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2035 INDUSTRIAL STRATEGY SECTOR SCALEUP INSIGHTS

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ACKNOWLEDGEMENTS

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Published by the ScaleUp Institute
41 Luke Street, Shoreditch, London, EC2A 4DP

Any enquiries relating to this publication or the work of the ScaleUp Institute should be sent to: info@scaleupinstitute.org.uk

www.scaleupinstitute.org.uk
@scaleupins

INTRODUCTION

This inaugural ScaleUp Institute 'Industrial Sector ScaleUp Economy' insights report is produced to aid the work of the current Government and private sector industry in the 2035 Industrial vision and the upcoming Spending Review.

It augments our Annual Review and undertakes a deep dive into the Government's identified priority industrial sectors from a scale up perspective, giving unique insights on scaleup clusters; investment; existing impact of current Government support mechanisms and the opportunities ahead, including insights from several hundred scaleup CEOs from across the country operating in these sectors and their current scaling challenges and needs. We hope it provides useful insights to all operating in the scaling economy and ecosystem.

INDUSTRIAL STRATEGY KEY INSIGHTS

- 56.7% of scaleups are operating within the Industrial Strategy sectors and account for 78.6% of scaleup turnover and 59.4% of scaleup employment.
- Scaleups in Advanced Manufacturing, Clean Energy and Life Sciences are less likely to be based in London and the South East. Perhaps unsurprisingly given London's status as a global financial hub the majority of scaleups in the Financial Services sector are based in the city or wider South East
- The average age of a visible scaleup in the Industrial Strategy sectors is 18.97 years; the median age is 15 years. One third of visible scaleups in Industrial Strategy sectors are over 20 years old, with these older businesses representing the greatest proportion in all but 3 sectors (Digital Technologies, Financial Services and Professional Services). Advanced Manufacturing and the Creative Industries have the highest numbers of older scaleups.
- 7% (417) of the scaling businesses in the Industrial Strategy sectors have at least one female founder. Of these 175 were solely female founded.
- 7% of visible scaleups across the Industrial Strategy sectors have received at least one Innovate UK grant. The use of IUK grants varies significantly between sectors, with fewer 5% of visible scaleups in financial and professional services achieving a grant award, however 28.3% of those in Lifesciences have received this funding from the UK's innovation agency, followed by 18.7% of clean energy scaleups and 13.3% in digital technologies.
    - ◊ 62% of Innovate UK grant recipients are based outside of London and the South East; 1 in 10 are based in the East of England.
- Of the £49bn investment raised by visible scaleups, the majority, £34.4bn (70%), has gone into digital & technology businesses and £24.8bn to those in financial services (50.6%) [NOTE: scaleups can operate in multiple sectors, for example Monzo which has raised £1.42bn is in both Financial Services and Digital & Technology]. The Digital & Technology and Financial Services sectors have the highest number of unicorns, 45 and 35 respectively.
- Strikingly across all sectors international investors are coming in early at seed and sometime angel stage to take an investment and in all cases by series B the majority of the investor base is international which rises in flow on capital from there on in reflecting both the proactive nature of these investors, their risk appetite and patient capital dynamics.
- The main investing countries in UK scaling businesses are US and EU member nations, China, Canada and Singapore. The principal investors by size of investment are US investors, Accel (£2.16bn), Digital Sky Technologies (£2.14bn), Insight Partners (£1.79bn), Tiger Global Management (£1.79bn), and Coatue Management (£1.54bn); with the Government of Singapore Investment Corporation (£2.11bn); Japan's Softbank Vision Fund (£2.06bn) and Canada's institutional pension fund investor CDPQ (£1.47bn).
- As regards UK investors - the most prolific investors into Industrial Strategy sector scaling businesses by number are BGF and Republic (formerly known as Seedrs) who have both participated in 95 deals to date and by size and in value HG Capital and Cambridge Innovation Capital participating in deals with a value of £1.63bn and £1.58bn respectively.

- The data also reflects the importance of Innovate UK in taking early stage risk capital and crowding in follow-on funds (the 426 scaling businesses receiving IUK grants worth £365m have also secured private funding of £9.5bn, a multiplier of 26 times) along with the role of Development Banks:
  - ◊ The British Business Bank, Development Bank of Wales, Scottish National Investment Bank, and the funds backed by these entities, have supported 214 visible scaling companies.
  - ◊ These scaling companies have raised a total of £11.6bn in fundraising, 24% of the total investment raised by all visible scaling businesses reflecting the Development Banks cornerstoning and key role in addressing gaps left by EIF/ EIB.
- However as highlighted earlier, UK investors fall short of scale of investment as compared to their international counterparts and the data demonstrates the scale of ambition and proactivity we need to generate in the instruments we are evolving *[including reforms unlocking institutional capital, the Mansion House Compact, PISCES, VCT/EIS extension, the Rachel Kent Review, CMIT, the development of the National Wealth Fund, British Growth Partnership and the permanency of the British Business Bank.]* if we are truly going to see our strategic sectors thrive and UK businesses truly start, grow, scale and stay here. The need for the proactive investment, with follow on, across these strategic sectors is vital along with matching risk appetite.
- Across the Industrial Sectors there are clear and consistent needs from the scaling businesses within them, who are all highly innovative and international compared to peers and are clear in the need for:
  - ◊ Easier and more streamline access to the R&D resources of Government; University engagement and investor relations; including regional access to investors and more proactive engagement with such.
  - ◊ Dedicated Account Management from the public and private sector across resources, with access to key decision makers to break down barriers to new markets and opportunities domestically and overseas, to both be bought from and collaborate upon
    - » they value more facilitated introductions to buyers at home and abroad; including in central and local government procurement opportunities
    - » dedicated trade missions with a single point of contact in the Trade Department
    - » clear information about market opportunities and the application process to such
  - ◊ Stability and consistency of the tax regime as regards R&D; EIS / SEIS / VCT to ensure that they are maintained fit for a modern industrial economy, easy to access and deploy resources efficiently.
  - ◊ Greater awareness within the education system of the careers and skills needed in their sectors; more employer encounters; more entrepreneurial focus including on business and funding as well as part of vocational courses and more streamlined access to international talent. The revisions in the apprenticeship level to the Growth and Skills Levy being set appropriately to not exclude prior Level 7 needs.
  - ◊ Greater access to experienced leadership talent including from peers; via mentorship opportunities and non-executive skills sets.
  - ◊ The support to the Government's ambitions on R&D; National Growth Service; Industrial Strategy; Small Business Strategy; and Capital Markets reform, including evolutIon of Innovate UK; British Business Bank, British Growth Partnership; National Wealth Fund; - which they wish to see set for the long term and at scale.

RECOMMENDATIONS

The ScaleUp Institute has identified 10 pillars of Growth that are critical for the UK economy overall, against which we track overall progress as part of our core purpose.

For the Industrial Strategy we have specifically identified five distinct actions which will be key enablers of its success.

1. Enabling Investment and the frictionless continuum of Growth Capital

- **Ensure permanency to the role of UK Development Banks and Innovation Agencies** providing certainty to the market by ensuring these entities have longevity as anchor and cornerstone agencies, as is the case in other countries. Noting the important step made this autumn regarding the permanency of British Business Bank's long-term funding cycles, the provision of greater permanency should be across activities including the Devolved Development Banks and Innovate UK, in order to enable effective long term planning, and joint working across each agency. Each entity should also be empowered to consider appropriate sectoral approaches, and act as a convenor and connector - particularly at a regional level.

  One of the striking issues across all eight industrial strategy sectors is the level of international money flowing into these scaling firms at seed stage and the reality that across all sectors, by series B stage these scaleups are already majority internationally investor led. In addition international Government and Institutional money is being deployed to UK scaleups at significant levels, often outstripping UK funding levels for example the Government of Singapore Investment Corporation is investing to a level of £2.11bn in UK scaling firms and Canada's institutional pension fund investor CDPQ to a level of £1.47bn.

  It is clear from our evidence that UK Institutional money will need to deploy at early stages, as well as scaleup stages, if we are to truly realise the Government's aim to foster a greater number of businesses that start, grow, scale and stay here and turn the UK into not just an incubator nation, but a scaleup nation. We must do much better as a country and as an ecosystem in connecting capital effectively to high growth and high growth potential companies and ensuring that it follows these companies as they scale. This means the UK Government being bold enough, when necessary, to direct investment to companies of strategic importance, as other Governments are already doing in their own countries, via flexing the remits of the British Business Bank and National Wealth Fund as vehicles to do so. It also means enabling the British Business Bank to support liquidity in the public markets by allowing / mandating it to be able to co-invest into the AIM market through direct and indirect means, as well as the flexibility of direct investment into companies of strategic importance. The collective roles of the Innovate UK, the British Business Bank; the British Growth Partnership and devolved Development Banks are pivotal here and should be leveraged to ensure UK institutions take earlier stage risk capital investment that follows on and through the growth cycle. This should include ensuring:

  ◊ The Government allocates a level of permanent 'ring fenced' funding to Innovate UK that transcends Parliamentary processes. And supporting the ability of Innovate UK to 'follow the customer' and provide larger scale grant pots to a business with milestone tranches similar to international models.

  ◊ Consideration is given to evolving impactful, existing early stage funding support such as EIS, SEIS and VCTs to remove 'cliff edges' e.g. Many scaling businesses in deep tech become full scaleups at 10 to 15 years old and so we should seek to remove the year and limIt gaps on EIS.

  ◊ The agility of the British Business Bank (BBB) to respond to market needs including:

    » the continued evolution of regional funds (e.g. Regional Angels Programme; Enterprise Capital Fund programmes, etc.) to encompass all UK areas.

    » the evolution of sectoral funds, including corporate venturing, stimulating scale in existing funds and additionality of new options where necessary.

    » continuing to align a proportion of investment through its various vehicles, and the upcoming British Growth Partnership to early stage seed transactions. This may require concessionary funding measures in certain identifiable instances.

    » enabling the British Business Bank to address market gaps not just in the private markets but also the public markets e.g. flexibility to coinvest into the AIM market through direct and indirect means, as well as the flexibility of direct investment into companies of strategic importance. As well as more broadly BBB becoming allowed to be. Similar to its French counterpart, BPI France, a lead investor when necessary.

- **Ensure Innovate UK and British Business Bank can act as efficient connectors of capital to catalyse growth with structured investor 'roadshows' and referrals** - and - similar to the TIBI Scheme - the British Business Bank should have a streamlined due diligence and ready 'portfolio' of investors with proven scaleup impact (refer to SUI ScaleUp Index data) through which it can to work to deliver funding solutions. They should assess the merit of new grant / venture debt / equity instruments that may be necessary to evolve that have concessionary finance terms.

  The British Business Bank regional network should be further expanded to work alongside Innovate UK and Mayoral Combined Authorities, utilising existing infrastructure such as investment zones, Catapults, Growth Hubs and other physical locations to provide clear touch points for a drumbeat of investor briefings and product alignment with a national Account Management structure as outlined in Recommendation 5 below, similar to private sector financial models.

  This should also leverage the announced National Growth Service, wider plans to enhance the Office for Investment, and draw upon the ambitions for a more connected, account managed and concierge experience for scaleup companies such as those already operating in Scotland; the North East; Liverpool and Coventry and Warwickshire.

- **Continue the rapid implementation of capital market reforms**, including continued momentum of delivery on the Mansion House Compact, PISCES, British Growth Partnership, Local Pension reforms and National Wealth Fund. These initiatives must operate across the continuum of capital, working with the private sector, and those established players with proven track records and regional growth distribution presences *(such as BGF, Foresight, Octopus, Amadeus, etc. refer to ScaleUp Index).*

  The Government should encourage the further evolution of funds such as Northern Gritstone, as being developed in the South West and Scotland, to all regions. This will aid the spin-out to commercialisation journey and leverage our university and local cluster expertise and efficiently connect the follow-on capital from private sector and initiatives such as the British Growth Partnership vehicle into these companies at the right time.

  They must also turn more attention to education and information dissemination for investors, at trustee and board level, and businesses, including the expansion of 'Invest In' toolkits and of the Venture Capital Fellowship Pilot. This guidance for institutional investors will enable the better understanding of sectoral opportunities by the broad investor community.

2. Government Procurement as a Growth lever

- **Unlock Public Procurement to support growth**

Public procurement is one of the key levers which the UK Government can utilise to provide support and anchor contracts to UK companies as they grow.

This means ensuring that UK Government services 'follow the customer' and ensuring that scaling companies, with clear growth and global potential, are connected to public procurement opportunities that can foster their growth and global ambition. For example: once a company has successfully passed through a sandbox, Innovate UK, or British Business Bank programme / pilot / funding scheme - and is proven to have a viable solution - that company should be connected to appropriate UK national and local public sector procurement opportunities, and international opportunities such as offered through Innovate UK's Global Business Innovation Programme.

The new Procurement Act and the National Procurement Policy Statement with the intended allocation of procurement targets by department, alongside the Commercial Innovation Hub, and Find a Tender digital platform must be implemented in a way that ensures the public sector increases its procurement and collaboration engagement with scaling companies at national and local level. This should include:

- **An enhanced role for Procurement Champions within Government departments,** who should be more dedicated to this purpose and be managed as a 'matrix' directly by Cabinet Office. These Champions should have clear job descriptions and objectives to increase buying from and development of strategic partnership with innovative scaling companies. This should be monitored / measured through clear KPIs.
- **Public Procurement Frameworks should be more appropriate for and easily accessible to scaling firms.** Officials should be empowered to choose innovative scaling UK firms over processes that currently favour large established companies, and / or needlessly require purchasers to go through consultant processes / third party contracting because of 'out of date' compliance procedures when direct contracting should be encouraged. This should include:
  - ◊ A carve out of procurement budgets towards R&D collaboration opportunities with early stage scaling and proven scaleup firms, as is currently undertaken by other international governments.
  - ◊ 'Fast Tracking' of scaleups through procurement processes and streamlining the process.

