wiltshire LEP has identified that scaleup businesses are an important cohort in developing the local economy and growing GVA. Its approach has been to signpost and refer businesses to scaleup programmes run by Inspire, one of the local Chambers of Commerce organisations.

Inspire has put peer to peer networking and a strong focus on scaleup account managers at the centre of its approach. There are two new interlinked networks for business: those already scaling (Inspire Elite) and those who aspire to scaleup (Inspire Elevate). Key elements of the programme are quarterly meetings for peer to peer knowledge sharing and learning. These meetings also help businesses collaborate, share experiences, pursue joint ventures, find efficiencies and build expertise.

Each participating business has a dedicated and experienced commercial Account Manager who conducts a detailed 'fact find' on the business, works with them to build a robust growth strategy and 3 – 5 year plan and provides introductions to relevant experts and programmes for growth from both the private and public sectors. Specific programmes include leadership development, access to finance and markets plus skills development.

Scaleups also have the direct relationship with a senior Partnership Director with experience in building partnerships in the corporate sector and who has been an owner manager of a scaling business. The role of Partnership Directors is to seek out and build strong partnerships with all stakeholders in the region and beyond to connect the Scaleup to expertise and opportunity.

All sectors are represented but there is a particular focus on manufacturing, engineering, digital and business services. In the 10 months to September 2017 135 businesses had been recruited to the two programmes.

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. These businesses are looking to develop through peer to peer networks and support from local or national government, including local public sector bodies such as LEPs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS



ACCESS TO MARKETS



ACCESS TO FINANCE

Access to the talent you can hire who can do the jobs you have available

Access to markets and customers in the UK

Access to the right bank finance for the business (including debt finance, bank loans, credit cards, overdrafts)

## WANT TO SEE MORE OF:

- General business support from local or national Government
- Peer to peer networks seen as vital
- Strong desire for Local and Regional Government engagement



**WHAT'S NEXT/FUTURE PLANS:** To grow the cohort to around 250 in Swindon and Wiltshire.

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# TEES VALLEY LEP



TOTAL NO.  
OF SCALEUPS

240



NO. BY EMPLOYEE  
GROWTH

100



NO. BY TURNOVER  
GROWTH

190



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

50



TOTAL EMPLOYEES

14,547



TOTAL TURNOVER

£3bn

Data provided  
by ONS

## KEY SECTORS



MANUFACTURING  
AND ENGINEERING



MACHINERY



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



WASTE  
MANAGEMENT  
SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### MANDALE GROUP

Builds houses.

#### WYNYARD HALL

Operates a hotel which includes a spa, gardens and dining facilities.

#### MAGNUM PACKAGING

Supplies a range of packaging products for takeaway food outlets including bags, wrapping, and containers.

#### CAMERONS BREWERY

Brewery operators.

#### DEEPPDALE SOLUTIONS

Offers design services and manufactures aluminium and glass products for the building envelope, the building's outer shell that remains dry.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### MANDALE GROUP

See previous description.

#### WYNYARD HALL

See previous description.

#### SUBSEA INNOVATION

Subsea Innovation provides subsea equipment to the Oil & Gas industry, including pipeline repair systems.

#### THE FEEL GOOD GROUP

The Feel Good Group operates a number of tanning facilities and also offers a rental service for tanning technology.

#### ALEXANDERS MOTOR GROUP

Operates a number of car dealerships which sell new and used vehicles and offer maintenance and repair services.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Low numbers of scaleup companies in the Tees Valley means work has focused on helping companies whose growth has plateaued get back onto a growth trajectory.

Tees Valley Unlimited's approach centres on overcoming barriers to growth, both for existing scaleups and companies with growth potential.

Tees Valley Business Compass has expanded its network of advisers from three to 10 in 2017/18 and is launching a grant programme. This helps companies with vital areas including capital investment in energy efficiency, enhanced broadband and access to innovation and other specialist areas.

Advisers at Tees Valley Business Compass works with 366 companies across the region. This has led to 81 potential grant applications for growth projects.

Tees Valley is working with Teesside University on a new programme for scaleups through the Leading Places Phase 2 pilot. Leading Places is an innovative leadership development programme, bringing together councils, universities, and institutions to develop collaborative responses to local challenges.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

As well as access to talent, access to UK markets is key for these businesses and they are more likely to want access to larger corporates in the supply chain. They are open to a wide range of support, from non-exec directors and peer to peer networks, to general support from local and regional government through LEPs, Growth Hubs etc.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers in the UK



LEADERSHIP

Access to larger corporates in supply chains

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- General business support from local or national Government
- Public sector funding for innovation and R&D
- Peer to peer networks
- Local and Regional Government e.g. LEPS, Growth Hubs, city councils

## + WHAT'S NEXT/FUTURE PLANS: Look out for our new programme for scaleups in 2018.

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# THAMES VALLEY BERKSHIRE LEP

Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

570



NO. BY EMPLOYEE  
GROWTH

215



NO. BY TURNOVER  
GROWTH

465



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

110



TOTAL EMPLOYEES

89,883



TOTAL TURNOVER

£14.7bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



DISTRIBUTION



IT CONSULTANCY  
SERVICES



BUSINESS AND  
PROFESSIONAL  
SERVICES



SOFTWARE-AS-A-  
SERVICE

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### REDSTOR

Develops an online data management platform on which businesses are able to securely backup and organise their data in an online archive, with additional off-site storage locations for more secure data protection.

#### READYPOWER

Provides plant and equipment hire to companies in the construction and railway industries.

#### PRETTY GREEN

Operates a number of clothing shops and an online store selling mens clothing, influenced by street culture.

