

# SCALEUPS GLOBAL AND INNOVATIVE

## Scaleups are the UK's Innovation and Exporting Champions.

Compared to their SME peers they are increasingly seeking to adopt new technologies, to invest in R&D and innovation to come up with new solutions, products and services, and to grow their global footprint through markets overseas.

Access to international markets is viewed by nearly half of all scaleups as a vital or very important factor in their future growth (43%). Seven in ten (65%) plan to export in the future, while almost 6 in 10 (57%) already export.

However more needs to be done to break down the barriers facing their ongoing growth: 8 in 10 highlight access to markets as a key factor that will support future growth with 4 in 10 seeking more support and funding for innovative activities.

## THEY ARE INNOVATIVE & INTERNATIONAL

**7 IN 10**   
have invested in  
innovation and R&D

**6 IN 10**   
export today



**50%**  
are engaged in  
trade with the EU

**46%**  
are engaged in trade  
outside the EU



**7 IN 10**   
plan to export in the future

**FUTURE GROWTH MARKETS INCLUDE:  
NORTH AMERICA; AUSTRALASIA; CHINA AND  
THE INDIAN SUBCONTINENT**



**8 IN 10**  
want better help  
accessing markets

Source: ScaleUp Institute Annual Scaleup Survey 2020

## INTERNATIONAL MARKETS

**NORTH AMERICA**  
**NOW: 35%**  
**FUTURE: 40%**

**THE EU**  
**NOW: 50%**  
**FUTURE: 43%**

**OTHER PARTS OF  
EUROPE OUTSIDE EU**  
**NOW: 26%**  
**FUTURE: 33%**

**MIDDLE EAST**  
**NOW: 17%**  
**FUTURE: 28%**

**OTHER PARTS OF  
ASIA**  
**NOW: 15%**  
**FUTURE: 28%**

The EU is a key market for scaleups but in the future they are looking to export to many other geographies seeing market opportunities in North America, the Rest of Europe and Australasia. They also have significant appetite to do more in emerging markets like the Indian Subcontinent; Latin America; and China.

**LATIN AMERICA**  
**NOW: 10%**  
**FUTURE: 24%**

**AFRICA**  
**NOW: 10%**  
**FUTURE: 20%**

**INDIAN  
SUBCONTINENT**  
**NOW: 9%**  
**FUTURE: 25%**

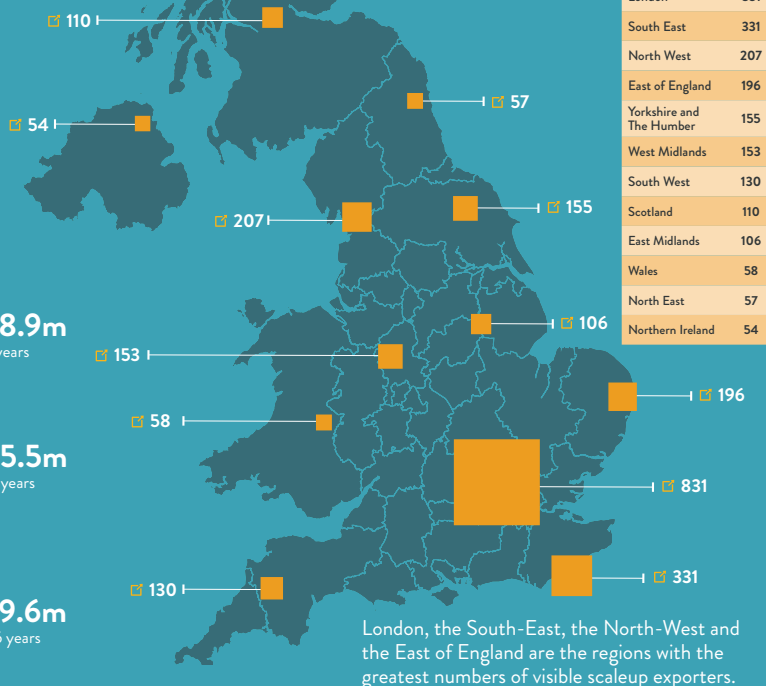
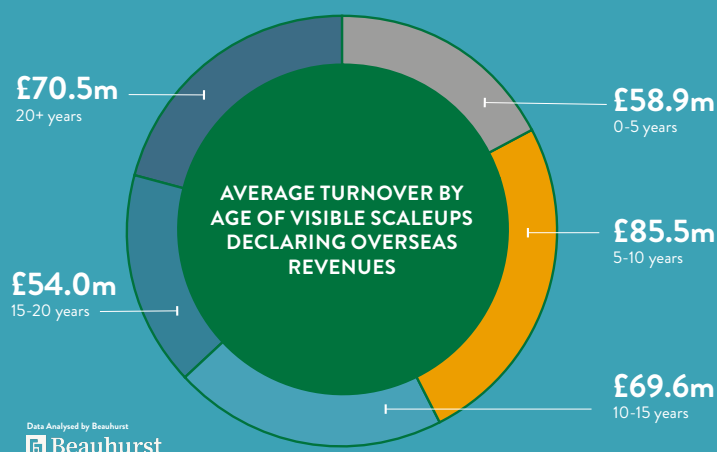
**CHINA**  
**NOW: 11%**  
**FUTURE: 24%**