- ◊ Better utilisation of the Contracts for Innovation (formerly Small Business Research Initiative) platform should be a priority to generate more scaleup specific targeted opportunities.
- ◊ More 'meet the buyer' activities should occur at national and local level and local areas should also have scaleup procurement and collaboration targets as part of their local growth plans.
- ◊ Sandbox environments being deployed more broadly and at scale and through sector and community structures.
- ◊ Leveraging the new Open Frameworks towards the industrial sectors and emerging innovations from high potential scaling/ scaleup businesses.

- **Underpinning by the National Audit Office and the Public Accounts Committee,** who should also have a defined growth objective per those being introduced / already in place in other regulatory bodies.
- **Connection to a localised Scaleup Account Managers / high growth team** (see Recommendation 5 below) with a priority to connect scaleups to appropriate public sector opportunities.
- **A process to cascade throughout supply chains,** with the Government utilising large procurement contracts to ensure scaleup companies are part of bids and overall contract delivery.

3. Internationalisation, Innovation and the Skills Agenda

- **Target export support effectively, and remove friction when entering new markets**

International expansion is a significant factor of scaleup success; and the ScaleUp Institute's work evidences exporting as a key predictor of scaleup potential. 7 in 10 scaleups remain focused on global expansion in 2025, to markets such as the Middle East, Australasia, and other parts of Europe outside the EU.

We need to improve our support for their international aspirations by providing better introductions to overseas buyers, tailored scaleup trade missions, market information, alongside dedicated scaleup export account managers in Department for Business and Trade building on the existing International Trade Advisor roles, and 'scaleup desks' overseas to ease engagement in new markets.

In this regard every Mayoral Combined Authority should have an export programme mirroring Grow London and the pilot programme of dedicated export account managers rolling out in the North, based on ScaleUp Institute insights.

As highlighted it is also important to ensure that greater levels of 'in country' support are utilised to connect scaleup companies to potential buyers. This means ensuring that Embassies and Consulates have a 'scaleup desk' so that companies interested in accessing the market can obtain expert advice as they consider their growth options.

UKEF must also continue to ensure its funding mechanisms are accessible to scaling firms and its market coverage aligns to industrial strategy sector needs.

- **Ensure long term commitment to Innovation and R&D expenditure**

Clarity on R&D tax credits is important, and they must remain easily and speedily accessible to scaleup companies. To build upon this, Government should have a more dedicated R&D Innovation procurement process, similar to international counterparts like the US (see recommendation 2). The Government should seek to commit longer and larger term funding in our grant processes, as the US and other markets do, so that we can truly follow on and capitalise on innovations and take inventions to full commercialisation, including making better utilisation of 'Contracts for Innovation' and expanding Regulatory Sandboxes. These should all follow the customer - not simply 'projects' - and join up Government and private sector resources towards scaling businesses better through referral processes.

- **Align skills and education strategies with scaleup needs and embed tailored, outcome driven leadership development for scaling firms within business support initiatives**

Access to talent is a global challenge for businesses and it continues to be a specific challenge for UK ScaleUp leaders. Understanding this talent challenge will be a key part of unlocking UK growth, and it requires policy initiatives to address our domestic skills pipeline, as well as ensure that we can attract the best talent here from abroad as well. It will therefore be critical for the Government to implement the Scaleup Visa effectively and ensure talent schemes align to scaleup needs, and strengthen connections between scaleups and educators.

The Government's Industrial Strategy and SME Strategy, coupled with the development of Skills England, provide a further opportunity to realign the skills and education agenda to scaleup and future economy needs. They should leverage learnings from Innovate UK's work on Innovation Commercialisation and Enterprise (ICE) skills and look at developing leadership talent needs coordination throughout the ecosystem. This should include following through on the commitment to reform and expand the Apprenticeship Levy to provide greater flexibility to accommodate the needs of scaleups. Further consideration should also be made on retaining Level 7 Apprenticeships whilst balancing lower entry requirements.

As education reform through Skills England takes shape, entrepreneurship and more scaleup employer encounters should be provided via utilisation and expansion of existing platforms and impactful initiatives, such as the Careers and Enterprise Company. Balance is needed between STEM and STEAM. The planned education reform should be fit for the modern era, covering technical and practical skills such as investment by giving an understanding on equity / VC models, similar to US counterparts. For digital skills a third party accreditation system, such as that used for music grades, should be rolled out for digital skills.

Local Growth Plans and Local Skills Improvement Plans play a critical role in aligning regional talent development with the needs of scaling businesses, fostering a robust talent base through education, training, and strategic partnerships with schools, universities, and local employers, and need to be leveraged further.

Universities should act as talent bridges, supporting leadership training and business growth initiatives. Regional leadership development should be embedded within business support initiatives, ensuring talent is retained within local economies. As we consider how to help our most promising spinouts to scale and open up further university collaboration there should be a more balanced weighting of investment to KEF initiatives. It will also be important to encourage direct engagement between universities and investors, as is taking place under the Northern Gritstone model.

4. Data Enablement

- **Use existing data to identify scaling businesses at an early stage and proactively target these businesses with specific fast track access to public and private sector opportunities through proactive Account Management (see also 5 below)**

Since its inception the ScaleUp Institute has evidenced the need for better use of government data to support UK scaleups, emphasising how timely data access helps fast-growing companies find the right advice, secure investments, and build networks.

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. Targeted engagement from Government with scaling firms can be particularly effective in relation to enabling their access to support programmes which can be utilised to cornerstone innovative company growth, such as the Scaleup Visa, innovation support from Innovate UK, export services such as trade missions from DIT, and finance related services from the British Business Bank or UKEF, and public sector procurement opportunities.

As a critical data hub, the UK Government should prioritise sharing data across departments and with local institutions to drive regional growth. The integration of the Government Digital Service and the Central Digital & Data Office under DSIT is important. Wider initiatives such as the AI incubator, alongside the Smart Data Council and the Data (Use and Access) Bill are also key to ensuring Open Data is supported.

This consolidation must translate into practical, cross departmental actions that make key data – including HMRC data – accessible for growth. DSIT's collaboration with devolved regions will also be essential, providing a model for best practices and facilitating local solutions. Cluster map development should evolve based upon the Cambridge Cluster Map example

The Data (Use and Access) Bill, introduced in Autumn 2024 has potential to streamline data access. Real progress hinges on legislation that aligns with the government's economic objectives, placing government owned data in service of scaleup growth. Short-term initiatives can also make a difference, like the Data Enabled Change Accelerator (DECA) project, which demonstrated the power of HMRC targeted, data-driven messaging in encouraging scaling businesses to engage with dedicated scaleup support resources. Ultimately, unlocking government data to support scaleups will reduce friction and connect these companies with essential resources.

5. Tailored and Segmented Scaleup Support with Proactive Account Management

- **Build effective relationship management high growth teams and deploy local scaleup champions**
- **Ensure these are supported by referral mechanisms making it easier for scaleups to access programmes and support, including export, procurement, finance and skills / leadership offerings at the right time for them**

The ScaleUp Institute supports the Government's intent to develop a National Growth Service and Small Business Strategy. In developing this for the long term it should also consider creating a UK-wide enterprise agency brand such as Enterprise UK which could be an umbrella for the existing excellent work undertaken in Scotland, Northern Ireland and Wales, and enable a permanent structure mirroring these for England providing consistency and long term certainty to business support. This could also encompass an enhanced Digital Government Business Support 'one stop shop' Service.

The underlying principles of these must be to continue to evolve segmented offerings from start up to scaleup to stay ahead, whilst also recognising the needs of differing elements of the scaleup growth cycle including those operating at mid-market level.

There should be distinct tailoring of support to the scaleup business economy including - as we have evidenced over the last decade - proactive Account Management at local level for our high growth 'scaleup' companies and our high potential scaling businesses. This should mirror successful models such as those deployed - and evidenced by us - in Scotland, Ireland and Denmark, and in certain local English Growth Hubs (e.g. Coventry and Warwickshire, Liverpool, and the North East) and also in the private sector on the work we have undertaken with the banking industry. A detailed paper on developing a client centric approach to growth can be found here.

The development of an account management 'high growth' team structure within Government, should be anchored locally (in England via Growth Hubs / Combined Authorities) within a consistent framework. It would leverage current structures in a more proactive manner and provide a critical link between identified scaleups and the product innovation and investor support available. This structure would build proactive, trusted relationships with growth businesses and then act as a triage service to direct these companies to the right government and private sector services to speed their growth. The deployment of local scaleup champions, across the 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 (Recommendation 4).

As the scaleup ecosystem matures and this Spending Review is considered, fiscal constraints mean that the way we organise ourselves better, with ever greater collaboration between the public and private sector, will be fundamental. We need to follow the customer - not simply 'projects' - and join up Government and private sector resources towards scaling businesses better through referral processes. This would mean that scaleup companies are receiving tailored support for their respective stage of growth, with a 'concierge' service for the larger businesses that can fast track them to key solutions, including in-market expertise and direct Government engagement with Ministers and government services.

Conclusion

These recommendations represent a clear package of measures which should be enacted as part of implementing the Industrial Strategy. It is essential for the Industrial Strategy and the SME Strategy to:

- Enable Investment and the frictionless continuum of Growth Capital to support scaleup growth;
- Harness Government Procurement as a Growth lever, ensuring UK companies have the right opportunities to bid for contracts that will support their growth;
- Target export support effectively, and remove friction when entering new markets
- Ensure long term commitment to Innovation and R&D expenditure;
- Align skills and education strategies with scaleup needs and embed tailored, outcome driven leadership development for scaling firms within business support initiatives;
- Use Government data more effectively to support all of these initiatives;
- Provide tailored and segmented scaleup support with proactive Account Management.

We look forward to working with Government on the implementation of the Industrial Strategy to ensure that UK businesses can start, scale and stay in the UK for the long term.

SCALEUPS AND SCALING BUSINESSES WITHIN INDUSTRIAL STRATEGY SECTORS **IN THE UK** (ONS DATA)

Of 34,180 scaleups and 16,450 pipeline scaling businesses, those within the Industrial Strategy make up 28,440 representing 56% of the total scaling business landscape. These businesses generate £1.3 trillion to the UK economy and employ over 2.6 million people.

INDUSTRIAL SECTORS SCALEUPS	TURNOVER	EMPLOYMENT	SCALING BOTH
19,395	16,755	6,945	4,305
INDUSTRIAL SECTOR SCALING PIPELINE			
9,045	5,905	3,585	445

INDUSTRIAL SECTOR SCALEUPS…

EMPLOY **1.9m** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£1.1tr**

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£566,171**

INDUSTRIAL SECTOR SCALING PIPELINE

EMPLOY **739k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£209m**

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£283,940**

TOTAL NUMBER OF SCALEUPS AND SCALING BUSINESSES **BY SECTOR**

Sector	SCALEUPS	PIPELINE	TURNOVER	PIPELINE	EMPLOYMENT	PIPELINE	SCALING BOTH	PIPELINE
ADVANCED MANUFACTURING	2,750	1,820	2,345	1,310	840	575	435	65
CLEAN ENERGY	85	25	75	20	35	5	25	0
CREATIVE INDUSTRIES	995	430	770	260	340	190	115	20
DIGITAL AND TECHNOLOGIES	7,245	3,050	6,235	1,955	2,740	1,240	1,730	145
FINANCIAL SERVICES	780	280	675	175	265	115	160	10
LIFE SCIENCES	3,265	1530	2,995	940	1,175	700	905	110
PROFESSIONAL SERVICES	4,275	1,910	3,660	1,245	1,550	760	935	95