#### SUMMERLEAZE

Produces sand and gravel aggregates for the construction industry, and wood pellets for heating and bedding. They also produce energy and fertiliser from biodegradable waste via their subsidiary company Anadigestion, and are developing sustainable homes at their Spencers Farm site.

#### KBIS BRITISH EQUESTRIAN INSURANCE

Provides equestrian related insurance covering a range of aspects such as injury to animal, personal accidents, and equestrian property insurance.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### JCK

Provides a range of building services such as airport installation, workforce personnel supply, IT system installation, and mechanical and electrical system building.

#### ARCHWAY SERVICES

Provides scaffolding and temporary access services on a contractual base.

#### N2O

Provides experiential marketing services to clients, a form of marketing which focusses on using activities and events to engage consumers directly in the client's product and brand.

#### REDSTOR

See previous description.

#### BDZ HOLDINGS

Operates a holdings company for a wide range of companies such as Haldey's Hairdressing, Phoenix Sporting Goods, and Hogan Music.

## LOCAL LEP SCALEUP PROGRAMMES

Thames Valley Berkshire (TVB) LEP's Businesses in Berkshire Report identifies three key barriers to growth in Berkshire: access to skills, investment, and property. Tackling these barriers is the key driver of their scaleup strategy.

A partnership with Oxford Innovation delivers a programme to scaleup companies over four years. This includes the GROW@GreenPark co-working hub, targeted one-to-one engagements delivered by TVB's Business Champions and masterclasses on range of demand-led topics.

A large area of flexible space at Thames Valley Science Park will create a new community of innovation and technology led companies and is forecast to deliver up to 5,000 jobs. TVB LEP's award-winning Escalator offers non-traditional finance to high-growth-potential scaleups. It has created or safeguarded 476 jobs, leveraged £16m of private equity and invested in 49 scaleups. The Escalator offers new and potential high-growth companies the Expansion Loan Scheme, specifically designed to help businesses scale up and accelerate growth.

The LEP also leads the work of the seven South East England LEPs with BEIS and the British Business Bank on the South East Seed legacy funds.

Analysis shows scaleups and potential scaleups in the Thames Valley are most likely to operate in the IT, manufacturing or wholesale and retail sectors and are mainly small or micro businesses. TVB Growth Hub has worked with more than 360 businesses, providing skills training for 141 business leaders and leveraging £3.66m debt and equity investment into client companies. It has helped create 177 new positions and safeguard a further 43 jobs.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

Data powered by Beauchrist

## SCALEUP VIEWS:

Access to talent, including being able to recruit people with experience of growing a business, and to international markets are key barriers to growth. Businesses in this area are looking for more access to Growth Hubs, Innovate UK, Catapults or local leadership courses, but are less likely to see government, whether local or national, as key.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers internationally

Access to markets and customers in the UK

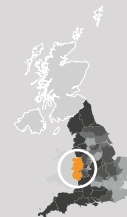
## WANT TO SEE MORE OF:

- Growth Hubs providing vital services
- Innovate UK engagement would be welcomed
- Catapults recognised as useful service providers



**WHAT'S NEXT/FUTURE PLANS:** TVB will be adding to its existing networking options for high-growth companies. Working with Henley Business School it plans a new specialist Scale-Up Mentoring due for launch in 2018.

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# THE MARCHES LEP

Data provided by ONS



TOTAL NO. OF SCALEUPS

300



NO. BY EMPLOYEE GROWTH

100



NO. BY TURNOVER GROWTH

240



NO. BY EMPLOYEE AND TURNOVER GROWTH

40



TOTAL EMPLOYEES

23,151



TOTAL TURNOVER

£3.7bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



FOOD AND DRINK PROCESSORS



BUILDERS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### NORTHGATE HEALTHCARE

Operates a number of care homes, providing residential care for the elderly.

#### ARTHURS CARS

Sells new and used cars and offers maintenance services.

#### CONNOP & SON

Provides excavation and groundworks services and specialises in laying concrete floors and paving.

#### THOMAS PANELS AND PROFILES

Manufactures steel frame building components for the industrial, agricultural and commercial sectors.

#### CENTRAL ROOFING

Specialises in the construction of flat roofs and also provides refurbishment and maintenance services.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### EUROPEAN AVIATION

Operates a group of 5 companies that specialise in aircraft manufacturing, maintenance, pilot training and aircraft operations.

#### NATURAL SELECTION FOODS

Natural Selection Foods produces and sells a variety of fruit, seed and nut snacks.

#### NORTHGATE HEALTHCARE

See previous description.

#### ARTHURS CARS

See previous description.

#### CENTRAL ROOFING

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Priority sectors for Marches LEP cover advanced manufacturing and engineering, agri food packaging and agri tech, defence and cyber security and their emerging environmental technology sector. Each distinct sector will have its own, streamlined package of engagement.

Business and economic advisers offer a business mentoring service and signpost scaleups to further specialist advice. A new adviser with a specialist scaleup role will offer further provision.

Sector-led networking is a key element of the Marches approach. A scaleup pilot group aimed at the Food and Drink Manufacturing sector is collaboratively delivered by Telford & Wrekin Hub along with Enterprise Telford, University of Wolverhampton and Harper Adams University. It provides a vital forum to share best practice, learn about new sector-specific innovations and technology and collaborate in research and product development projects.

Findings from this pilot will be evaluated ahead of the programme being rolled out to each of the other key sectors.

