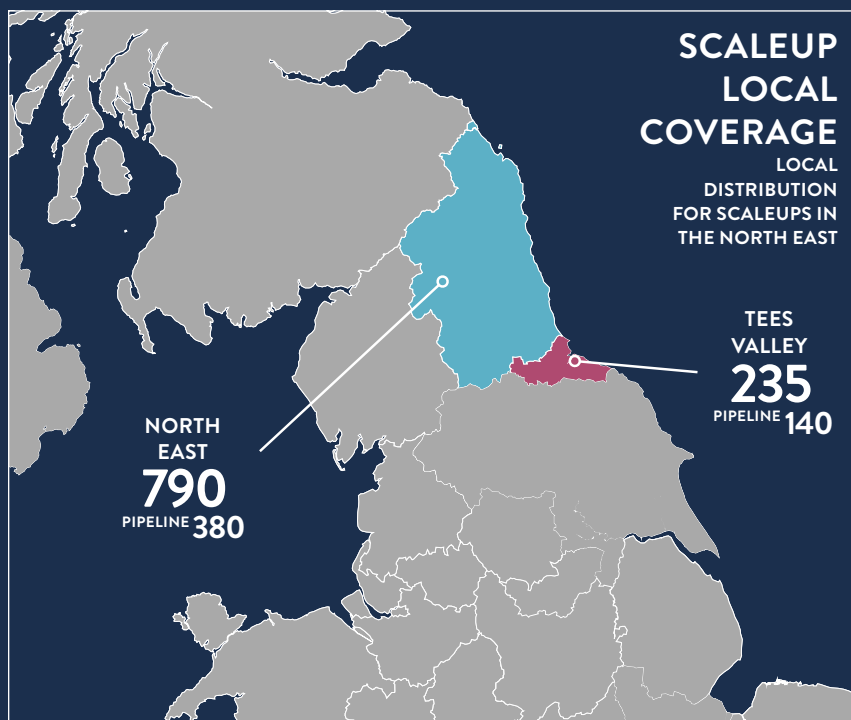


# SCALEUP INSTITUTE NORTH EAST SCALEUP INDEX



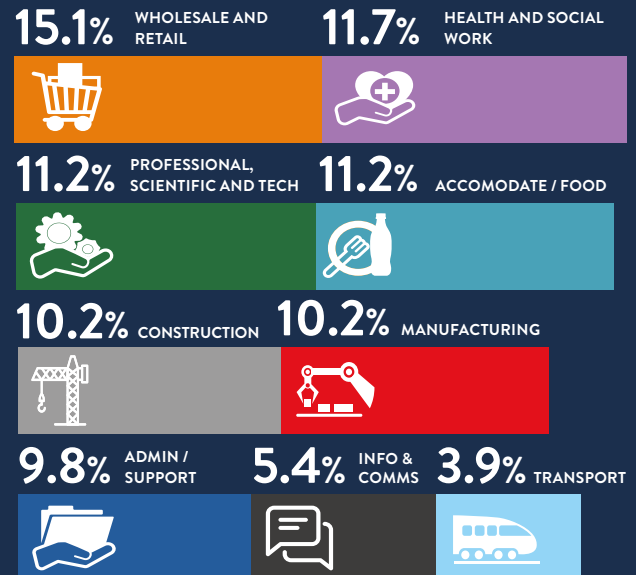
In 2024 the North East ScaleUp Index reflects 1,545 scaleup and scaling businesses generating £14.6bn for the North East Economy, and employing more than 118k people, with almost 300 having broken through £10.2m in turnover of £5.1m in assets to be 'visible', attaining £1.4bn in external investment. These companies are across all sectors with Wholesale and Retail the most significant sector followed by Health, Professional Science and Technology, and Accommodation and Food. Manufacturing and Industrial sectors make up a significant proportion of the visible scaleups with an emerging group operating in the 'Green Economy'. The biggest barriers highlighted by the North East ScaleUp CEOs to their further growth is Access to Talent; Markets, at home and abroad; and Funding. ScaleUp Britain wants to make sure we continue to address these challenges and Connect the North East ScaleUps to the Money, People and Markets they need to propel their global ambitions.

## NORTH EAST SCALEUPS OVERALL NUMBERS - ONS DATA



## OVERALL SECTORAL CLUSTERS ACCORDING TO ONS DATA

ACROSS THE NORTH EAST KEY SECTORAL CLUSTERS ARE WHOLESALE & RETAIL AND HEALTH/ SOCIAL WORK



Sources: ONS IDBR 2019-2022

## NORTH EAST VISIBLE SCALEUPS

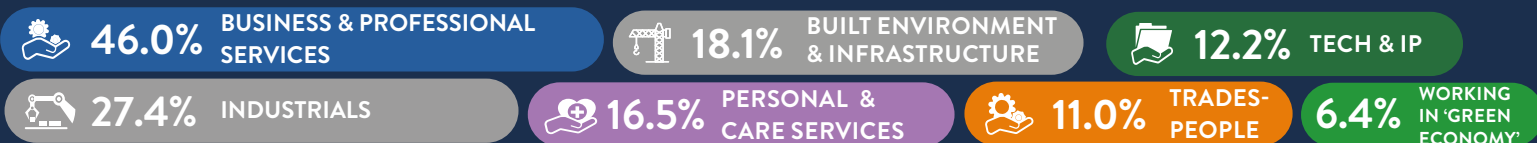
Based on Companies House data this shows the number of scaling businesses breaking through the £10.2m t/o; £5.1m assets and / or 50 employees barrier in 2023.



