

PRIMING THE UK'S ENGINE OF GROWTH:

A 10 POINT PLAN FOR SCALEUP GROWTH 'THE PRIMARY DIRECTIVES'



Scaleups are important and different: reinforcing the critical need for accurate segmentation and tailored policy, solutions and services for scaling firms in our public, private and education sectors.

Scaleups are the solution to our UK Plan for Growth and the businesses we should be championing.

ALIGN RESOURCES AND POLICIES TOWARDS SCALEUPS AT A NATIONAL AND LOCAL LEVEL

01

Use existing data to identify and support scaleup businesses at an early stage

The Government is a central Data repository and provider, and it is important to ensure that effective sharing of business data - such as that held within HMRC - can be drawn upon for the purpose of spotting our scaling businesses early and fast tracking them into the relevant Government and private sector support to drive UK economic growth.

02

Segmentation is key: recognising scaleups as a specific segment of the SME economy; making sure specific policies and initiatives are tailored to their needs

Scaleups have different needs from other small and medium-sized businesses, and this needs to be recognised in policies and support programmes at both national and local levels across the private and public sectors.

03

Build effective relationship management high growth teams and deploy local scaleup champion: making it easier for scaleups to access programmes and support

Relationship management structures are a key tool in the way that many private sector organisations oversee their client base, and we believe that this function should be developed within the broader scaleup ecosystem, including Government and educators, for the UK's scaleup business population. The deployment of local scaleup champions, across private and public sector, can also be an important part of this. To make this kind of structure effective, it must be built upon the latest available data (as noted in Recommendation 1).

04

Evolve scaleup clusters & hubs around the country. build on local scaleup identity and local sectoral strengths. align funding to targeted scaleup solutions

SUI research shows that hubs and clusters are a key element for local scaleup growth, alongside regionally available growth finance, and high quality talent. Effective hubs provide a focal point for the different elements scaleup businesses need curating access to investors, talent, mentors, peer networks, and helping to facilitate corporate engagement and procurement opportunities. Effective clusters will also better facilitate and attract finance to scaleup companies. The most successful hubs often utilise a Relationship Management structure to aid this process (see above). To encourage the development of these structures across the whole of the UK, SUI recommends that each local area should have a scaleup strategy and identity including detailed scaleup cluster maps based on currently available datasets - building upon previous work undertaken on Local Industrial Strategies and Strategic Economic Plans. To facilitate this SUI will work with Innovate UK and its partners and run Innovation and Economic Development scaleup growth courses in 2023. Funding structures evolve as the UK enters a new relationship with Europe; allocation of monies to impactful scaleup programmes should be maintained.

OPEN UP MARKET ACCESS FOR SCALEUPS AT HOME AND ABROAD

05

Target greater export resources to scaleups

Government should further embed its export strategy and continue to progress greater alignment and proportion of export focused resources toward scaleups. This should include building on the International Trade Advisor service - which is now in house - by connecting it to emerging relationship management teams (recommendation #3). We recommend a 'ScaleUp Desk' is created in all overseas embassies/innovation agencies to enable scaleups to access local market knowledge. This will help to ensure that export ready firms are given every opportunity to access new markets. Scaleup focused trade missions are also a key part of this and that all local scaleup strategies should include an export programme for scaling businesses, such as that developed by the Mayor's International Business Programme in London and the Global scaleup Programme in Manchester. The private sector - whether financiers or corporates - should include scaleup trade missions for their client base/supplier base.

06

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

The Public Sector should increase its buying and strategic partnerships with scaling companies, the US utilises this to great effect including in the early stages of R&D. Procurement champions within Government departments should be given clear objectives to increase buying and strategic partnership with scaleup companies, with clear KPIs. Procurement opportunities should be connected to Government account management teams (recommendation #3) looking after scaleup companies, Fast Tracking of scaleups through procurement processes and streamlining the process should be progressed. Better utilisation of the Small Business Research Initiative (SBRI) should be a priority to generate more scaleup specific 'meet the buyer' events working with local areas as part of this, as well as building upon the current work underway as regards Sandbox environments which should be deployed more broadly and at scale.

07

Improve the connection between scaleups and large corporates

Large companies should report on the level of collaboration and procurement they source from scaleup companies. Large corporations should learn from those that are exemplar collaborators; and consider further how they can engage more transparently with their scaleup supply chain, through peer to peer activity, and perhaps the creation of a 'Collaboration Charter'. Similarly, any procurement contracts that large companies have with Government should require an increase in the amount of business undertaken with scaleups as part of the contracting process; this should be monitored. A 'signpost' platform to facilitate corporate interaction with scaleups to boost awareness for opportunities should be developed individually and collectively to ensure scaleups clearly know the opportunities to bid on and how to engage.

08

Implement the scaleup visa effectively and ensure talent schemes align to scaleup needs, and strengthen connections between scaleups and educators

The 'Scaleup Visa' is a very welcome step forward which must be embedded and drawn upon as part of a connected programme to address talent needs for scaleups. To ensure that scaleup companies themselves are fully aware of how to access and make best use of this scheme, and also that it is well understood within the wider ecosystem. The Talent Pipeline Building a robust talent pipeline is vital to the long term growth prospects of the UK economy. Key to this is building better connectivity between scaleup companies and educators at a local level through internships; work placements; vocational training; apprenticeships and promotion of job opportunities. Scaleups highly value entrepreneurship education and how we create better connections between them and the education system. Continued focus is necessary to address the digital and tech skills shortages - there is good work being undertaken in this area but we must see the 'siloed' actions being more collaborative. The Digital Skills Council has a key role to play, alongside private sector initiatives The Local Skills Improvement Partnerships announced in the Levelling Up white paper and UK National Academy can form an important part of this. A 3rd party accreditation system, such as that used for music grades, should be rolled out for digital skills as part of a national campaign to create stronger awareness of the importance of digital skills in relation to all career path..

09

Enhance scaleup opportunities to engage in peer-to-peer networks, NEDs, and high quality leadership programmes

The public, private and education sector should continue to work together to close the gap on provision of high-quality flexible scaleup leadership programmes, including mentoring, peer networks and matchmaking of non-executive directors who have scaled businesses before. Better connections should also continue to be made between national programmes and local ecosystem leaders. SUI will continue its work in this area and with partners, will develop a NED scaleup hub in 2023.

UNLOCK GROWTH CAPITAL TO DRIVE GROWTH

10

Close the growth capital gap across the uk and increase knowledge in both scaleup and investment communities in every part of the country

The private and public sector should continue to address growth capital, scale, regional, diversity, knowledge and sectoral imbalances. Build on our strengths: create at scale solutions for the longer term and create permanency in institutions delivering impact such as the British Business Bank and Innovate UK with the flexibility to adjust to changing market needs. Government should continue to work with the private sector to accelerate the unlocking of Institutional (Pension and Insurance) Funds and Corporate Funding to address the widening growth capital gaps across the funding continuum and ecosystem from angel to IPO. The Private Sector should collaborate even further to create new and deeper scaleup capital pools and connectivity. Work should continue in the UK developing the funds for our emerging and future industries, and in ensuring our diverse scaleups access the funding they need, specifically through expansion of initiatives such as Invest In Women Code and sectoral initiatives such as in relation to Life Sciences, Net Zero and and Creative etc. The UK business Taxation system - notably EIS/SEIS/VCTs, Capital Allowances and R&D should be consistent and maintained with better awareness raising. Education of the investor, scaleup and advisory communities should continue.