A new #GetGrowing campaign will bring together a suite of services for scaleups. The campaign's success is evidenced by case studies and video bites highlighting help available through the growth hubs, and showcases examples of companies expanding into new markets and exports.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth but these businesses are more likely than others to cite access to international markets and leadership development as barriers. They are looking for a wide range of support from public sector bodies either through LEPs or with funding for R&D and innovation as well as locally from universities and business schools, leadership development programmes and from peer to peer networks.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO MARKETS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local universities and business schools eg access to their talent, facilities and R&D
- Peer to peer networks
- Local leadership development programmes
- Public sector funding for innovation and R&D



**WHAT'S NEXT/FUTURE PLANS:** The Marches growth hubs have a comprehensive calendar of events aimed at scaleups in place. These cover priority sectors across the region.

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# WEST OF ENGLAND LEP



Data provided  
by ONS

TOTAL NO.  
OF SCALEUPS

635

NO. BY EMPLOYEE  
GROWTH

255

NO. BY TURNOVER  
GROWTH

520

NO. BY EMPLOYEE AND  
TURNOVER GROWTH

140

TOTAL EMPLOYEES

84,162

TOTAL TURNOVER

£9.8bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



BUILDERS



BUSINESS AND  
PROFESSIONAL  
SERVICES

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### NISBETS

Operates a group of physical stores that sells catering and hospitality products, with an additional e-commerce website also available.

#### TERCON

Provides specialist groundwork and civil engineering services.

#### HYDROCK

Offers engineering consultancy services.

#### SHINER

Distributes skateboards from a variety of brands.

#### YATE SUPPLIES

Sells a range of tableware, cookware, furniture and cleaning products to corporate customers.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### SHINER

See previous description.

#### HYDROCK

See previous description.

#### ASHWICKE HALL SCHOOL

Operates a mixed sex secondary school for day students and boarders.

#### BRIGHTPEARL

Provides a multi-platform cloud-based technology that gives small companies a single, centralised system for managing their business, which means there is no need to re-enter information across multiple different systems. The system includes CRM, accounting, e-commerce, inventory management and other services.

#### TERCON

See previous description.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Engine Shed – a high tech business hub – has brought together Business West, the University of Bristol with West of England LEP to create and co-fund its scaleup Enabler programme. This aims to boost the broader businesses ecosystem by catalysing initiatives to foster growth.

It has adopted a three-stage strategy: Know, Invigorate, and Inspire. The Know phase involves identifying the scaleup community and understanding the challenges it faces. It will also involve mapping all scaleup-focused assets, from financial tools to events and networks.

Invigorate identifies gaps in existing provision. It also facilitates and encourages the creation of new initiatives for high-growth business. The final stage inspires new action and better engagement and leadership across the region. This includes briefing events, scaleup focused networking events and forums for intelligence sharing.

Other universities in the region also champion scaleups, with University of the West of England preparing to lead a dedicated ERDF funded scaleup programme. Many of the West of England's existing services also actively work with scaleups.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth and these businesses are more likely to be looking for external support through mentors, non-exec directors or a peer network. They are also looking to develop the business through public sector funding for R&D and innovation and access to Growth Hubs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers internationally

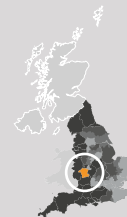
Access to markets and customers in the UK

## WANT TO SEE MORE OF:

- Peer to peer networks seen as vital
- Public sector funding for innovation and R&D
- Growth Hubs providing vital services

**+** **WHAT'S NEXT/FUTURE PLANS:** An ecosystem map will help scaleup businesses access services. This will also highlight gaps in existing provision. These insights will shape Engine Shed's response and future solutions. New offerings will be focused towards financial, office space and leadership development in line with the challenges faced by the region's scaleups. The launch of Engine Shed 2 will offer more physical space for businesses and projects that are part of the high-growth agenda.

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# WORCESTERSHIRE LEP



TOTAL NO.  
OF SCALEUPS

270



NO. BY EMPLOYEE  
GROWTH

110



NO. BY TURNOVER  
GROWTH

220



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

60



TOTAL EMPLOYEES

17,741



TOTAL TURNOVER

£2.1bn

Data provided  
by ONS

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



DISTRIBUTION



MANUFACTURING  
AND ENGINEERING

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### CHARLES FARAM

Distributes the inputs for brewers such as hops and yeast.

#### LIONCOURT HOMES

Develops homes.

#### LEXON

Operates a distribution business of licensed pharmaceuticals within the UK.

#### AGGORA GROUP

Aggora Projects, designs and builds kitchens for the commercial catering and retail industries. Aggora Technical, provides repair services for catering equipment.

#### LIAISON

Provides permanent and temporary staff, VAT and financial management services to the NHS.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### PRIME

Prime offers property management, design and development services to the healthcare industry.

#### ZENITH

Provides construction services and specialises in the refurbishment of commercial buildings such as hotels.

#### REDSPEED INTERNATIONAL

Designs, manufactures and installs traffic enforcement cameras, and maintains these cameras once in place.

#### LIAISON

See previous description.

#### BENNIMAN

Provides construction and fit-out services to the commercial, retail, industrial and primary care sectors.

Data powered by Beauhurst

## LOCAL LEP SCALEUP PROGRAMMES

Worcestershire LEP is directing engagement with Scale-up businesses across its region, bringing together key partners from the County Council, Inward Investment and the Department for International Trade. This work is informed by data sets identifying strategically important sectors along with Scaleup and pre-scaleup companies. Both show a real diversity in the sectors covered by the scaleup business population in the county.