As collated at end of November 2024

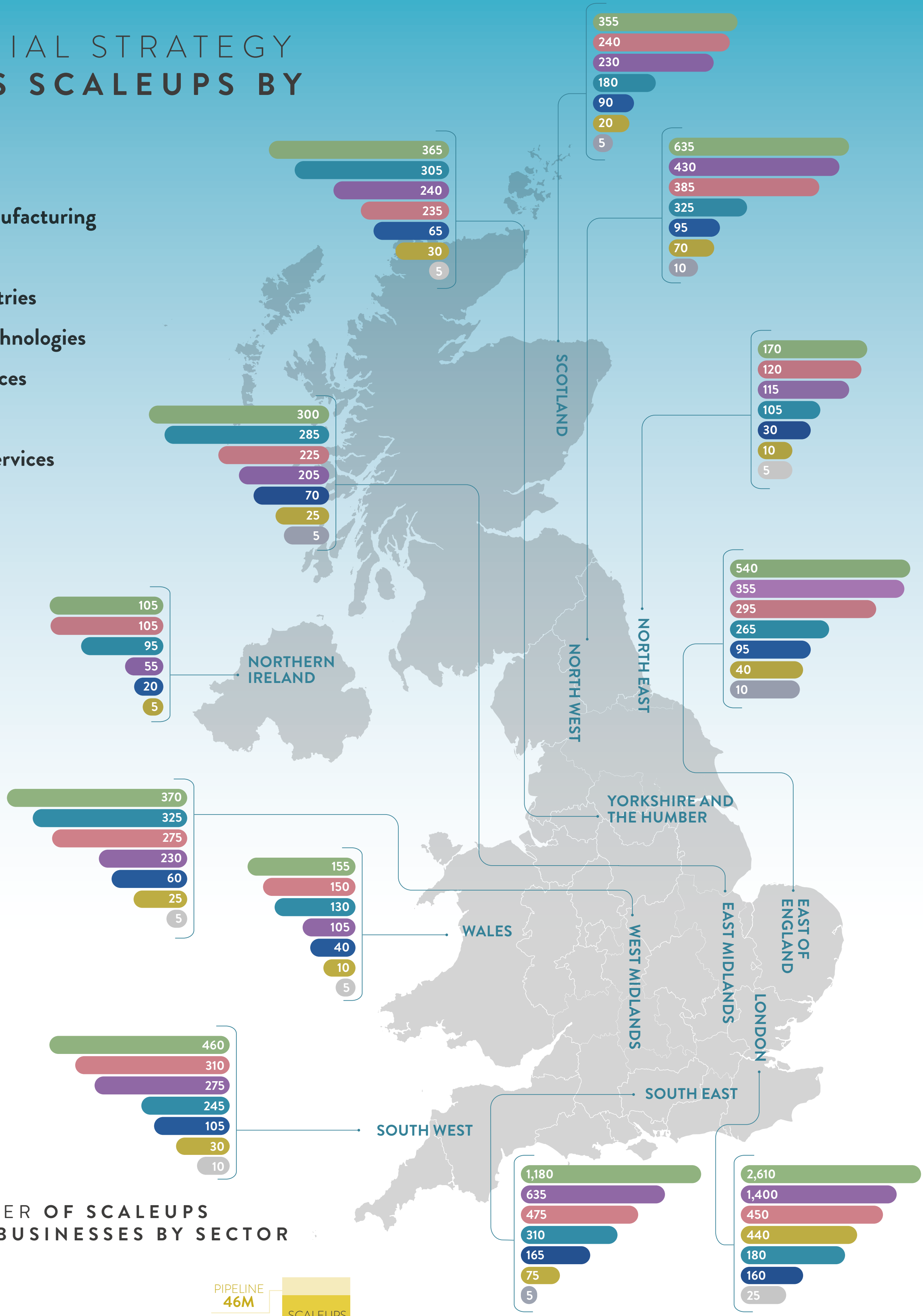
Source: ONS IDBR 2010-2022

INDUSTRIAL STRATEGY **SECTORS SCALEUPS BY REGION**

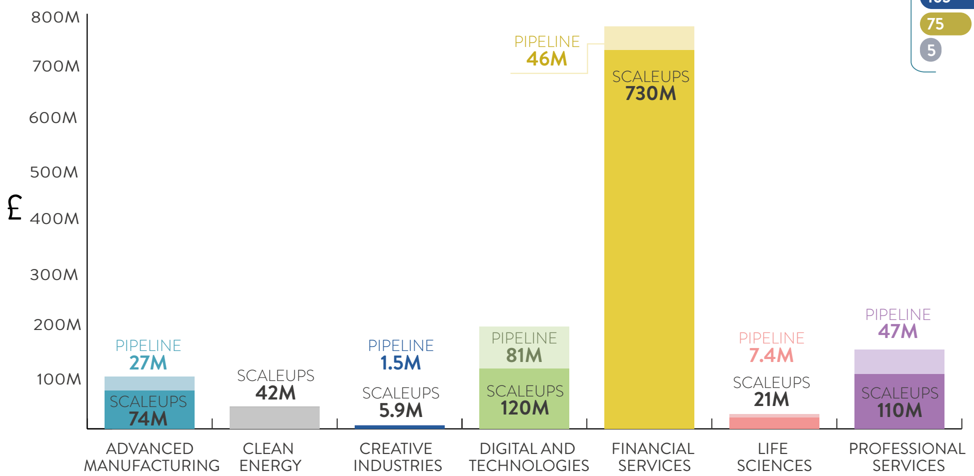
KEY

- Advanced Manufacturing
- Clean Energy
- Creative Industries
- Digital and Technologies
- Financial Services
- Life Sciences
- Professional Services

Source: ONS IDBR 2010-2022



TOTAL TURNOVER **OF SCALEUPS AND SCALING BUSINESSES BY SECTOR**



Source: ONS IDBR 2010-2022

SCALEUPS AND SCALING BUSINESSES WITHIN INDUSTRIAL STRATEGY SECTORS **IN THE UK** (VISIBLE SCALEUPS)

For those scaling businesses within the Industrial Strategy sectors breaking through the £10.2 million turnover barrier or £5.1m in assets there are 5,886 businesses generating £248 billion in turnover and employing 1.2 million people. These businesses represent 54% of all visible scaling businesses and nearly 65% of turnover of all visible scaling businesses.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m turnover barrier or £5.1m in assets in 2023

5,886

INDUSTRIAL SECTOR SCALEUP AND SCALING BUSINESSES

EMPLOY

1.2m

PEOPLE

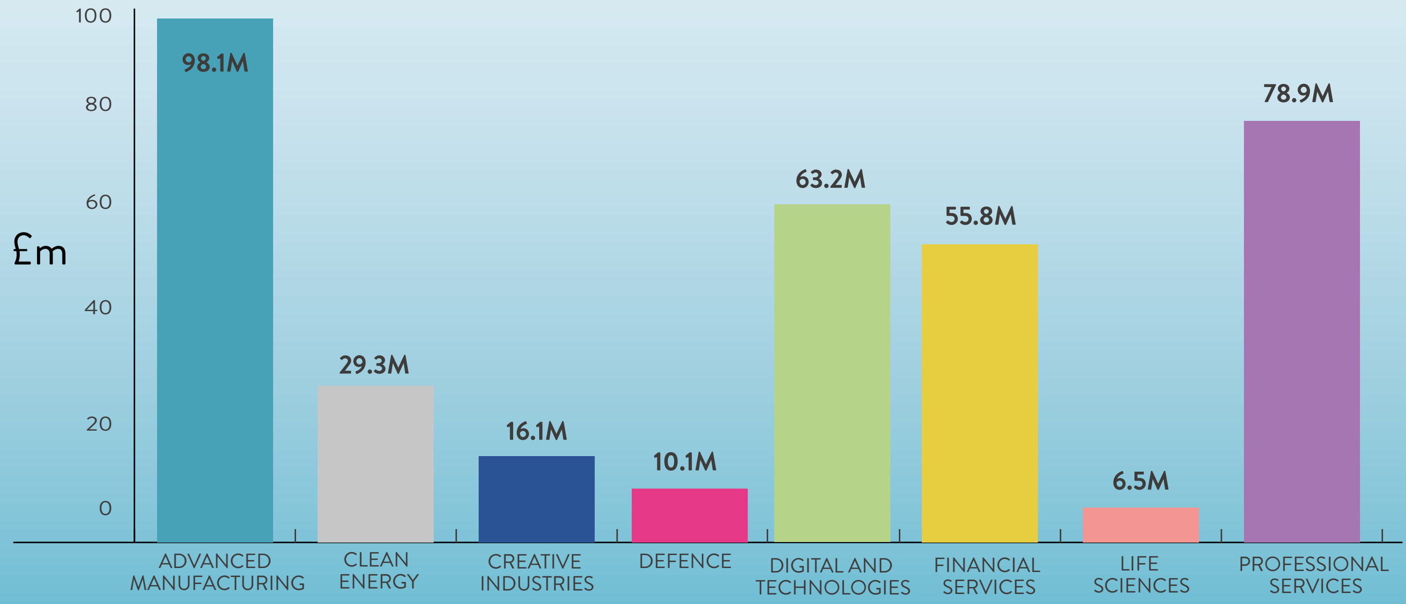
THE TOTAL AMOUNT OF TURNOVER GENERATED

£248bn

THE TOTAL AMOUNT OF INVESTMENT

£49bn

TOTAL TURNOVER **OF VISIBLE SCALEUPS AND SCALING BUSINESSES BY SECTOR**

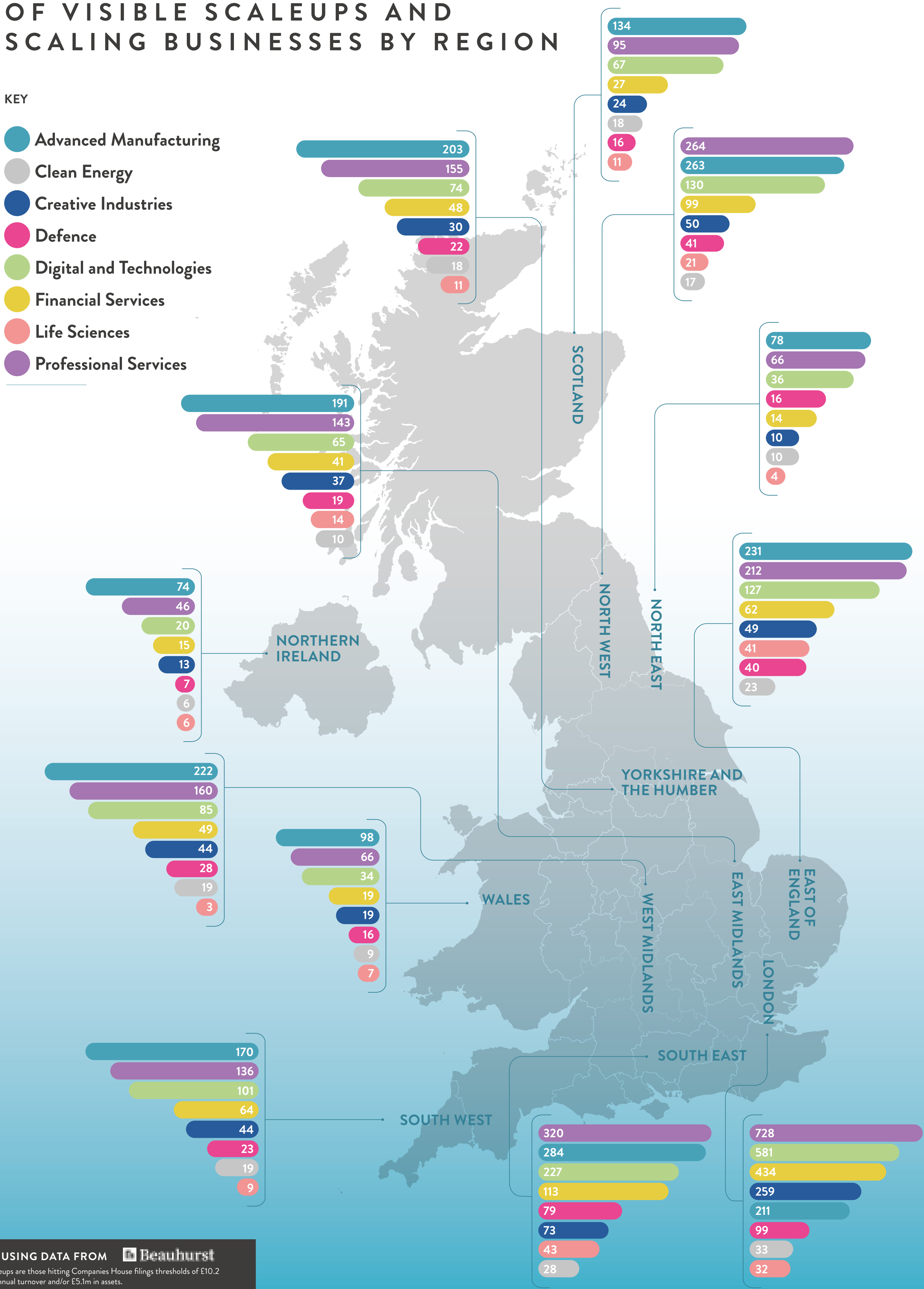


USING DATA FROM Beauhurst

Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.

Visible scaling pipeline are those businesses growing between 10%-19.99%.

INDUSTRIAL STRATEGY **SECTORS OF VISIBLE SCALEUPS AND SCALING BUSINESSES BY REGION**



USING DATA FROM Beauhurst

Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.

Visible scaling pipeline are those businesses growing between 10%-19.99%.

ADVANCED MANUFACTURING

SCALEUPS AND SCALING BUSINESSES WITHIN **ADVANCED MANUFACTURING** SECTOR **IN THE UK** (ONS DATA)

Within the Advanced Manufacturing sector there are a total of 2,750 scaleups and a further 1,820 scaling businesses generating £100bn in turnover and employing 357k people.

SCALEUPS	TURNOVER
2,750	2,345
SCALING PIPELINE	
1,820	1,310

EMPLOYMENT	SCALING BOTH
840	435
SCALING PIPELINE	
575	65

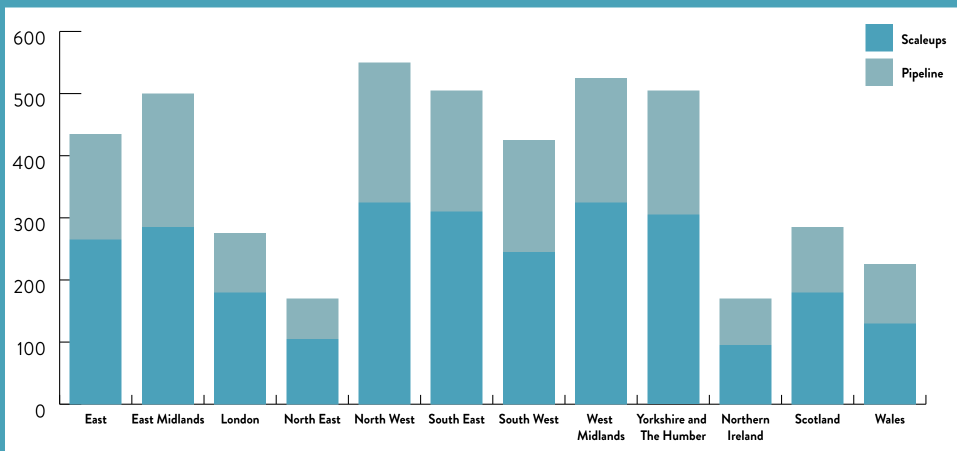
Source: ONS IDBR 2010-2022

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
230k PEOPLE	£74bn	£321,739

SCALING PIPELINE

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
127k PEOPLE	£26bn	£204,724

The Advanced Manufacturing sector comprises sub-sectors including Heavy equipment, Machinery, Food and Drink Processing; Automotive; Aerospace; Chips; Semiconductors as well as supply chain providing into the above subsectors like Materials Technology and Product design, testing and quality assurance.