Innovate UK awarded 56 grants worth £17.3 million supporting their scaleup journey. 18 of these scaleups have raised a total equity investment of £192.3 million, a 11.1x multiplier of their grant funding.

## VISIBLE SCALEUP CLUSTERS GREATER THAN 10%

ACROSS THE NORTH EAST KEY SECTORAL CLUSTERS ARE BUSINESS AND PROFESSIONAL SERVICES, INDUSTRIALS AND BUILT ENVIRONMENT & INFRASTRUCTURE



# SCALEUP INSTITUTE NORTH EAST SCALEUP INDEX



## TOP FUNDERS WITH 2 OR MORE FUNDRAISINGS BY NUMBER OF FUNDRAISINGS FOR DEALS INTO VISIBLE SCALEUPS

BBVA	7	Finance for Business North East Growth Fund - NEL Fund Managers	3	Middleton Enterprises	2
Business Angel(s)	7	Lloyds Development Capital (LDC)	3	Growth Partner	2
Toscafund	7	NVM Private Equity	3	Infinity Investment Partners	2
Northstar Ventures	6	DN Capital	2	Maven Capital Partners UK LLP	2
Conviction Investment Partners (CIP)	5	Downing	2	Mithril	2
North East Angel Fund - Rivers Capital Partners	5	DSW Ventures	2	Polar Capital	2
BGF Growth Capital	4	Greycroft Partners	2	Tees Valley Catalyst Fund - FW Capital	2

## TOP ADVISORS BY NUMBER OF VISIBLE SCALEUPS ADVISED

WARD HADAWAY

WOMBLE BOND DICKINSON

WEIGHTMANS

RYECROFT GLENTON

GP BULLHOUND

DELOITTE

CAVU CORPORATE FINANCE

BOND DICKINSON

BERKERY NOYES & CO

ADJUVO

## BARRIERS TO GROWTH FOR NORTH EAST SCALEUPS

As identified the follow barriers to growth in the recent ScaleUp Institute survey of over 75 respondents scaleup CEOs located in the North East across all sectors, whose business generate £429m in turnover and employing 2,200 people.

### THE KEY CHALLENGES FOR FUTURE GROWTH HOLDING BACK SCALEUPS IN THE NORTH EAST:

Access to the talent you can hire

64%



Access to markets in the UK / internationally

64%



Access to the right debt / equity finance

37%



Access to infrastructure

37%



Leadership development

35%



## NORTH EAST SCALEUPS WANT MORE OF

RELATIONSHIP MANAGEMENT AND IDENTIFICATION



6 in 10 would like a single point of contact to act as a relationship manager for them. The North East scaleups are happy to be identified on a public record, with 5 in 10 stating this should be on an opt-in basis.

### LOCAL RESOURCES TO HELP THEM SCALE

Access to peer networks is the local external resource that scaleups in the North East are most keenly seeking.

4 in 10

3 in 10

Peer Networks

Universities

Mentors

Professional services

NEDs

### SCALEUPS WOULD LIKE EASIER LOCAL ACCESS TO:

6 in 10 Scaleups in the North East are looking for advice on funding your business as it grows / Introductions to potential investors

5 in 10

3 in 10

Flexible leadership programmes and programmes to access domestic markets

Tailored Growth Support

Support with R&D and innovation

Innovate UK

Devolved Enterprise Agencies

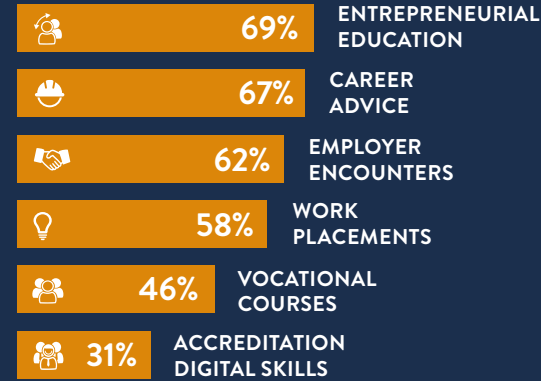
Source: ScaleUp Institute Annual Scaleup Survey 2021-2023

# SCALEUP INSTITUTE NORTH EAST SCALEUP INDEX



## THE TALENT, SKILLS AND LEADERSHIP PERSPECTIVE

The education system has a critical role to play not only in equipping young people with the skills they need for the future but also in guiding career choices and supporting scaleups develop the skills of their current workforce.