Incrementum – Worcestershire's scale Up Business Programme – targets businesses starting out on their growth journey. This tailored course gives these companies the tools and focus necessary to develop and implement scale-up plans. Designed to complement the Worcestershire Business Accelerator that gives potential high-growth businesses access to grants and one-to-one engagements, Incrementum serves as a stepping stone to Goldman Sachs 10,000 Small Businesses UK.

Interest in the Worcestershire Business Accelerator, launched in April, has been strong. While grants are available through the programme, evidence suggests that most interest lies in the one-to-one coaching, online forums and peer to peer networking opportunities it offers.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to international markets is a key barrier. These businesses are keen on local support, whether from public sector support via LEPs and Growth hubs, local universities and business schools or local leadership programmes, but less likely to be looking for better access to procurement contracts.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



ACCESS TO  
MARKETS

Access to markets and customers internationally



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Peer to peer networks seen as vital
- DIT (Department of International Trade) opportunities
- Local leadership development programmes strongly desired
- Local universities and business schools engagement seen as vital



**WHAT'S NEXT/FUTURE PLANS:** Creating a thriving environment for scaleups is central to the regional Strategic Economic Plan. Additional partnership projects aimed at scaleups as well as improving access to data to enable the LEP to target scaleups effectively.

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# YORK, NORTH YORKSHIRE AND EAST RIDING LEP



Data provided  
by ONS



TOTAL NO.  
OF SCALEUPS

540



NO. BY EMPLOYEE  
GROWTH

220



NO. BY TURNOVER  
GROWTH

430



NO. BY EMPLOYEE AND  
TURNOVER GROWTH

110



TOTAL EMPLOYEES

41,430



TOTAL TURNOVER

£6.4bn

## KEY SECTORS



PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION



FOOD AND DRINK  
PROCESSORS



BUILDERS

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### KELKAY

Manufactures, sells, and distributes range of garden landscaping products, including water features, paving, benches, and artificial grass.

#### YORKARE HOMES

Operates a number of care homes that provide live in care services for the elderly and those with dementia, and feature a range of entertainment facilities including gyms, salons and bowling greens.

#### J ROTHERHAM

Operates a stone masonry business, creating a range of stone and marble pieces such as worktops, fireplaces and flooring.

#### CONTRACT NATURAL GAS

A commercial gas supplier.

#### MOTOR DEPOT

Operates a number of car supermarkets throughout the UK, which sell a variety of used cars and vans.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### GALE AND PHILLIPSON

Gale and Phillipson provides financial planning and wealth management services to both corporate and personal clients.

#### HARRISON

Harrison operates a land and property development company, working across a range of sectors.

#### CAMBRIDGEHOK

CambridgeHOK designs and builds glasshouses for industrial use.

#### YSIS

YSIS designs, manufactures and installs a variety of building cladding and roofing.

#### J ROTHERHAM

See previous description.

Data powered by Beaucharts

## LOCAL LEP SCALEUP PROGRAMMES

York, North Yorkshire and East Riding LEP aims to equip scaleup companies in the region with easily accessible high-quality end-to-end services.

Provision for a high number of potential high-growth companies is targeted at four key sectors:

- Food and drink
- Construction
- Professional services
- Manufacturing

Research shows that for these companies to engage with the LEPs services it must be streamlined, trusted and have a single point of contact. A key component of the LEP's strategy ensuring future provision delivers this.

The LEP sees the Growth Hub as the first point of contact and ongoing relationship manager for scaleups. This approach delivers a number of tangible benefits and gives high-growth businesses the streamlined, accessible service they want.

Other benefits include more effective data control and analysis, more effective referrals, ensuring a consistent level of service from all providers and consistent end-to-end account management.

## FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## SCALEUP VIEWS:

Access to talent is a key barrier to growth, as is access to international markets. They are likely to see the value in recruiting people into the business with experience of scaling a business or of working in a larger business, rather than using mentors or peer to peer networks. They do though value local support from accountants, LEPs and Growth Hubs.

Analysis by BDRC Continental from the Scaleup Survey 2017

## TOP 3 BARRIERS TO GROWTH:



TALENT AND  
SKILLS

Access to the talent you can hire who can do the jobs you have available



ACCESS TO  
MARKETS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

## WANT TO SEE MORE OF:

- Local and Regional Government e.g. LEPS, Growth Hubs, city councils
- Peer to peer networks
- Local professional services eg accountants and lawyers



**WHAT'S NEXT/FUTURE PLANS:** Intensive account management for scaleups will sit alongside new peer to peer events and programmes tackling key barriers to growth. The new streamlined service will be piloted in early 2018, alongside further work to identify and target scaleups and put the right service infrastructure in place.

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# SCOTLAND (ABERDEEN, TAYSIDE, HIGHLANDS AND ISLANDS, EAST OF SCOTLAND, WEST OF SCOTLAND, SOUTH OF SCOTLAND)

Data provided by ONS



TOTAL NO. OF SCALEUPS

2,290



NO. BY EMPLOYEE GROWTH

830



NO. BY TURNOVER GROWTH

1,865



NO. BY EMPLOYEE AND TURNOVER GROWTH

405



TOTAL EMPLOYEES

165,946



TOTAL TURNOVER

£29.4bn

## KEY SECTORS



PROPERTY/LAND DEVELOPMENT AND CONSTRUCTION



FOOD AND DRINK PROCESSORS



MANUFACTURING AND ENGINEERING

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

**PERTSHIRE CARAVANS**  
Buys, sells, and hires caravans and motorhomes.

**INNIS & GUNN**  
Brewery operators.

**THE SIGNATURE PUB GROUP**  
Operates a number of pubs.

**WILSON DESIGN SOURCE SUPPLY**  
Provides design, sourcing, and manufacturing services to clothing brands.

**CLAYMORE HOMES**  
Designs and builds residential properties.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

**NOVABIOTICS**  
Develops antimicrobial therapeutics.

**NOBLE GROSSART**  
Offers banking and financial advisory services to commercial clients.

**QUAYLE MUNRO**  
Provides advisory services on mergers and acquisitions.

**BREWDOG**  
Produces its own beer and operates a number of bars.

**FLEMING BUILDINGS**  
Offers a range of construction services, specialising in timber frame buildings.

Data powered by Beauhurst

### FOR FURTHER INFORMATION:

To see a complete list of visible scaleups, Scaleup Champions and Ambassadors visit us at [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)