SCALEUPS AND SCALING BUSINESSES WITHIN ADVANCED MANUFACTURING **IN THE UK** (VISIBLE SCALEUPS)

Within the Advanced Manufacturing sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 2,224 visible scaling business generating £98.1 billion in turnover and employing 420,000 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

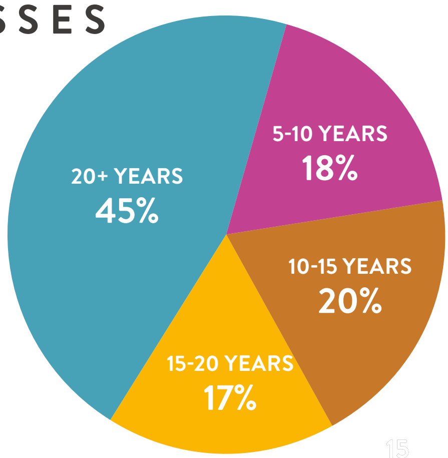
2,224

VISIBLE SCALEUP & SCALING BUSINESSES

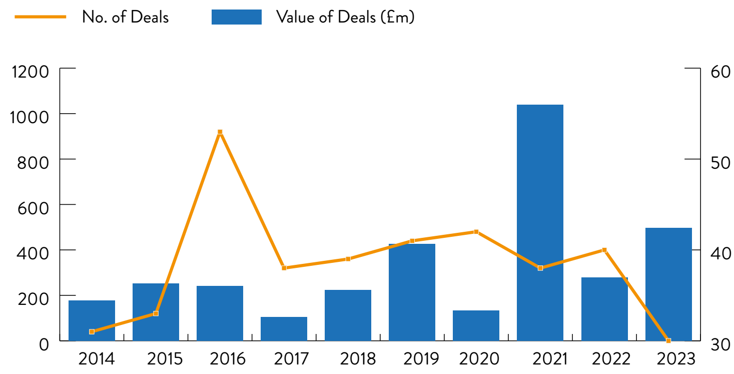
EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	THE TOTAL AMOUNT OF INVESTMENT
420k PEOPLE	£98.1bn	£4.28bn

BUSINESSES BY AGE

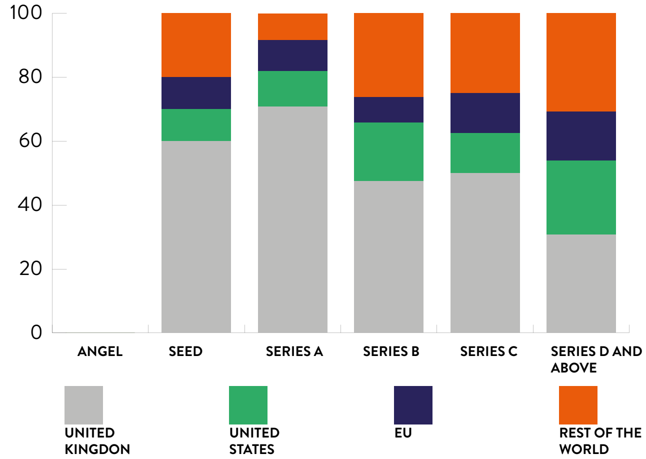
Almost a half of the Advanced Manufacturing visible scaling businesses are more than 20 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	£1.11b
GE Healthcare	£627m
Ally Bridge Group	£566m
Railpen: Private Markets managed by Railpen	£566m
Softbank Vision Fund managed by Softbank	£566m
Tencent	£566m
Chimera Partners	£432m
PFM Health Sciences	£432m
Escala Capital managed by Escala Capital	£404m
LGT Capital Partners managed by LGT Capital Partners	£404m

INVESTOR	TOTAL
Watrium AS managed by Watrium	£404m
Handelsbanken	£320m
Zhejiang Silk Road Fund	£270m
SeAH Wind	£260m
Lloyds Bank Commercial Finance	£237m
Latitude managed by Phoenix Court Group	£199m
Northern Gritstone managed by Northern Gritstone	£192m
Prosperity7 Ventures	£190m
HSBC North Yorkshire and Humber	£170m
British Patient Capital (Core Fund) managed by British Business Bank	£162m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

HSBC Commercial Banking	28
BGF managed by BGF (formerly Business Growth Fund)	20
Business Loans managed by Lloyds Bank	16
Parkwalk Opportunities EIS Fund managed by Parkwalk Advisors	16
Santander Corporate & Commercial managed by Santander	16
Crowdcube managed by Crowdcube	15
Flexible Business Loan managed by HSBC	12
Coronavirus Business Interruption Loan Scheme (CBILS)	11
UK Steel Enterprise - Equity Finance managed by UK Steel Enterprise (UKSE)	11
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	10

Lloyds Bank Commercial Finance	9
Business Loans (Established and Profitable) managed by Finance Yorkshire	8
Barclays	7
SME Fund managed by HSBC	7
Leveraged and Acquisition Finance managed by HSBC	6
Northern Powerhouse Investment Fund (NPIF): Debt Finance managed by FW Capital	6
Northern Powerhouse Investment Fund (NPIF): Y&H Debt managed by Mercia Debt	6
Growth Finance managed by Clydesdale and Yorkshire Bank	5
Lombard Asset Finance managed by RBS (Royal Bank of Scotland)	5
Longwall Ventures managed by Longwall Venture Partners	5

SCALEUP PUBLIC **PROCUREMENT**

294 Industrials, Chemical and Mining products public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
Industrials, Chemical and Mining products	294

USING DATA FROM Beauhurst
Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.
Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS **BY MOST AMOUNT RAISED**

INVESTOR	TOTAL
CMR Surgical	£838m
Able UK	£339m
EG Group	£320m
Pragmatic	£305m
Barrett Steel	£170m
Reaction Engines	£159m
Cox	£155m
Oxford Photovoltaics	£119m
P2i	£100m
Thomas Plant Hire	£100m

INNOVATE UK **GRANTS**

Innovate UK

NO. OF SCALEUPS
159

GRANT AMOUNT RECEIVED
£146.2m

TOTAL NO. OF GRANTS WON
559

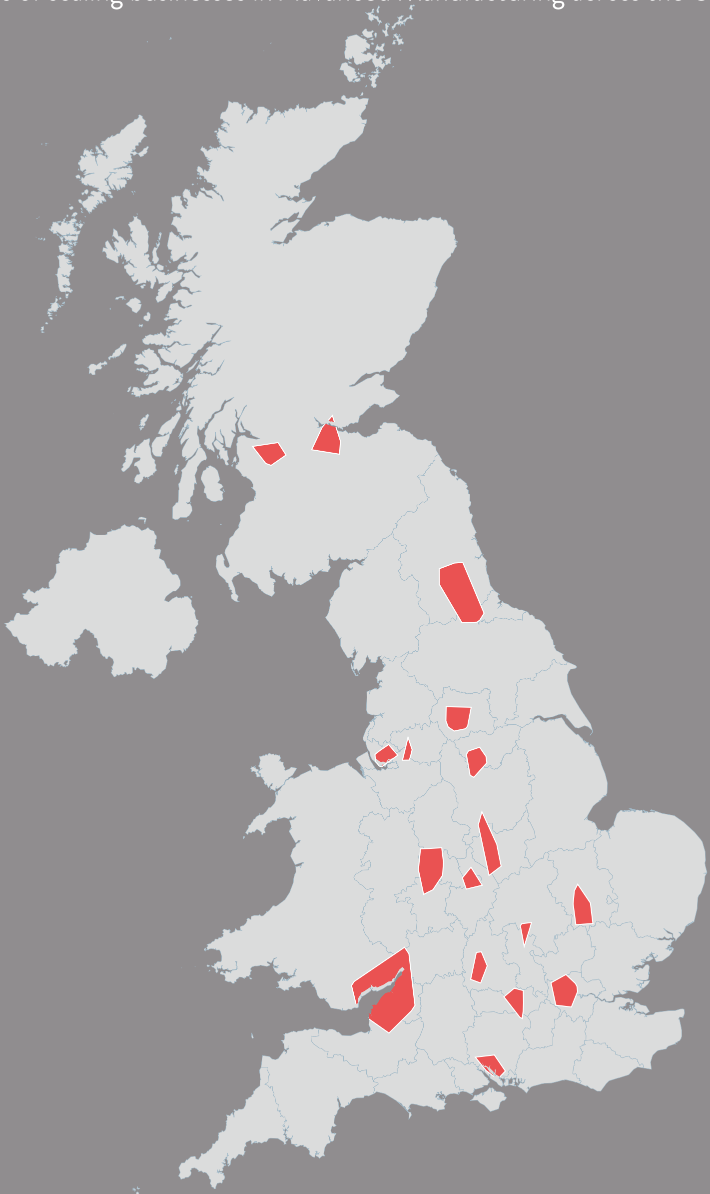
PRIVATE INVESTMENT SECURED
£1.9bn

MULTIPLIER OF INITIAL SUM
12.7x

ADVANCED MANUFACTURING

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Advanced Manufacturing as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Advanced Manufacturing across the UK.



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

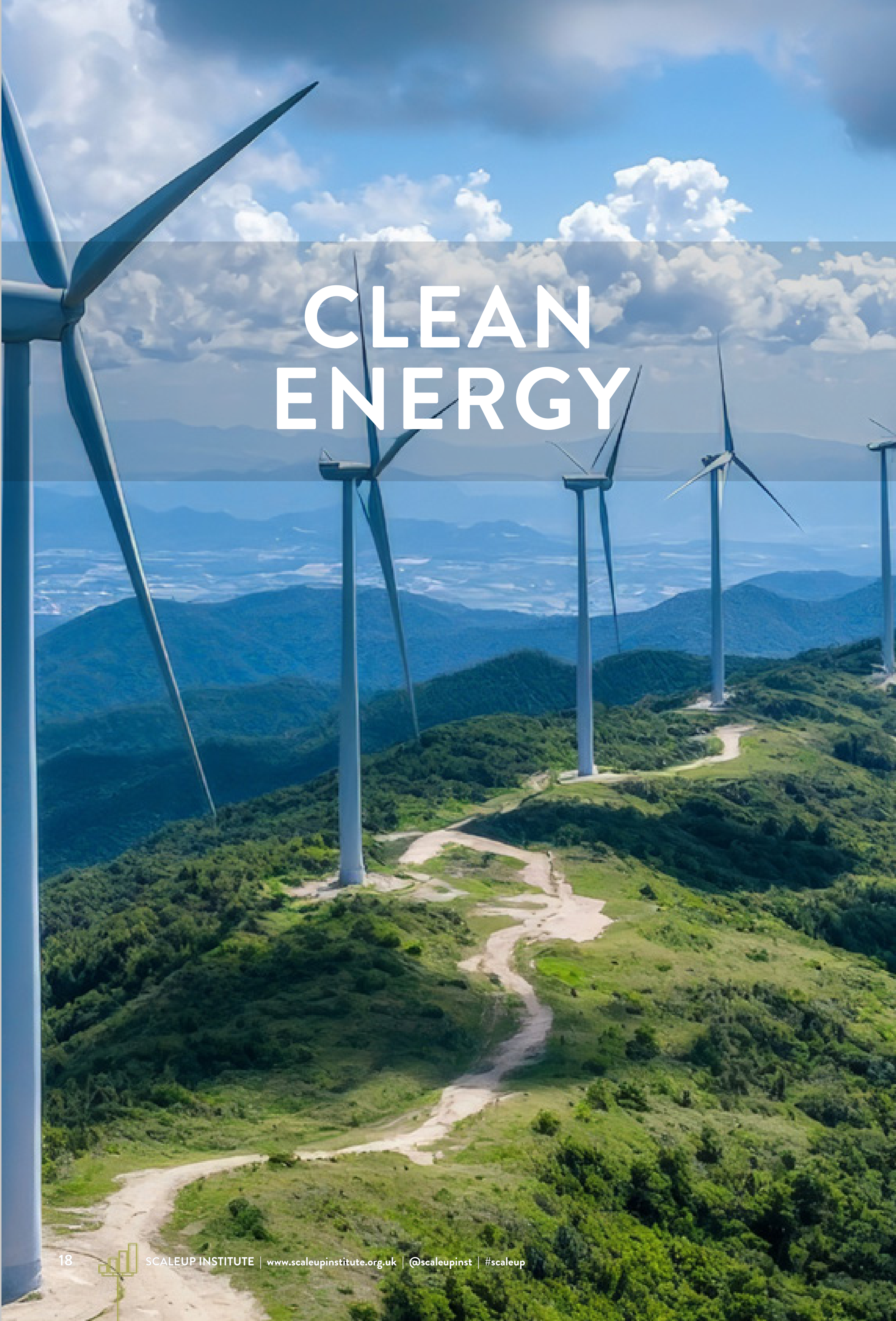
Universities, e.g. Cambidge's Institute for Manufacturing, Cranfield's Centre for Advanced Manufacturing and Warwick's Manufacturing Group.

Hubs and Catapults, such as: High Value Manufacturing Catapult Centres in Sheffield, Coventry and Bristol; and National Manufacturing Institute Scotland in Paisley.

Growth Programmes, inter alia: Sharing in Growth; Shott Scaleup Accelerator; Made Smarter; Watchtower Lancashire; NAAME; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

CLEAN ENERGY



SCALEUPS AND SCALING BUSINESSES WITHIN **CLEAN ENERGY** SECTOR **IN THE UK** (ONS DATA)

Within the Clean Energy sector there are a total of 85 scaleups and a further 35 scaling businesses generating £42 billion in turnover and employing over 20k people.