**AUSTRALASIA**  
**NOW: 18%**  
**FUTURE: 32%**

Source: ScaleUp Institute Annual Scaleup Survey 2020

## OUR VISIBLE SCALEUP INDEX REINFORCES THE EXPORT DRIVE OF SCALING BUSINESSES

**OF THE 8,457 VISIBLE SCALEUPS IN OUR 2022 SCALEUP INDEX:** 2,388 visible scaleups have declared overseas turnover. They are generating over £156.9bn in annual turnover and employing over 695k people. In their last 5 annual financial statements they have been generating on average over £29bn yearly from exports.



## BARRIERS TO EXPORTING AND COLLABORATION

Three main barriers to further export growth identified by scaleups are:



## KEY SOURCES OF SUPPORT TO EXPORT

6 in 10 scaleups want a named single point of contact to act as a relationship manager for them (63%) with 3 in 10 of the exporter scaleups seeking a single point of contact with the Department for International Trade (DIT) to manage their needs at home and abroad (27%).

In addition key forms of support that scaleup want more availability of are:

better introductions to overseas buyers as support in helping them overcome these challenges (46%), greater information about and more tailoring of trade missions (43%); and support to access talent in overseas markets (25%).



**6 IN 10**

would like a named single point of contact as a relationship manager, with



**5 IN 10**

better introduction to overseas buyers



**4 IN 10**

more proactive information about and more tailoring of trade missions



**3 IN 10**

exporters seeking a single point of contact with the DIT

Source: ScaleUp Institute Annual Scaleup Survey 2020

## SCALEUPS ARE HIGHLY INNOVATIVE

Scaleups are focused on growth through innovation. 7 in 10 (72%) have invested in innovation and R&D. And they are investing heavily: of those reporting levels of this investment in their accounts annually and raising funds for R&D our 2022 Scaleup Index reveals 978 visible scaleups who have spent nearly £824m on R&D in their most recent financial year and who have raised a total of £13.1bn for R&D purposes.

## SCALEUPS ARE CONSTANTLY IMPROVING AND INVESTING:

**7 IN 10**   
scaleups have invested in areas linked to innovation

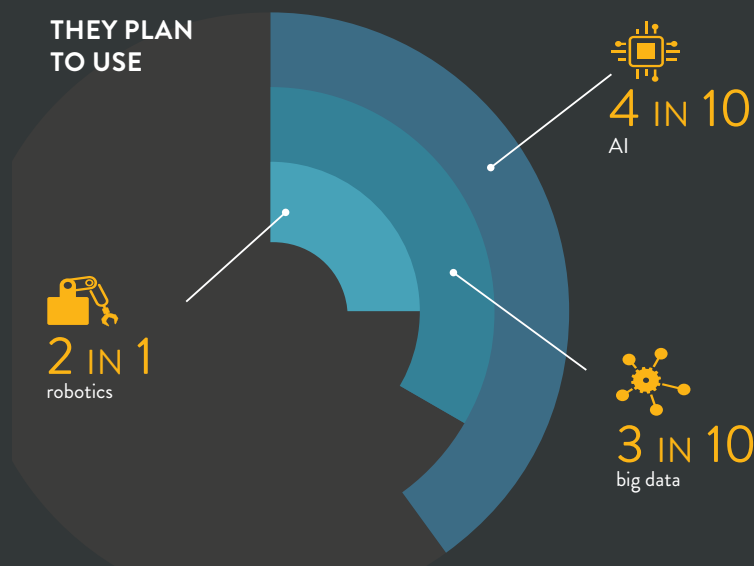
More than  
**7 IN 10**   
Scaleups have introduced a new or significantly improved product/process/service in the last 3 years.