## THE SCOTTISH SCALEUP AGENDA

The Scottish Government's Programme for growth and recent Enterprise and Skills Review is a call to both public and private sectors to stimulate more businesses to realise their growth ambitions and scale up. The Government recognises this as a way to create significant economic growth, jobs and wealth across Scotland.

Scaleups are extremely important to Scotland's economy as they have disproportionate economic impact. Entrepreneurial Scotland is using its convening power to facilitate the Scotland CAN DO Scale movement to bring about cultural change. In addition, Scottish Enterprise (SE) has delivered a differentiated approach to account management since 2014 and specifically delivers support to scaleups as part of that service. SE directly delivers a variety of services and programmes through a comprehensive account management service that provides strategic engagement and access to a wide range of specialists, products and services to over 2,000 companies.

The newly launched Start2Scale brings together this support providing an end-to-end service for scaleups. Businesses receive support to access talent, infrastructure and investment as well as opportunities to develop their leadership capacity and develop new international markets. SE provide this directly and through collaboration with private partners. SE's one-to-one services is underpinned by access to themed networking events, master classes, coaching programmes and tailored learning journeys. These are delivered in a way that encourages peer to peer support with the sharing of challenges, experiences and learning. Themes include access to talent, infrastructure, finance and developing leadership capacity.

- SE's Start2Scale service currently works with 180 companies but has ambition to grow this to 250 during 2018
- Between June 2014 and March 2017 SE's portfolio of scaling companies (£10m+) has grown from 17-60
- 120 companies are currently in the scaling pipeline
- Companies with turnover of £10m+ have combined turnover totalling £1.9bn and have grown sales by circa £300m in the last 2 years.

## SCALEUP VIEWS:

Access to talent is a key barrier to growth. These businesses are keen to develop peer to peer networks and have better access to local universities and business schools and local leadership programmes. They would like better access to public sector funding for R&D and innovation, and to general business support, as well as access to DIT for their international ambitions.

Analysis by BDRC Continental from the Scaleup Survey 2017

### TOP 3 BARRIERS TO GROWTH:



ACCESS TO MARKETS

Access to the talent you can hire who can do the jobs you have available



TALENT AND SKILLS

Access to markets and customers internationally



LEADERSHIP

Leadership development: training and developing the people you have

### MORE CHALLENGED BY:

- Peer to peer networks seen as vital
- Local leadership development programmes seen as vital
- Public sector funding for innovation and R&D
- General business support from local or national Government




**WHAT'S NEXT/FUTURE PLANS:** SE has an ambition to increase the portfolio of the Start2Scale service from 180 to 250 and specifically grow the number of scaling companies from 60 to 100 within two years. Work will continue to develop the service so that the customer journey is integrated and seamless. Scotland CAN DO Scale is working on widening the involvement of stakeholders in the movement to include banks and the advisory community and developing a communication plan that will boost engagement and raise the profile of scaleup companies.

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Data provided  
by ONS

  
TOTAL NO.  
OF SCALEUPS

**1,195**

  
NO. BY EMPLOYEE  
GROWTH

**435**

  
NO. BY TURNOVER  
GROWTH

**965**

  
NO. BY EMPLOYEE AND  
TURNOVER GROWTH

**205**

  
TOTAL EMPLOYEES

**102,818**

  
TOTAL TURNOVER

**£12.7bn**

## KEY SECTORS

  
PROPERTY/LAND  
DEVELOPMENT AND  
CONSTRUCTION

  
MANUFACTURING  
AND ENGINEERING

  
CIVIL  
ENGINEERING  
SERVICES

  
DISTRIBUTION

  
FOOD AND DRINK  
PROCESSORS

## TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

### NEW ADVENTURE TRAVEL

Provides coach hire as well as organising accommodation and other forms of transport for corporate travel and tourism.

### CAPESTONE

Operates a free-range poultry farm specialising in chicken and turkey.

### THE TRADE CENTRE WALES

Operates a number of car dealership 'superstores' that sell used cars.

### GAP PERSONNEL

Provides temporary, permanent and contractual recruitment services to the industrial sector and clients include waste management, logistics and manufacturing companies.

### JENNINGS BUILDING AND CIVIL ENGINEERING

Provides construction, civil engineering, groundwork, and rock armour services.

## TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

### METAL INNOVATIONS

Manufactures mining and tunnelling machinery for lease and sale.

### TBD (OWEN HOLLAND)

Manufactures and supplies ground support equipment for aircraft.

### WYNNE CONSTRUCTION

Operates a construction company which works in the health, education and leisure sectors.

### CARPENTER & PATERSON LTD

Designs and manufactures pipe suspension equipment for a number of industries, such as Oil and Gas, Power Generation and Petrochemical, among others.

### ASHWOOD DESIGNS

Manufactures sofas in a range of designs.

## FOR FURTHER INFORMATION:

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Data powered by Beauhurst



**WHAT'S NEXT/FUTURE PLANS:** ScaleUp Institute are looking forward to engaging with Wales on their developing Scaleup Agenda.