SCALEUPS	TURNOVER
85	75
SCALING PIPELINE	
25	20

EMPLOYMENT	SCALING BOTH
35	25
SCALING PIPELINE	
5	0

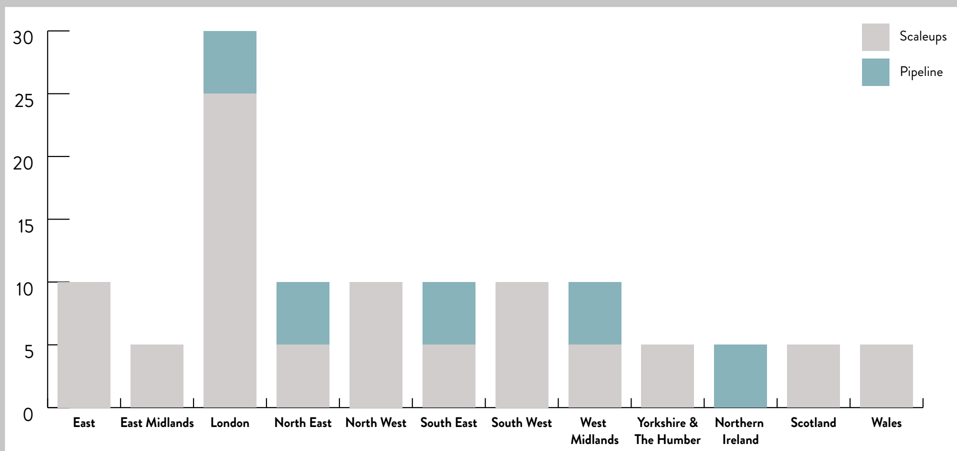
Source: ONS IDBR 2010-2022

The Clean Energy sector comprises sub-sectors including Renewable Energy, Nuclear Energy for low-emission power, Electricity Generation driven by clean technologies, Energy Management and Storage solutions.

EMPLOY
20k
PEOPLE
and 600
PEOPLE IN SCALING PIPELINE BUSINESSES

THE TOTAL AMOUNT OF TURNOVER GENERATED
£42bn

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
£2,038,853



SCALEUPS AND SCALING BUSINESSES WITHIN **CLEAN ENERGY** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Clean Energy sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 214 visible scaling business generating £29.3 billion in turnover and employing 43,300 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

214

VISIBLE SCALEUP & SCALING BUSINESSES

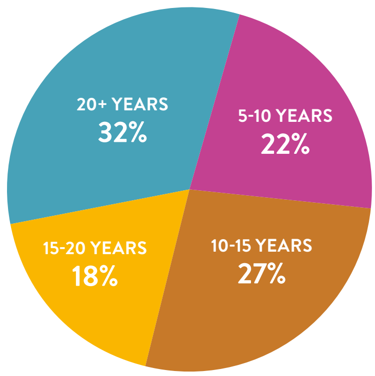
EMPLOY
43k
PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED
£29.3bn

THE TOTAL AMOUNT OF INVESTMENT
£3.61bn

BUSINESSES BY AGE

Half of the Clean Energy Sector visible scaling businesses are 15 year or more old.

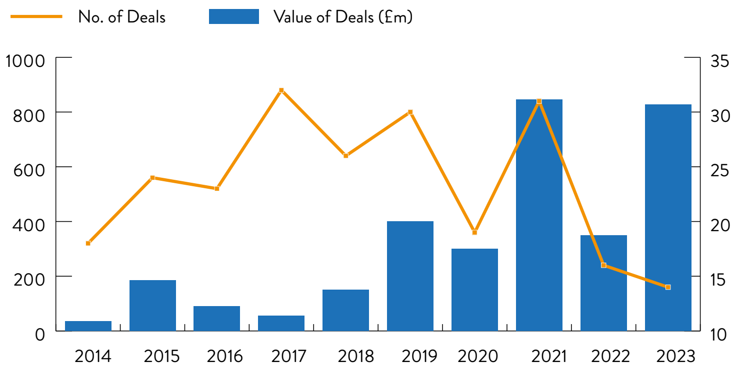


USING DATA FROM Beauhurst

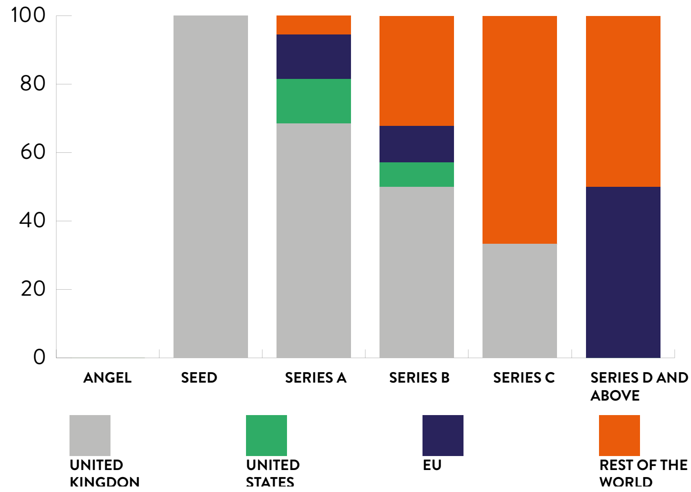
Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.

Visible scaling pipeline are those businesses growing between 10%-19.99%.

FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Origin Energy	£1.22b
CPP Investments managed by CPP Investment Board	£1.03b
Generation Investment Management	£1.03b
Tokyo Gas	£819m
SeAH Wind	£260m
Mitsubishi Corporation	£241m
Legal & General Capital managed by Legal & General	£213m
Infracapital	£200m
Flexible Business Loan managed by HSBC	£154m
Business Loans managed by Lloyds Bank	£151m
Credit Agricole	£150m

INVESTOR	TOTAL
Energy Efficiency Financing Scheme (EEF) managed by Siemens Financial Services	£150m
First Trust Bank Business Growth Fund managed by AIB Group	£150m
Growth Capital & Leveraged Finance managed by Investec Bank	£150m
HCOB	£150m
ING	£150m
Kommunal Credit	£150m
NIBC Bank managed by NIBC Bank	£150m
Sabadell Capital	£150m
IP Group managed by IP Group	£75.6m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

Legal & General Capital managed by Legal & General	9
Parkwalk Opportunities EIS Fund managed by Parkwalk Advisors	8
Minerva Business Angel Network managed by University of Warwick Science Park Ltd	7
Republic Europe (formerly Seedrs) managed by Republic	7
Scottish Enterprise managed by Scottish Enterprise	6
Crowdcube managed by Crowdcube	5
Equinor Ventures managed by Equinor	5
Octopus Ventures managed by Octopus Group	5
SyndicateRoom managed by SyndicateRoom	5
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	4

Doen Foundation	4
Future Fund managed by British Business Bank	4
HSBC Commercial Banking	4
IP Group managed by IP Group	4
Kiko Ventures managed by IP Group	4
Scottish Equity Partners (SEP) managed by Scottish Equity Partners	4
UK Innovation & Science Seed Fund (UKI2S) managed by Future Planet Capital	4
Bamboo Finance	3
bp Ventures managed by BP Alternative Energy	3
Cambridge Angels managed by Cambridge Angels	3

SCALEUP PUBLIC **PROCUREMENT**

In 2023, 37 scaling businesses were awarded 56 contracts valued at £115m which directly referenced Net Zero. These contracts came from a variety of sectors, including

- Decarbonisation and Energy efficient housing
- Carbon impact analysis and emissions reporting
- Sustainability research into different sectors
- Renewable energy installation and research

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS BY MOST AMOUNT RAISED

INVESTOR	TOTAL
Octopus Group	£1.22b
Able UK	£339m
OVO Group	£259m
Tokamak Energy	£213m
BBOXX	£212m
GRIDSERVE	£210m
Ark Data Centres	£150m
Oxford Photovoltaics	£119m
First Light Fusion	£86.2m
Ecotricity	£70.0m

9 Clean Energy Sector Unicorns

INNOVATE UK GRANTS

NO. OF SCALEUPS
40

GRANT AMOUNT RECEIVED
£91.8m

TOTAL NO. OF GRANTS WON
148

PRIVATE INVESTMENT SECURED
£2.2bn

MULTIPLIER OF INITIAL SUM
24.4x

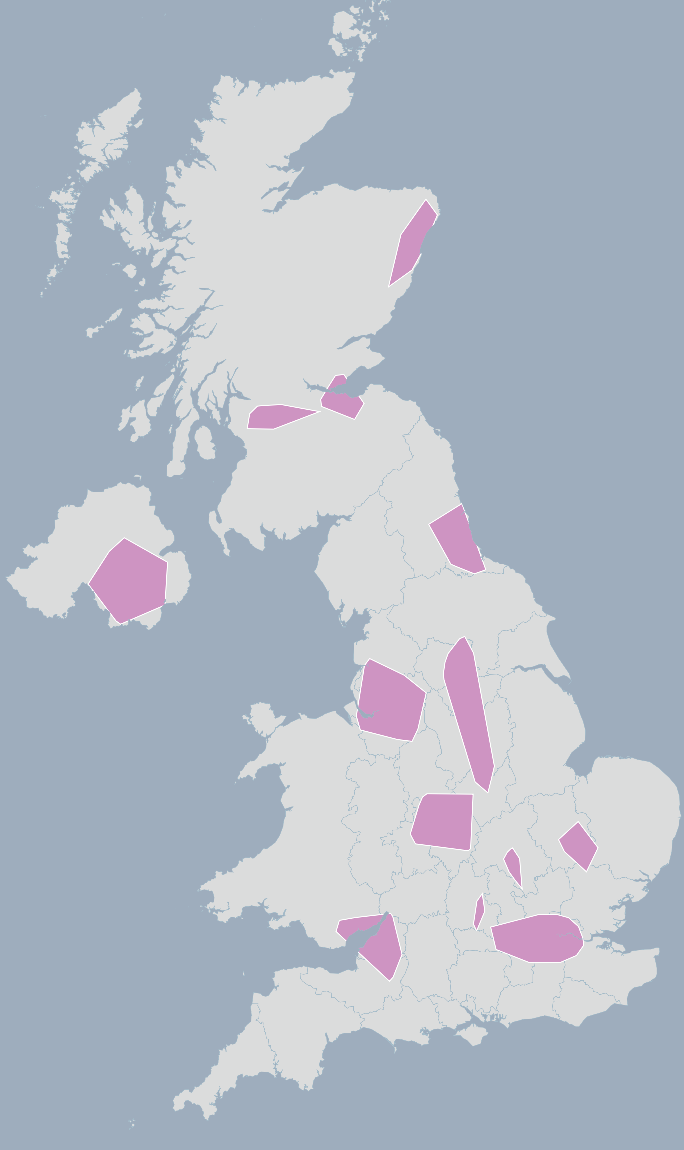
7 University Spin-out

BUSINESS AND UNIVERSITY
C-Capture (University of Leeds)
First Light Fusion (University of Oxford)
IES (University of Strathclyde)
Oxford Photovoltaics (University of Oxford)
Smarter Grid Solutions (University of Strathclyde)
Tokamak Energy (Culham Centre for Fusion Energy)
Turbo Power Systems (Imperial College London)

NET ZERO & CLEAN TECH

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Clean Energy as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Clean Energy across the UK.



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Universities, e.g.: University of Strathclyde Institute for Energy and Environment; UCL Energy Institute; University of Cambridge Energy Transitions Group

Hubs and Catapults, such as: Offshore Renewable Energy (ORE) Catapult; Energy Systems Catapult; Net Zero Technology Centre (Aberdeen); Net Zero Teesside; Harwell Science and Innovation Campus.

Growth Programmes, inter alia: Clean Growth UK; Low Carbon Innovation Fund; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

CREATIVE INDUSTRIES

SCALEUPS AND SCALING BUSINESSES WITHIN **CREATIVE INDUSTRIES** SECTOR **IN THE UK** (ONS DATA)

Within the Creative Industries sector there are a total of 995 scaleups and a further 340 scaling businesses generating £7.3bn in turnover and employing almost 97k people.

	SCALEUPS	TURNOVER
	995	770
SCALING PIPELINE	430	260

	EMPLOYMENT	SCALING BOTH
	340	115
SCALING PIPELINE	190	20

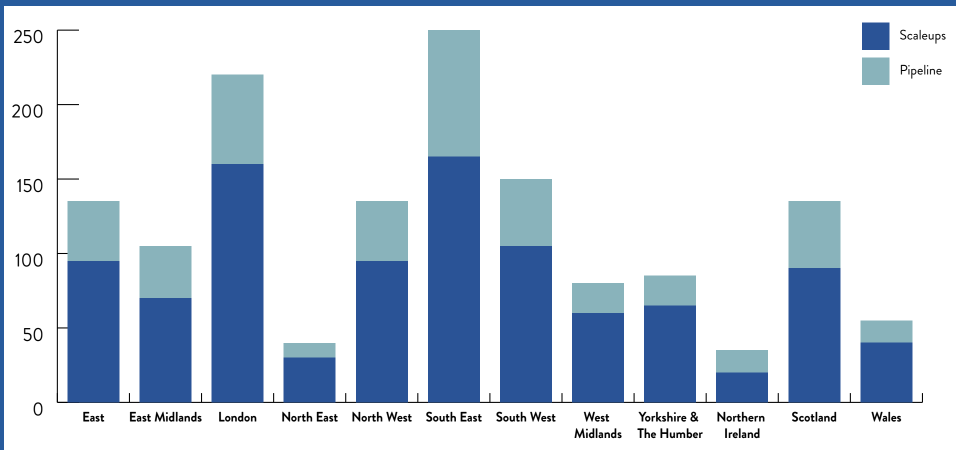
Source: ONS IDBR 2010-2022

The Creative Industries comprises sub-sectors that include Games; Music; Fashion; Digital Media; Media Tech; Design; Arts; Entertainment (film, TV production, etc) and Architecture, etc.