79%

NORTH EAST SCALEUPS OFFER APPRENTICESHIPS AND/OR INTERNSHIP OPPORTUNITIES TO YOUNG PEOPLE

### Board/senior management skills desired by North East scaleups

Sales / Business Development	61%
Strategy development	53%
Finance / Fundraising	42%
Brand building / marketing / communications	39%
Compliance/Risk Management	36%
HR / Talent / Culture Management	28%
Innovation / product development	17%

### KEY FUTURE SKILLS

MOST IMPORTANT SKILLS FOR THE FUTURE WORKFORCE

94%

PEOPLE MANAGEMENT

ADAPT TO NEW TECHNOLOGY

88%

COGNITIVE FLEXIBILITY

88%

RESILIENCE AND FLEXIBILITY

81%

EMOTIONAL INTELLIGENCE

81%

ACTIVE LEARNING

75%

SERVICE ORIENTATION / INITIATIVE

69%

CRITICAL / ANALYTICAL THINKING

68%

JUDGEMENT AND DECISION MAKING

63%

Using Maths and modern technologies - statistical analysis, modelling, AI, advanced coding, etc

75%

'MATHS TO 18' PLAN

How business funding, investment and venture capital works

63%

## THE MARKET PERSPECTIVE

### WE NEED TO BREAK DOWN BARRIERS TO EXPORTING



4 IN 10

CURRENTLY EXPORT



5 IN 10

LOOKING TO FUTURE EXPORT MARKETS

72%

PRIMARILY SELL TO OTHER BUSINESSES OR GOVERNMENT (B2B)



28%

SELL DIRECT TO CONSUMERS (B2C)



### KEY EXPORT MARKETS FOR SCALEUPS IN THE NORTH EAST

THE EU	39%
OTHER PARTS OF EUROPE OUTSIDE EU	27%
NORTH AMERICA	23%
MIDDLE EAST	17%
OTHER PARTS OF ASIA	16%
AUSTRALASIA	16%
LATIN AMERICA	12%
INDIAN SUBCONTINENT	12%
CHINA	12%
AFRICA	11%

Source: ScaleUp Institute Annual Scaleup Survey 2021-2023



# SCALEUP INSTITUTE NORTH EAST SCALEUP INDEX



## THE FINANCE PERSPECTIVE



### BARRIERS TO FINANCE

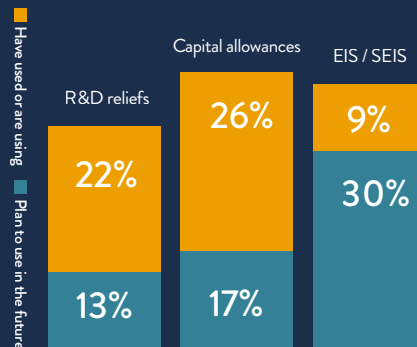
Investors often lack of understanding of our sector	75%
We are not sure what to do e.g. who to apply to/ask advise/ what to apply for	30%
We don't want to give up control of the business	22%
We do not think we would get the deal we want	22%
We have no security or collateral to offer to a finance provider	22%

**£15BN**

**UK GROWTH  
CAPITAL GAP**

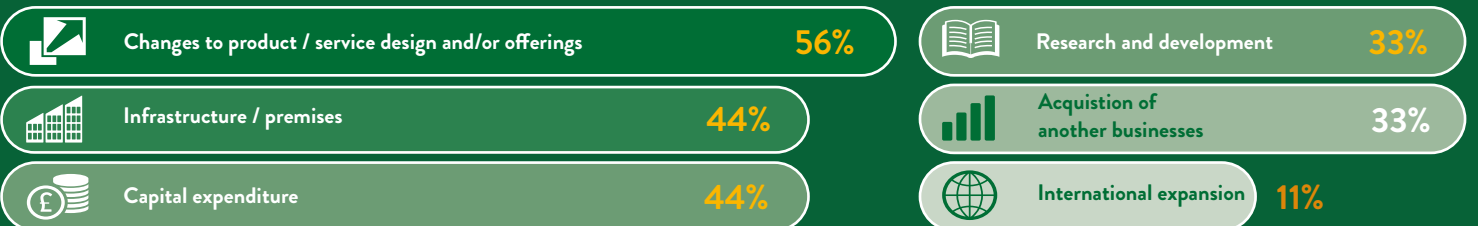
**NORTH EAST  
c£1.0BN**

### TAX SCHEMES



Increased awareness of such schemes	45%
Making schemes easier to understand/apply for	35%
Expanding the range of things we are able to claim for	30%
Commitment from Government to continue offering these schemes beyond current time periods	30%
Increasing value of any allowance we are able to claim for	15%
If it was recommended to me by someone I trust (e.g. accountant, lawyer, etc)	6%

### PLANS FOR INVESTMENT



### SCALEUPS ARE SEEKING SUPPORT TO ACCESS INVESTMENT