# NORTHERN IRELAND



TOTAL NO. OF SCALEUPS

750



NO. BY EMPLOYEE GROWTH

265



NO. BY TURNOVER GROWTH

610



NO. BY EMPLOYEE AND TURNOVER GROWTH

125



TOTAL EMPLOYEES

61,300



TOTAL TURNOVER

£7.7bn

Data provided by ONS

## KEY SECTORS



CONSTRUCTION AND MATERIALS HANDLING



FINANCIAL, BUSINESS AND PROFESSIONAL SERVICES



ADVANCED MANUFACTURING, MATERIALS AND ENGINEERING



LIFE AND HEALTH SCIENCES



AGRI-FOOD

Data provided by INI

### TOP 5 VISIBLE SCALEUPS BY EMPLOYEE GROWTH

#### W&R BARNETT

Owens a group of trading, storage, agribusiness, and industrial companies.

#### CLIVE RICHARDSON

Constructs and manages a variety of outdoor environments, including sports pitches, golf courses and equestrian arenas.

#### STEPPING STONES NI

Operates several social enterprise projects that employ and train adults with learning difficulties, including a group of coffee shops and a picture framing business.

#### BUDGET ENERGY

An electricity provider.

#### NEWELL STORES

Operates a chain of fresh food stores with a delicatessen, butchery, greengrocers, and bakery.

### TOP 5 VISIBLE SCALEUPS BY TURNOVER GROWTH

#### GLASGIVEN CONTRACTS

Provides construction services.

#### STOTHERS (M&E)

Provides mechanical and electrical engineering services to a range of organisations, including Tesco & the NHS.

#### ROAD TRUCKS

Sells new and used trucks and offers accident repair and driver services.

#### TYRONE FABRICATION

Manufactures steel equipment enclosures for the transportation, communications, and power supply sectors.

#### MAC-INTERIORS

Offers construction, interior fit-out and refurbishment services, specialising in commercial interiors.

Data powered by Beauhurst

## FOR FURTHER INFORMATION:

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## THE NORTHERN IRISH SCALING AGENDA

As the regional business development agency for Northern Ireland, Invest NI's role is to grow the local economy by helping new and existing businesses to compete internationally, and by attracting new investment to Northern Ireland. Over the last 5 years it has delivered 23,000 growth projects promoting over 42,000 jobs.

INI operates an account management system for growth businesses, delivering a tailored engagement strategy.

Customers receive a bespoke sectoral service, led by a dedicated resource in each of their growth sector teams to drive sector development, supply chain opportunities and clustering support and align them with investment, export, and innovation and skills support.

INI is embarking on an open innovation transformation, seeking to shift the way innovation happens from an in-house approach to a collaborative innovation approach between businesses themselves. This will require a continuous cycle of knowledge generation and exchange, which will be supported with key partners such as Matrix, Catalyst Inc., regional universities and colleges and Innovate UK.

A key focus is on increasing Northern Ireland's export capabilities and account management is used to deliver a global trade programme that specifically targets markets of interest to growth businesses. In priority international markets, INI is raising awareness of Northern Ireland's companies' capabilities, establishing key partnerships and helping them secure new business.

Invest Northern Ireland also works with scaling companies offering a world class leadership programme and programmes for those companies with ambition to scale.

## ACHIEVEMENTS 2011-2016

23,000

PROJECTS

42,488

JOBS PROMOTED

34,700

JOBS CREATED

£589m

R&D INVESTMENT

£17.5bn

EXPORTS

£3.9bn

INVESTMENT

£173m

SKILL INVESTMENT

87

NEW INVESTORS



**WHAT'S NEXT/FUTURE PLANS:** Invest Northern Ireland plans to work with other UK regions on their scaleup programmes, sharing their experiences, learning from examples of best practice, thought leadership, and drawing on expertise from all corners of the UK. Invest NI plans to increase its focus and resources on High Potential Start-Ups, Pre-Scaling and Scaling companies and treble the number of companies on its Pre-Scaling programme and double the number on its Scaling Programme. This will provide the pipeline of large companies of the future.

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The background features a series of overlapping rectangular blocks in various shades of blue and teal, creating a sense of depth. At the bottom, a row of seven light blue bars of increasing height is outlined with a thick orange border, resembling a bar chart. The text is positioned in the upper left quadrant.

# ANNEX 2

THE SCALEUP INSTITUTE

# OUR VISION

The ScaleUp Institute is a private sector-led, not-for-profit organisation focused on collaborating with policy makers, corporates, finance players, educators and Government at a local and national level. Our mission is to help the UK to become the best place in the world to grow a business as well as start one, and enable our existing high-growth businesses to scale up even further.

If the UK is to capitalise on its long history as a trading nation and the vibrant entrepreneurial spirit which has seen an explosion in vitality over the past five years, it now needs to focus determinedly on how it 'leans in' to support its growing firms to scale.

The UK's future economic prosperity and social wellbeing are critically dependent upon our being a world-leading environment in which companies thrive once they have been started, enabling opportunity for reach and scale and contributing positive impact for generations to come.

Scaleups exist across the country and across all sectors. Evidence shows these businesses are also highly productive and international. Increasing the number of firms reaching scale has the potential to deliver hundreds of thousands of additional jobs and billions to the local economy, driving forward productivity in every community.

We believe that making the UK a fertile ground for developing scaleups across localities, industries and supply chains is fundamental to achieving both immediate and long-term UK economic value.