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
69k PEOPLE	**£5.8bn**	**£83,548**

SCALING PIPELINE

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
27.9k PEOPLE	**£1.5bn**	**£53,648**



SCALEUPS AND SCALING BUSINESSES WITHIN CREATIVE INDUSTRIES **IN THE UK** (VISIBLE SCALEUPS)

Within the Creative Industries sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 653 visible scaling business generating £16.1 billion in turnover and employing 110,000 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

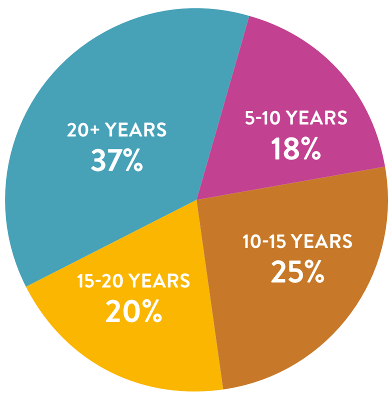
653

VISIBLE SCALEUP & SCALING BUSINESSES

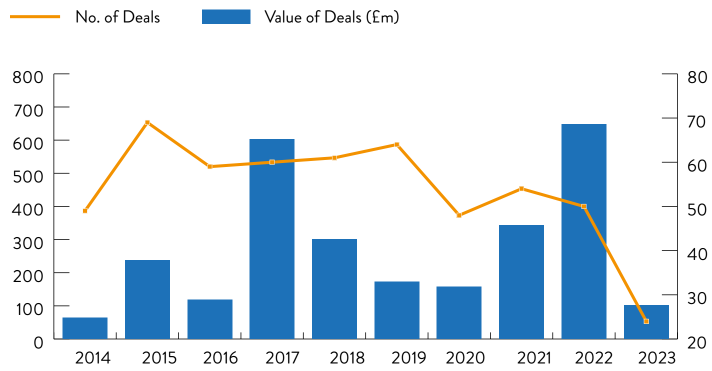
EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	THE TOTAL AMOUNT OF INVESTMENT
110k PEOPLE	**£16.1bn**	**£3.09bn**

BUSINESSES BY AGE

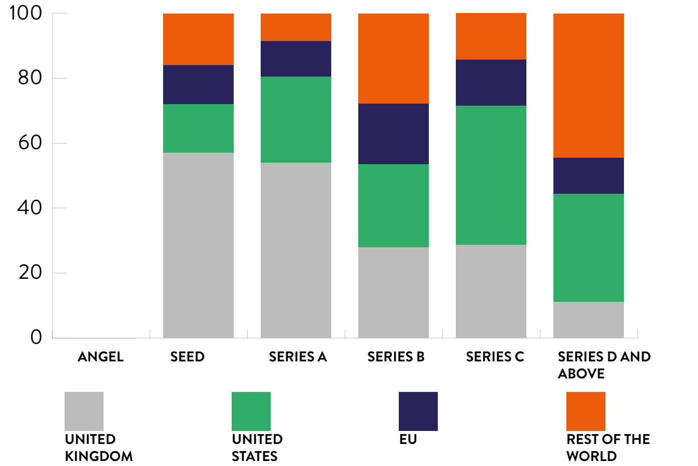
Over half of the Creative Industry visible scaling businesses are more than 15 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Andreessen Horowitz (a16z) managed by Andreessen Horowitz	£518m
Softbank Vision Fund managed by Softbank	£504m
Horizons Ventures	£409m
Temasek	£409m
Corporate & Acquisition Finance managed by Barclays Corporate Banking	£225m
Gryphion Capital Investments	£194m
Corporate & Institutional Banking	£194m
Future Fund managed by British Business Bank	£179m
NetEase (NTES) Capital	£164m
Balderton Capital managed by Balderton Capital	£155m

INVESTOR	TOTAL
Highland Europe managed by Highland Europe	£150m
Molten Ventures managed by Molten Ventures	£129m
Galaxy Interactive	£120m
CMT Digital	£115m
Digital Currency Group (DCG) managed by Digital Currency Group	£115m
Ethereal Ventures managed by Ethereal Ventures	£115m
Mirana Ventures	£115m
Nexo	£115m
Round13	£115m
Saranac Partners	£115m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

Archangels managed by Archangels	15
Republic Europe (formerly Seedrs) managed by Republic	15
Future Fund managed by British Business Bank	12
BGF managed by BGF (formerly Business Growth Fund)	11
Wealth Club managed by Wealth Club	11
Crowdcube managed by Crowdcube	10
Beringea managed by Beringea	8
Highland Europe managed by Highland Europe	8
Scottish Enterprise managed by Scottish Enterprise	8
Ascension managed by Ascension	7

Balderton Capital managed by Balderton Capital	7
Guinness Ventures managed by Guinness Ventures	7
Index Ventures managed by Index Ventures	7
24Haymarket managed by 24Haymarket	6
Business Loan Fund managed by Creative England	6
Coronavirus Business Interruption Loan Scheme (CBILS)	6
Mercia EIS Fund managed by Mercia Ventures	6
MMC Ventures managed by MMC Ventures	6
Mobeus managed by Mobeus	6
Molten Ventures managed by Molten Ventures	6

SCALEUP PUBLIC **PROCUREMENT**

52 Recreational services and equipment public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
Recreational services and equipment	52

USING DATA FROM Beauhurst
Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.
Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS **BY MOST AMOUNT RAISED**

INVESTOR	TOTAL
Improbable	£664m
Build A Rocket Boy	£231m
Cinesite	£229m
Lyst	£122m
Signal AI	£74.8m
LoveCrafts	£71.8m
Beam	£63.4m
Runa	£58.8m
Plessey Semiconductors	£52.0m
Hadean	£51.9m

INNOVATE UK **GRANTS**

UKRI Innovate UK

NO. OF SCALEUPS
37

GRANT AMOUNT RECEIVED
£12.2m

TOTAL NO. OF GRANTS WON
72

PRIVATE INVESTMENT SECURED
£1.1bn

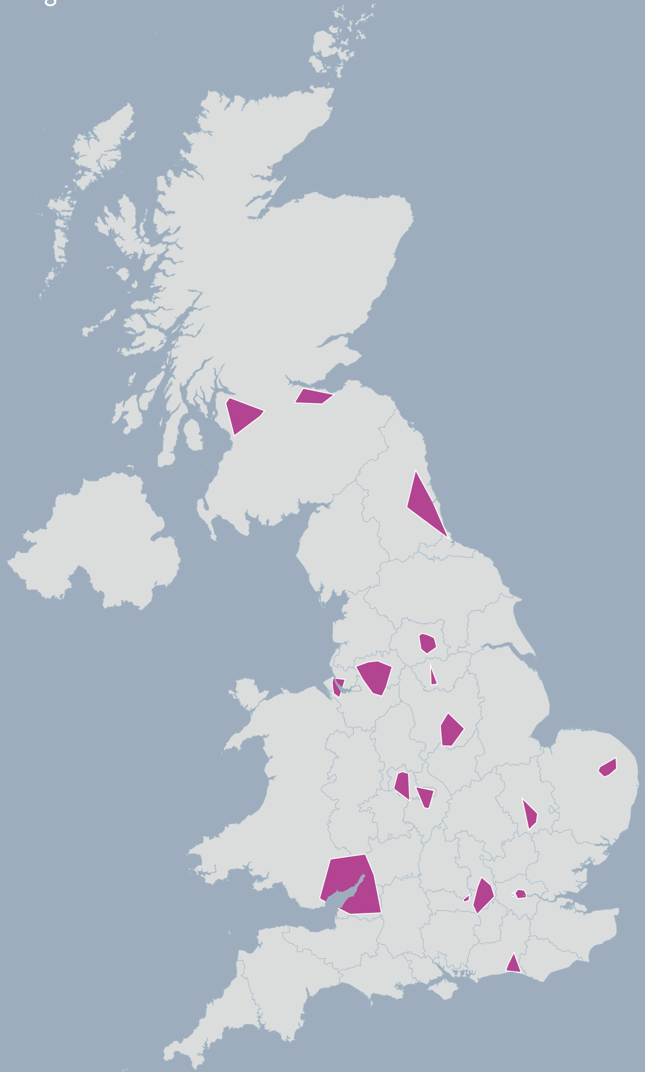
MULTIPLIER OF INITIAL SUM
88x

15 Creative Industries Sector Unicorns

CREATIVE INDUSTRIES

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Creative Industries as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Creative Industries across the UK.



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Universities, e.g.: Creative Industries Policy and Evidence Centre at Newcastle; Cardiff's Clwstwr project; University of the Arts London (UAL)

Hubs and Catapults, such as: Digital Catapult; Creative Central NCL; MediaCityUK, Manchester.

Growth Programmes, inter alia: British Library Get Ready for Business Growth; Create Growth Programme; LCR Gather; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

DIGITAL & TECHNOLOGY

SCALEUPS AND SCALING BUSINESSES WITHIN **DIGITAL AND TECHNOLOGY** SECTOR **IN THE UK** (ONS DATA)

Within the Digital and Technology sector there are a total of 7,245 scaleups and a further 3,050 scaling businesses generating £197bn in turnover and employing 920k people.

SCALEUPS	TURNOVER
7,245	6,235
SCALING PIPELINE	
3,050	1,955

EMPLOYMENT	SCALING BOTH
2,740	1,730
SCALING PIPELINE	
1,240	145

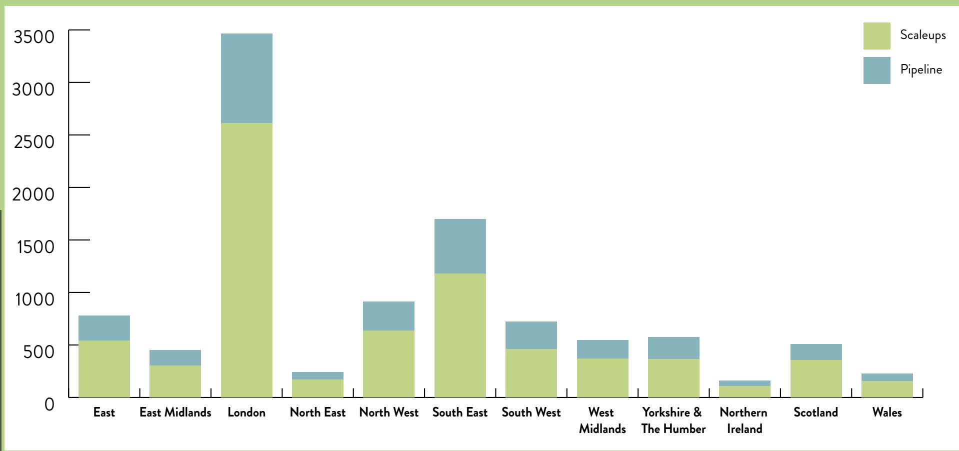
Source: ONS IDBR 2010-2022

The Digital and Technology comprises sub-sectors that include Hardware, Robotics and Automation, Chips and Processors, Sensors etc; IT and Telecoms; Software; FinTech, AI, Quantum, SaaS, Software Systems including mobile application and Data Management.

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
682k PEOPLE	**£116bn**	**£169,900**

SCALING PIPELINE

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
238k PEOPLE	**£81bn**	**£340,303**



SCALEUPS AND SCALING BUSINESSES WITHIN **DIGITAL AND TECHNOLOGIES** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Digital and Technology sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 1,569 visible scaling business generating £63.2 billion in turnover and employing 327,000 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

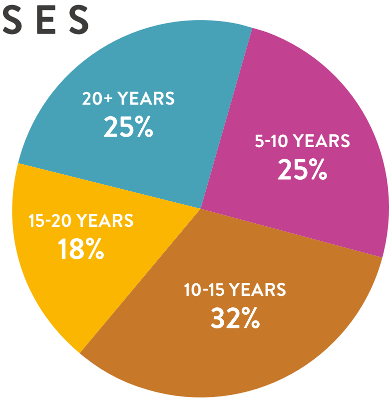
1,569

VISIBLE SCALEUP & SCALING BUSINESSES

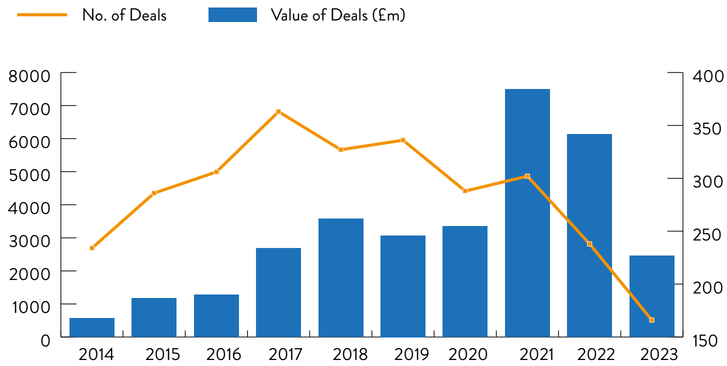
EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	THE TOTAL AMOUNT OF INVESTMENT
327k PEOPLE	**£63.2bn**	**£34.4bn**