**6 IN 10**   
introduced significantly improved forms of organisation, structures and processes.

## SCALEUPS ARE SIGNIFICANT ADOPTERS OF NEW TECHNOLOGIES AND PROCESSES

Already significant users of collaborative tools, 3 in 10 scaleups are currently using big data or AI as part of their day to day operations. In the future they plan to further exploit these technologies for growth even more with 4 in 10 expecting to use AI, 3 in 10 planning to use big data, and 2 in 10 dialling up the use of robotics (21%).

### THEY PLAN TO USE



## SCALEUPS VALUE AND WANT GREATER ACCESS TO PUBLIC SECTOR R&D SUPPORT AND INNOVATE UK



**7 IN 10** want easier and better access to Public sector support and funding for R&D and innovation, including support from Innovate UK and

A significant majority of scaleups (seven in ten) want access to public sector funding for innovation and R&D. Four in ten regarding the support of Innovate UK as vital or very important, while three in ten scaleups see local university engagement as vital to their future growth

Improving access to corporate R&D facilities and expertise and having better opportunities to sell to corporates is also a key ask for scaleups.

Maintaining access to innovation and R&D funding schemes provided by the EU, or replacing these with similar homegrown offerings, is seen as important to four in ten scaleup leaders. Such schemes often facilitate innovative longer-term projects.



**4 IN 10**  
want to have better opportunities to sell to large corporates



**4 IN 10** see maintaining access to EU R&D funding schemes such as Horizon Europe as vital - or as a minimum the replacement of these with homegrown offerings from such entities as Innovate UK.



**3 IN 10** want better support and access to R&D facilities from corporates and



**3 IN 10** see local university engagement vital to their future growth



**3 IN 10** want better access to government procurement opportunities



Sources: Beahurst, BVD, Coriolis Technologies

# SCALEUPS ARE ALSO INNOVATION POWERHOUSES AS EXEMPLIFIED BY OUR VISIBLE SCALEUP COMMUNITY

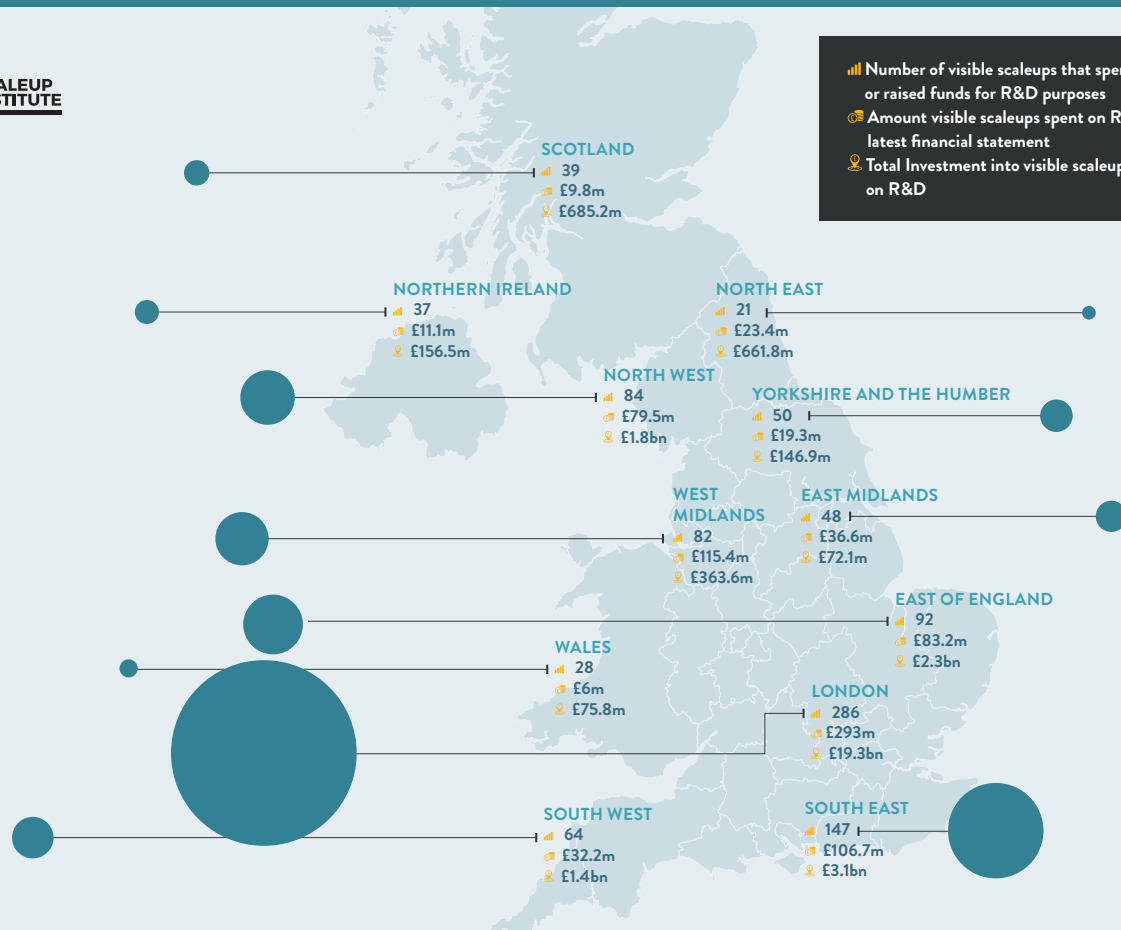
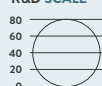
## THESE 978 VISIBLE SCALEUPS HAVE:



**OF THE 8,457 VISIBLE SCALEUPS IN OUR 2022 SCALEUP INDEX:** 978 visible scaleups have raised £13.1bn expressly for Research & Development purposes and have spent £823.6m on R&D in their most recent annual financial year.

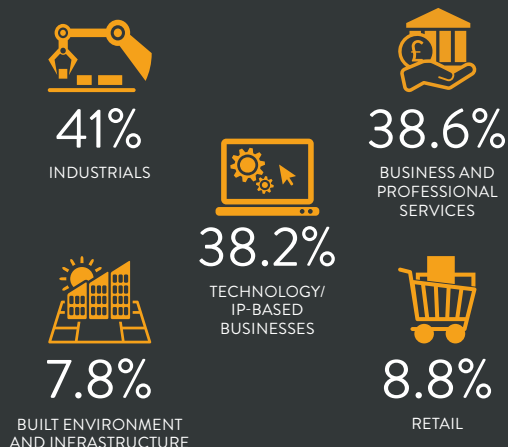


R&D SCALE



Source: Beauhurst

## THE TOP 5 SECTORS LEVERAGING R&D



## TOP FUNDERS BACKING THE VISIBLE SCALEUPS SPENDING ON R&D BY NUMBER OF FUNDRAISINGS

Top Funders			
BGF Growth Capital	30	Seeds	20
Parkwalk Opportunities EIS Fund	28	Crowdcube	19
IP Group	26	Notion Capital	19
Index Ventures	25	Octopus Ventures	17
Molten Ventures	23	Cambridge Innovation Capital (CIC)	16
Amadeus Capital Partners	21	Balderton Capital	15
Accel	20	Parkwalk UK Tech Fund	15

**SCALEUPS ARE OUR INNOVATION AND EXPORT POWERHOUSES BUT MORE NEEDS TO BE DONE TO UNLEASH THEIR FULL POTENTIAL AND SUPPORT THEIR FUTURE AMBITIONS**

**WE HAVE TO HARNESS THE ECOSYSTEM AND ALIGN RESOURCES TO ADDRESS OUR SCALEUP CHALLENGES ACROSS THE ECOSYSTEM**

**WE NEED TO:**



## EXPORT

Align greater export resources to scaleups, at home and abroad, including dedicated international programmes.



## PROCUREMENT

Simplify and increase scaleup access to public procurement and R&D collaboration.



## COLLABORATION

Improve corporate / scaleup collaboration.



## INNOVATION

Maintain and enhance access to r&d and innovation funding  
Leverage support from innovate uk including grants, loans and Innovate UK EDGE.



## SEGMENTATION & CHAMPIONSHIP

Segment Scaleups Locally & Nationally; including dedicated relationship managers for scaling businesses as part of a High Growth Team strategy. Deploy Local Scaleup Champions. Knowledge share. Scale up and coordinate interventions that work.

**WE HAVE TO HARNESS AND ALIGN RESOURCES TO ADDRESS OUR SCALEUP CHALLENGES**

SCALEUP ECOSYSTEM	ENTREPRENEURS	GOVERNMENT	EDUCATORS
	LARGE CORPORATES	MEDIA	INVESTORS
SUPPORT	TALENT	CUSTOMERS	INFRASTRUCTURE
	LEADERSHIP	FINANCE	