We aim to advance understanding of how to scale up a business, and how to build the most effective environment in which

scaleups can flourish. We undertake research, thought leadership and targeted projects with partners. We spread best practice, providing opportunities for scaleup companies across industry sectors and regions to meet and share ideas.

Our mission is to ensure that the UK is the best place in the world to grow a business into a large business, thereby becoming an exemplar of what is possible when a society embeds understanding and collaborates at all levels.

Our network is at the heart of our support. Through our wide variety of activities, our economic development programme, and our policy committees and research agenda, we enable cross-sections of private and public sectors and local, national and international ecosystems to work and learn from each other. We thereby develop and assess initiatives to close the scaleup gap and provide solutions to the leaders of our scaling businesses.

## OUR WORK

- We **act** as a catalyst, bringing together national, local, business and public sector players to map and develop both a national and local ecosystem for scaleups.
- We undertake detailed **analysis** of the scaleup landscape across the UK, providing detailed evidence of how scaleups are developing at a national and local level.
- We **support** the development of local scaleup ecosystems through training programmes and engagement with Local Enterprise Partnerships (LEPs), Growth Hubs, business schools and universities up and down the UK.
- We **publish** reports that have set the agenda for current thinking on growth and productivity across Government and the business community.
- We **develop** policy proposals based upon rigorous evidence to evolve the business landscape so that the UK can become the best place to grow a business.
- We **convene** experts from across the business community and academia, policymakers and decision makers to kick-start new thinking and deliver concrete improvements for fast-growing business firms, including the launch of our Annual Review.

## OUR COMMITTEES

Committees provide direction and expertise to our work.

- **DATA REVIEW AND EVIDENCE GATHERING** – to assist public and private organisations to identify, target and evaluate support to scale-up companies.
- **BUILDING LEADERSHIP CAPABILITIES AND CAPACITY** – to support leadership capability and transformation in scale-up companies.
- **TALENT AND SKILLS COMMITTEE** – to improve the ecosystem so scaleups can find employees to hire who have the skills they need.
- **ACCESS TO MARKETS (INTERNATIONALISATION, CORPORATE PROCUREMENT, EXPORTS AND INFRASTRUCTURE)** – to facilitate and ease international knowledge and expansion, local supply chains and domestic procurement; and to enable navigation and infrastructure development necessary for scaling businesses.
- **FINANCE AND RISK CAPITAL** – to enable further understanding of, and access to, the right growth finance combination.

You can find out more by visiting <http://www.scaleupinstitute.org.uk/about/#ourvision>

## BOARD OF DIRECTORS

The Directors of the Scaleup Institute are drawn from all constituent part of the ecosystem. They meet quarterly in

order to ensure that the ScaleUp Institute delivers on our mandate to increase the number of scaleups in the UK relative to other nations.

NAME	COMMITTEE
Sherry Coutu CBE	Chair of Board and Evidence Committee
Irene Graham, CEO	The Board & Thematic committees
Thomas Hoegh	Evidence
Reid Hoffman	Nomination
Charlotte Keenan	Leadership Development
Martha Lane Fox	Evidence
Luca Peyrano	Finance
Tamara Rajah	Evidence
Jon Rhodes	Access to Markets
Sancho Simmonds	Finance, Audit and Risk
Jon Steinberg	Talent and Skills
Professor Peter Tufano	Evidence

## AMBASSADORS

The Scaleup Institute Ambassadors have been helping us since 2014 in a range of ways and from a variety of locations around the world. All are scaleup experts in their

own right. We keep them informed of updates in scaleup policy and research as well as involving them in our activities around the country. All of our Committee members are also Ambassadors for the ScaleUp Institute.

NAME	TITLE	ORGANISATION
Tudor Aw	Partner	Technology Sector Head, KPMG Europe, LLP
Lord Karan Bilimoria CBE	Chairman & Entrepreneur	Cobra Beer Partnership Ltd; UK India Business Council
Mike Blackburn OBE	North West Regional Director	BT
Chris Blundell	Partner	Brunswick
Jon Bradford	Managing Director	TechStars
Rowena Burns	CEO	Manchester Science Partnerships
Edward Bussey	Founding Director	Centre for Science and Policy
Claire Cockerton	Chairman	Pivotal Innovations
Louise Conolly-Smith	Senior Key Account Manager – North America	London and Partners
Janet Coyle	Principal Adviser; Non-Executive Director	London & Partners; Rocketseed
Julian David	CEO	TechUK
Jacqueline de Rojas	President; Chair; Non-Executive Director	TechUK; Digital Leaders; Rightmove
Gi Fernando	Serial Entrepreneur	Entrepreneur
Nick Giles	Co-Founder	Seven Hills Group
Daniel Glazer	Partner	Wilson Sonsini Goodrich & Rosati
Chris Haley	Head of New Technology & Startup Research	Nesta
Michael Hayman	Co-Founder	Seven Hills Group
Davor Hebel	Partner	Fidelity Growth Partners
Brent Hoberman	Executive Chairman	Founders Factory
Paul Hofheinz	President and Co-Founder	The Lisbon Council asbl
Adam Jackson	Director of Public Affairs, Policy & Insight	Grant Thornton UK LLP
Clare Johnston	CEO & Founder	The Up Group
Elizabeth Kanter	Director Government Relations and Public Policy	Cabinet Office
Sandy Kennedy	CEO	Entrepreneurial Scotland
Shalini Khemka	CEO	E2Exchange
James Klein	Partner, Corporate Team	Penningtons Manches
Bethany Koby	Co-Founder & CEO	Technology Will Save Us
James Layfield	CEO	Central Working
Alastair Lukies	Founding Partner, Origination	Motive Partners
Mike Lynch	Founder	Invoke Capital
Stephen Maher	CEO	MBA
Ruth McKernan	CEO	Innovate UK
Frank Meehan	Cofounder and general partner	parklabs Global Ventures
Caroline Norbury	CEO	Creative England
Kathryn Parsons	Cofounder and co-CEO	Decoded
Russ Shaw	Founder	Tech London Advocates
Jeremy Silver	CEO	Digital Catapult Centre
Jenny Tooth	CEO	UKBAA

# OUR COMMITTEES

The ScaleUp Institute operates five thematic committees that each meet quarterly to provide assessment and direction on the key needs and policy issues affecting scaleup businesses.