BUSINESSES BY AGE

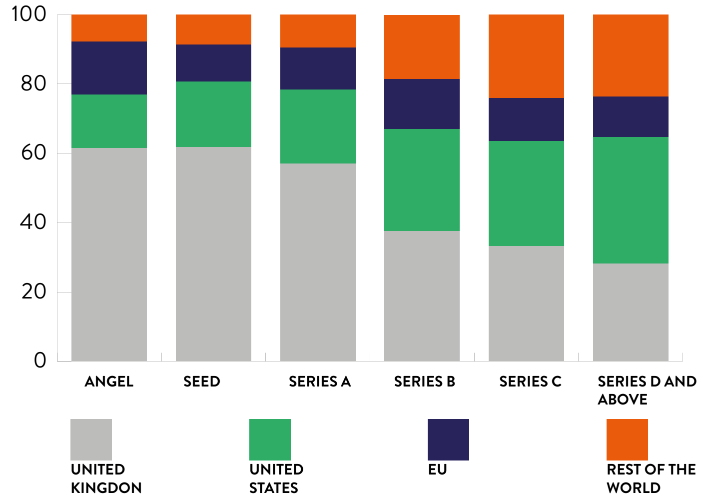
Three quarters of visible Digital and Technology sector businesses are over 10 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Accel managed by Accel Partners	£2.16b
Digital Sky Technologies (DST Global)	£2.14b
Softbank Vision Fund managed by Softbank	£2.06b
Insight Partners managed by Insight Partners	£1.79b
Tiger Global Management	£1.79b
Government of Singapore Investment Corporation (GIC Private Limited)	£1.61b
Coatue Management	£1.54b
Ribbit Capital managed by Ribbit Capital	£1.42b
Blossom Capital managed by Blossom Capital	£1.36b
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	£1.27b

INVESTOR	TOTAL
Molten Ventures managed by Molten Ventures	£1.23b
Endeavor Catalyst	£1.22b
Qatar Investment Authority	£1.19b
Tencent	£1.14b
Technology Crossover Ventures (TCV) managed by Technology Crossover Ventures	£1.14b
Railpen: Private Markets managed by Railpen	£1.08b
GV (Google Ventures) managed by Google	£1.08b
Latitude managed by Phoenix Court Group	£1.07b
Schroders Capital managed by Schroders	£1.05b
BlackRock	£1.04b

FUNDERS **BY NUMBER OF FUNDRAISINGS**

Republic Europe (formerly Seedrs) managed by Republic	71
Crowdcube managed by Crowdcube	58
BGF managed by BGF (formerly Business Growth Fund)	50
Future Fund managed by British Business Bank	50
Octopus Ventures managed by Octopus Group	50
Balderton Capital managed by Balderton Capital	49
Passion Capital managed by Passion Capital	45
Accel managed by Accel Partners	42
Molten Ventures managed by Molten Ventures	41
LocalGlobe managed by Phoenix Court Group	37

Notion Capital managed by Notion Capital Partners LLP	35
Amadeus Capital Partners managed by Amadeus Capital Partners	32
MMC Ventures managed by MMC Ventures	32
AlbionVC managed by Albion Capital Group	30
IP Group managed by IP Group	27
Archangels managed by Archangels	26
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	25
Index Ventures managed by Index Ventures	25
Cambridge Angels managed by Cambridge Angels	23
Augmentum Fintech managed by Augmentum Capital	21

SCALEUP PUBLIC **PROCUREMENT**

786 IT and Telecoms products public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
IT and Telecoms	786

USING DATA FROM Beauhurst

Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.
Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS BY MOST AMOUNT RAISED

INVESTOR	TOTAL
Monzo	£1.42b
Checkout.com	£1.36b
Revolut	£1.27b
CMR Surgical	£838m
SumUp	£771m
Zepz	£734m
Starling Bank	£715m
Improbable	£664m
Zopa	£657m
Atom	£623m

INNOVATE UK GRANTS

Innovate UK

NO. OF SCALEUPS	GRANT AMOUNT RECEIVED	TOTAL NO. OF GRANTS WON	PRIVATE INVESTMENT SECURED	MULTIPLIER OF INITIAL SUM
209	£127.7m	607	£6.7bn	52.2x

25 University Spin-out

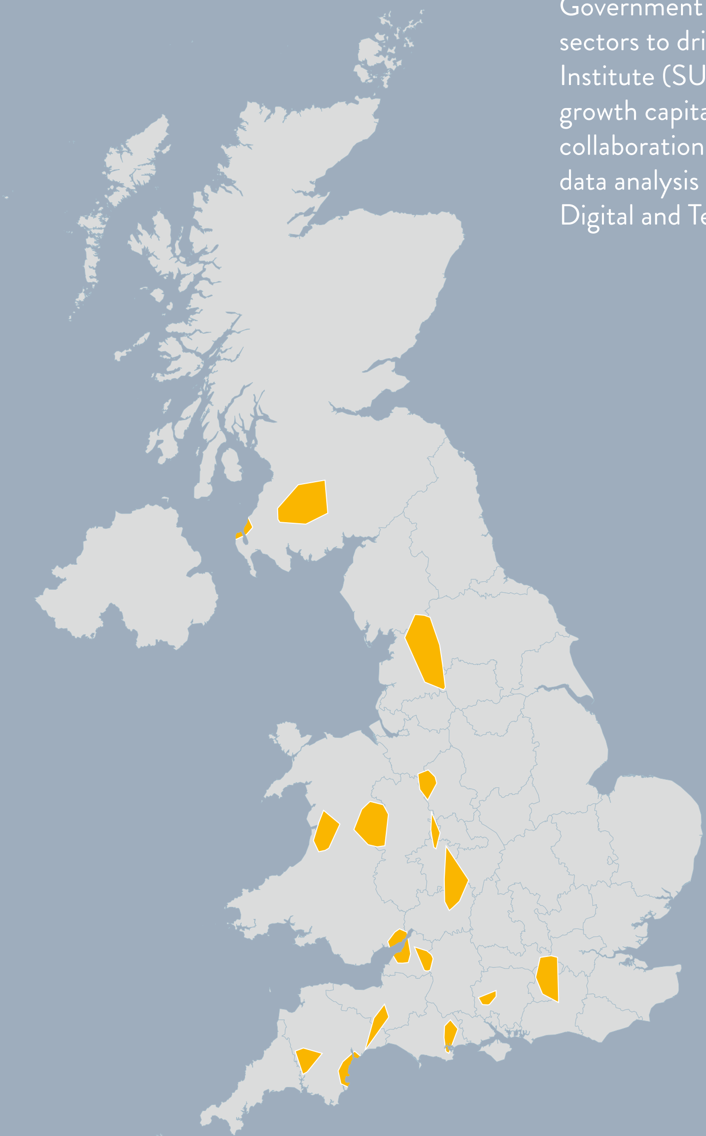
BUSINESS AND UNIVERSITY
AccelerComm (University of Southampton)
Biomodal (University of Cambridge)
BMLL Technologies (University of Cambridge)
Cambridge Mechatronics (University of Birmingham)
Celoxica (University of Oxford)
Datactics (Queen's University Belfast)
DiffBlue (University of Oxford)
Graphcore (University of Bristol)
IES (University of Strathclyde)

BUSINESS AND UNIVERSITY
Infinitesima (University of Bristol)
Kelvin Nanotechnology (University of Glasgow)
my mhealth (University of Southampton)
Navenio (University of Oxford)
NWEH (University of Manchester)
OxeHealth (University of Oxford)
P2i (Defence Science and Technology Laboratory (DSTL))
Perspectum (University of Oxford)

BUSINESS AND UNIVERSITY
pureLiFi (University of Edinburgh)
Reactec (University of Edinburgh)
Smarter Grid Solutions (University of Strathclyde)
Symetrica (University of Southampton)
The Floow (University of Sheffield)
Turbo Power Systems (Imperial College London)
Ultraleap (University of Bristol)
Xmos (University of Bristol)

45 Digital and Technology Sector Unicorns

TECH & AI



MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Digital and Technology as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Digital and Technology across the UK.

SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Universities, e.g.: Imperial College London; Edinburgh Centre for Robotics; University of Southampton Cyber Security Research Group; University of Cambridge Machine Learning Group; University of Oxford Robotics Institute.

Hubs and Catapults, such as: Digital Catapult; Compound Semiconductor Applications Catapult; Harwell Science and Innovation Campus; BetaDen; Business Cyber Centre; Tramshed.

Growth Programmes, inter alia: Shott Scaleup Accelerator; Tech Nation Upscale & Future Fifty; The ScaleUp Accelerator; Techscaler; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

FINANCIAL SERVICES

SCALEUPS AND SCALING BUSINESSES WITHIN **FINANCIAL SERVICES** SECTOR **IN THE UK** (ONS DATA)

Within the Financial Services sector there are a total of 780 scaleups and a further 280 scaling businesses generating £775bn in turnover and employing 210k people.

SCALEUPS	TURNOVER
780	675
SCALING PIPELINE	
280	175

EMPLOYMENT	SCALING BOTH
265	160
SCALING PIPELINE	
115	10

Source: ONS IDBR 2010-2022

The Financial Services sectors comprises sub-sectors that include fintech; payments; banking; accountancy; insurance / insuretech, etc. This sector also includes investment activities and platforms, e.g. Private Equity and Venture Capital, Investment Management.

EMPLOY
160k
PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED
£729bn

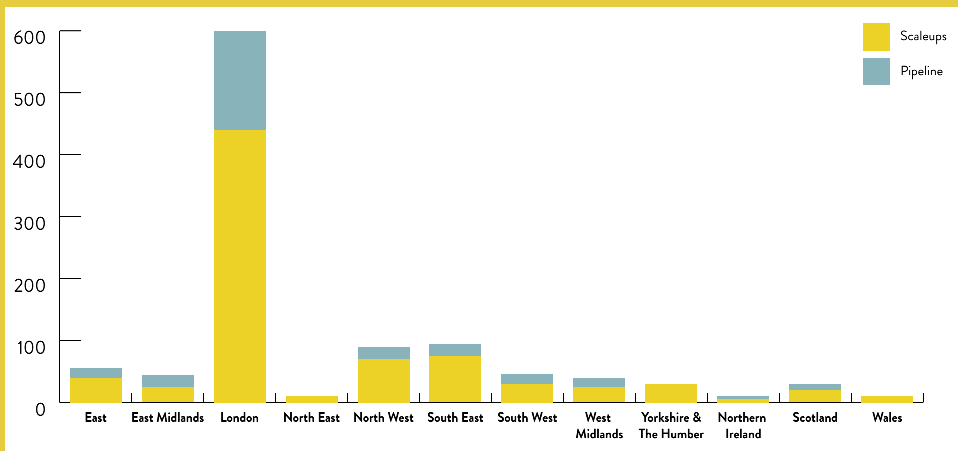
HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
£4.5m

SCALING PIPELINE

EMPLOY
50k
PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED
£46bn

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF
£916,509



SCALEUPS AND SCALING BUSINESSES WITHIN **FINANCIAL SERVICES** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Financial Services sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 996 visible scaling business generating £55.8 billion in turnover and employing 310,000 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

996

VISIBLE SCALEUP & SCALING BUSINESSES

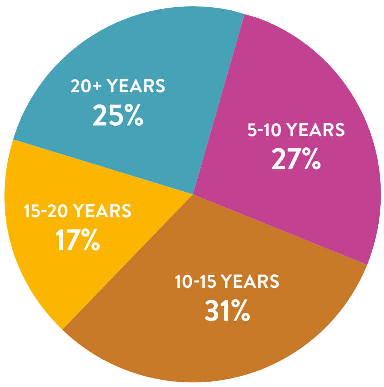
EMPLOY
310k
PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED
£55.8bn

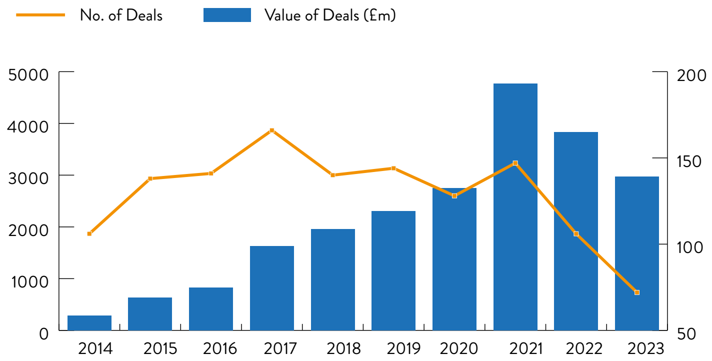
THE TOTAL AMOUNT OF INVESTMENT
£24.8bn

BUSINESSES BY AGE

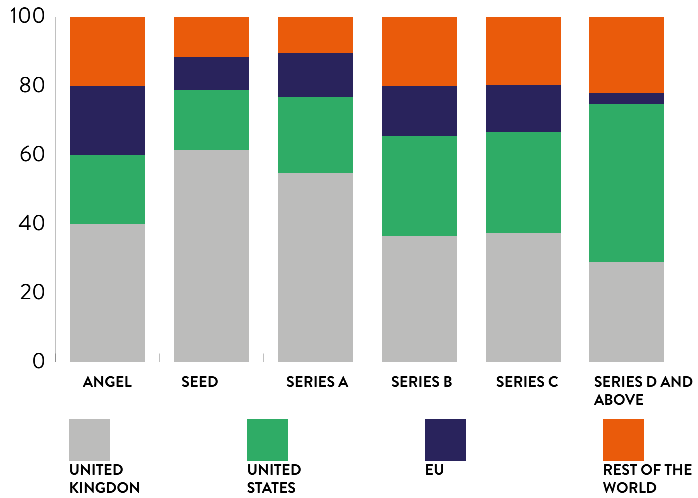
Almost three quarters of visible Financial Services sector businesses are over 10 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Digital Sky Technologies (DST Global)	£2.14b
Government of Singapore Investment Corporation (GIC Private Limited)	£2.11b
Accel managed by Accel Partners	£1.82b
Tiger Global Management	£1.79b
Insight Partners managed by Insight Partners	£1.65b
HgCapital managed by Hg	£1.63b
Coatue Management	£1.54b
Caisse de dépôt et placement du Québec (CDPQ)	£1.47b
Ribbit Capital managed by Ribbit Capital	£1.42b
Blossom Capital managed by Blossom Capital	£1.36b