This includes research, analysis and thought leadership as well as reviews of programmes that support scaleup businesses, in order to develop appropriate case studies and learnings.

## EVIDENCE COMMITTEE

NAME	TITLE	ORGANISATION
Tera Allas	Visiting Fellow	McKinsey Global Institute
Sherry Coutu CBE	Chair	ScaleUp Institute
Thomas Hoegh	Investor, Entrepreneur and Co-Founder	Arts Alliance
Reid Hoffman	Co-Founder; Partner	LinkedIn; Greylock
Professor Daniel Isenberg	Professor of Entrepreneurship Practice	Babson Executive and Enterprise Education
Martha Lane Fox	Businesswoman, philanthropist and public servant	doteveryone
Professor Henry Overman	Professor and Director	London School of Economics
Tamara Rajah	Founder & CEO	Live Better With
Professor Peter Tufano	Dean & Professor of Finance	Saïd Business School, Oxford University
Dr. Cathy Garner	Trustee; NED; Advisory Board member	Centre for Ageing Better Castle Rock Edinvar Housing Association Centre for Health Research and Development Standing Selection and Monitoring Committees of the National Centres of Excellence of Canada
Anne Glover	CEO	Castle Rock Edinvar Housing Association

## TALENT AND SKILLS COMMITTEE

NAME	TITLE	ORGANISATION
Sherry Coutu	Chair	ScaleUp Institute
Dr David Docherty	CEO	National Centre for Universities and Business
Ian Fordham	Co-Founder	The Education Foundation
Ty Goddard	Co-founder; Chair	The Education Foundation; Edtech UK
Lesley Giles	Director	Work Foundation
Claudia Harris	CEO	Careers Enterprise Company
Lee Hopley	Chief Economist	EEF
Charlotte Keenan	Executive Director	Goldman Sachs
Kirstie Mackey	Director of Citizenship	Consumer Affairs & LifeSkills Barclays
Jon Steinberg	Public Policy and Government Relations Manager	Google

## LEADERSHIP COMMITTEE

NAME	TITLE	ORGANISATION
Professor Mark Hart	Professor of Small Business and Entrepreneurship	Aston Business School
Charlotte Keenan	Executive Director	Goldman Sachs
Anne Kiem	CEO	Chartered ABS
John Morris	Partner	Smith & Williamson
Stephen Pegge	Group External Relations Director	Lloyds Banking Group
Claire Ruskin	CEO	Cambridge Network
Dominic Schofield	Senior Client Partner	Korn Ferry
Professor Eleanor Shaw	Professor of Entrepreneurship and Head of the Hunter Centre for Entrepreneurship	University of Strathclyde
Jon Steinberg	Public Policy and Government Relations Manager	Google
Sarah Underwood	Director and Associate Professor of Enterprise Centre for Enterprise and Entrepreneurship Studies	University of Leeds

## ACCESS TO MARKETS COMMITTEE

NAME	TITLE	ORGANISATION
Stephen Drew	Partner and Head of International Services	Smith & Williamson
Jean-Marc Frangos	Managing Director of External Innovation	BT
Chris Haley	Head of New Technology and Startup Research	Nesta
Richard Hill	Head of Manufacturing & Automotive Sector	Royal Bank of Scotland
Mark Ling	Managing Director	Santander UK
Rebecca McNeil	Chief Operating Officer	Business Banking Barclays UK
Lara Morgan	Founder	Companyshortcuts.com
Jon Rhodes	Director of External Affairs, Communications & Marketing	Business Growth Fund
Elizabeth Vega	Global CEO	Informed Solutions

## FINANCE AND RISK CAPITAL COMMITTEE

NAME	TITLE	ORGANISATION
Steve Bates	CEO	BioIndustry Association
Simon Calver	Partner at BGF Ventures : Chairman UKBAA, Gousto	BGF Ventures, UKBAA
Shiona Davies	Director	BDRC
Michael Higgins	Chairman of Ebiquity PLC. Non-Executive Director of the Quoted Companies Alliance	Quoted Companies Alliance
Keith Morgan	CEO	British Business Bank
Luca Peyrano	CEO	Elite
Richard Phelps	Managing Director of Senior Relationship Management	Barclays Investment Bank
Guy Rigby	Partner	Smith & Williamson
Sam Smith	CEO	finnCap
Marcus Stuttard	Head of AIM	London Stock Exchange
George Whitehead	Venture Partner Manager	Octopus

For more information on our Committees and the programmes that have significant impact on scaleups please refer to our website: [www.scaleupinstitute.org.uk](http://www.scaleupinstitute.org.uk)









## THE SCALEUP INSTITUTE

The ScaleUp Institute is a private sector-led, not-for-profit organisation focused on collaborating with policy makers, corporates, finance players, educators and government at a local and national level.

Our mission is to help the UK to become the best place in the world to grow a business as well as start one, and enable our existing high-growth businesses to scale up even further.



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