INVESTOR	TOTAL
General Atlantic managed by General Atlantic	£1.28b
Endeavor Catalyst	£1.22b
Origin Energy	£1.22b
Qatar Investment Authority	£1.19b
CPP Investments managed by CPP Investment Board	£1.17b
Technology Crossover Ventures (TCV) managed by Technology Crossover Ventures	£1.14b
Generation Investment Management	£1.03b
Passion Capital managed by Passion Capital	£911m
BlackRock	£905m
Tokyo Gas	£819m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

Republic Europe (formerly Seedrs) managed by Republic	48
Crowdcube managed by Crowdcube	38
Accel managed by Accel Partners	28
Passion Capital managed by Passion Capital	27
Balderton Capital managed by Balderton Capital	23
Future Fund managed by British Business Bank	22
LocalGlobe managed by Phoenix Court Group	22
Augmentum Fintech managed by Augmentum Capital	19
Notion Capital managed by Notion Capital Partners LLP	18
Molten Ventures managed by Molten Ventures	16
Anthemis managed by Anthemis Group	15
Oxford Capital managed by Oxford Capital Partners	13
Seedcamp managed by Seedcamp	13
Dawn Capital managed by Dawn Capital	12
Octopus Ventures managed by Octopus Group	12
Finch Capital managed by Finch Capital	11
Toscafund	11
ACF Investors managed by ACF Investors	10
BBVA	10
Pi Labs	10

SCALEUP PUBLIC **PROCUREMENT**

623 Financial and Business services public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
Financial and Business services	623

USING DATA FROM Beauhurst
Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.
Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS BY MOST AMOUNT RAISED

INVESTOR	TOTAL
Howden Group Holdings	£2.06b
Monzo	£1.42b
Checkout.com	£1.36b
Rothesay	£1.31b
Revolut	£1.27b
Octopus Group	£1.22b
SumUp	£771m
Zepz	£734m
Starling Bank	£715m
Zopa	£657m

35 Financial Services Sector Unicorns

INNOVATE UK GRANTS

Innovate UK

NO. OF SCALEUPS	GRANT AMOUNT RECEIVED	TOTAL NO. OF GRANTS WON	PRIVATE INVESTMENT SECURED	MULTIPLIER OF INITIAL SUM
42	£11.3m	68	£3.9bn	347.7x

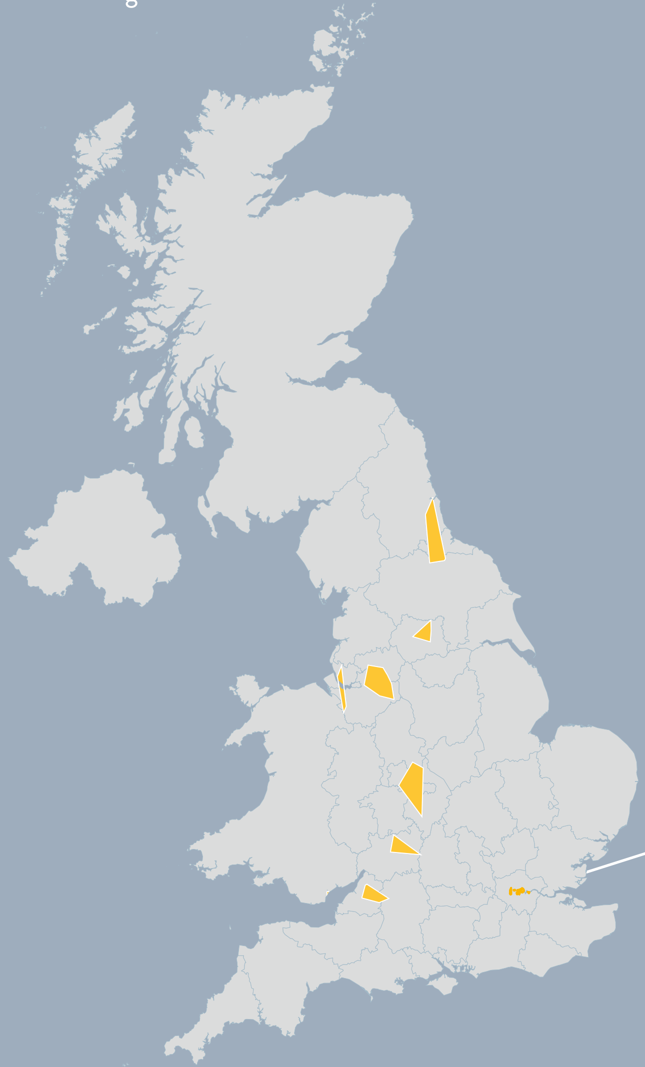
4 University Spin-out

BUSINESS AND UNIVERSITY
BMLL Technologies (University of Cambridge)
Celoxica (University of Oxford)
Datactics (Queen's University Belfast)
The Floow (University of Sheffield)

FINTECH

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Financial Services as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Financial Services across the UK.



SUPPORT FOR THE CLUSTER

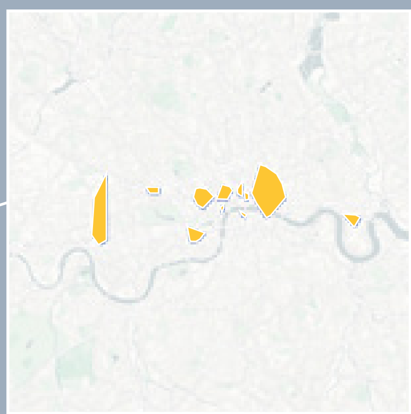
Across the UK a range of support with sector specialism exists:

Universities, e.g.: Imperial College London's Centre for Digital Finance and FinTech; UCL Centre for Blockchain Technologies; Warwick Business School's FinTech Research Group; University of Edinburgh's FinTech Hub.

Hubs and Catapults, such as: Rise London, Level 39; Strathclyde Business School Fintech Cluster.

Growth Programmes, inter alia: FCA Regulatory Sandbox; FinTech Innovation Lab; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.



LIFE SCIENCE

SCALEUPS AND SCALING BUSINESSES WITHIN **LIFE SCIENCES** SECTOR **IN THE UK** (ONS DATA)

Within the Life Sciences sector there are a total of 3,265 scaleups and a further 1,530 scaling businesses generating £28bn in turnover and employing 484k people.

SCALEUPS	TURNOVER
3,265	2,995
SCALING PIPELINE	
1,530	940

EMPLOYMENT	SCALING BOTH
1,175	905
SCALING PIPELINE	
700	110

Source: ONS IDBR 2010-2022

The Life Sciences sectors comprises sub-sectors that include BioTech; Pharmaceuticals; Clinical Research and Diagnostics; Medical Devices and Instruments etc.

EMPLOY **339k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£21bn**

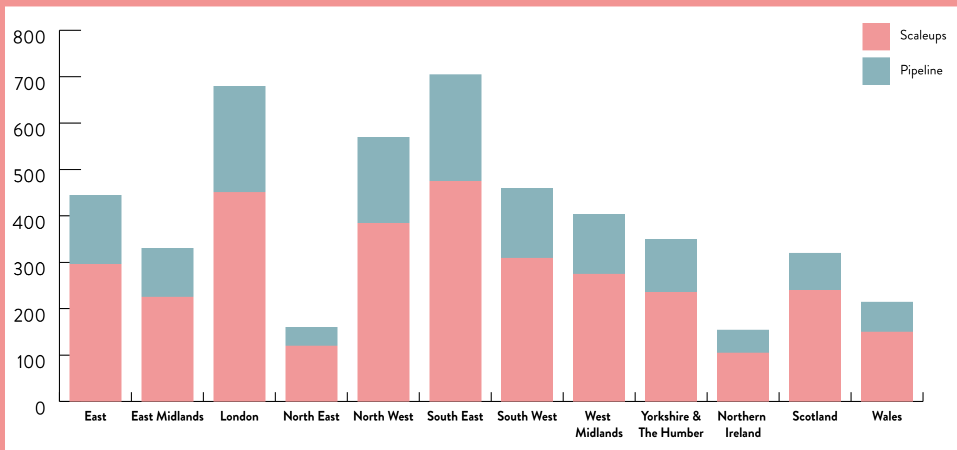
HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£62.5k**

SCALING PIPELINE

EMPLOY **145k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£7.3bn**

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£50.6k**



SCALEUPS AND SCALING BUSINESSES WITHIN **LIFE SCIENCES** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Life Sciences sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 205 visible scaling business generating £6.46 billion in turnover and employing 33,000 people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

205

VISIBLE SCALEUP & SCALING BUSINESSES

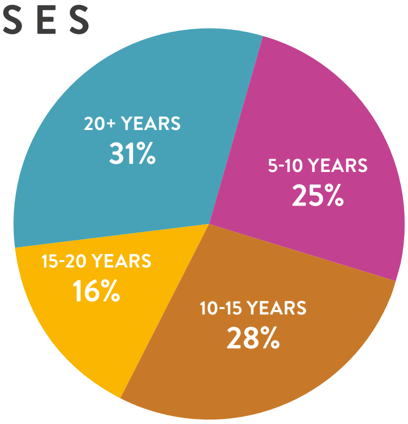
EMPLOY **33k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£6.46bn**

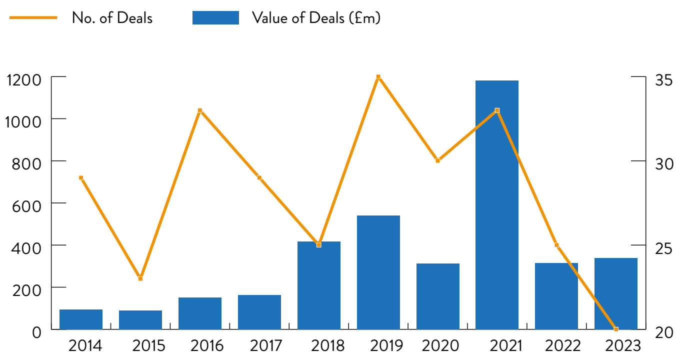
THE TOTAL AMOUNT OF INVESTMENT **£3.82bn**

BUSINESSES BY AGE

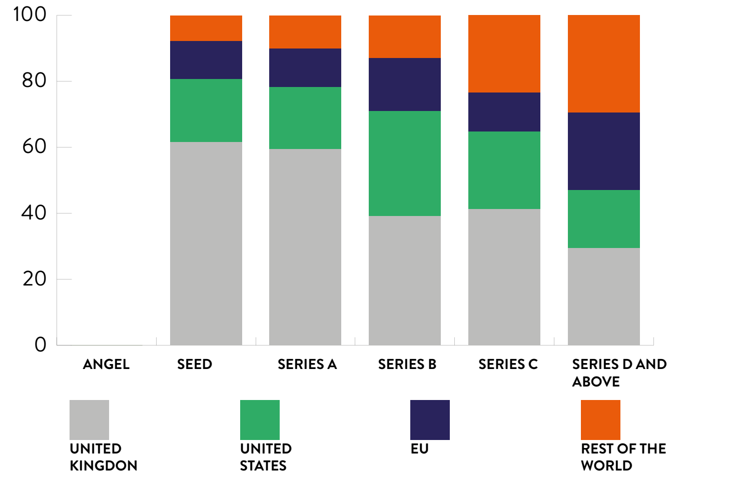
Three quarters of visible Life Science sector businesses are over 10 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	£1.19b
Tencent	£655m
GE Healthcare	£627m
Ally Bridge Group	£566m
Railpen: Private Markets managed by Railpen	£566m
Softbank Vision Fund managed by Softbank	£566m
Chimera Partners	£432m
PFM Health Sciences	£432m
Escala Capital managed by Escala Capital	£404m
LGT Capital Partners managed by LGT Capital Partners	£404m

INVESTOR	TOTAL
Watrium AS managed by Watrium	£404m
IP Group managed by IP Group	£392m
Zhejiang Silk Road Fund	£270m
Andera Partners	£252m
M Ventures managed by Merck Group	£236m
Oxford Science Enterprises managed by Oxford Science Enterprises	£219m
Tetragon	£218m
Woodford Investment Management managed by Woodford Investment Management	£216m
Syncona Partners managed by Syncona Partners	£208m
Arix Bioscience managed by Arix Bioscience	£201m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

Cambridge Innovation Capital (CIC) managed by Cambridge Innovation Capital	17
IP Group managed by IP Group	12
Mercia EIS Fund managed by Mercia Ventures	9
Kernel Capital managed by Kernel Capital	8
Touchstone Innovations managed by Touchstone Innovations	8
University of Cambridge Seed Funds managed by Cambridge Enterprise	8
Oxford Capital managed by Oxford Capital Partners	7
Parkwalk Opportunities EIS Fund managed by Parkwalk Advisors	7
South East Growth Fund (SEGF) managed by West Midlands Enterprise	7
Syncona Partners managed by Syncona Partners	7

UK Innovation & Science Seed Fund (UKI2S) managed by Future Planet Capital	7
Amadeus Capital Partners managed by Amadeus Capital Partners	6
BGF managed by BGF (formerly Business Growth Fund)	6
Clarendon Fund Managers managed by Clarendon Fund Managers	6
Invesco managed by Invesco Fund Managers Limited	6
Oxford Science Enterprises managed by Oxford Science Enterprises	6
University of Cambridge Enterprise Fund managed by Parkwalk Advisors	6
Archangels managed by Archangels	5
Future Fund managed by British Business Bank	5
UCL Business	5

SCALEUP PUBLIC **PROCUREMENT**

955 Health, Life sciences and social services public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
Health, Life Sciences and social services	955

USING DATA FROM Beauhurst

Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.

Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS **BY MOST AMOUNT RAISED**

INVESTOR	TOTAL
CMR Surgical	£838m
BenevolentAI	£253m
Artios Pharma	£245m
Gyroscope Therapeutics	£194m
Inivata	£167m
Crescendo Biologics	£150m
Touchlight	£147m
Osler Diagnostics	£144m
Evox Therapeutics	£115m
Akamis Bio	£108m

INNOVATE UK **GRANTS**

UKRI Innovate UK

NO. OF SCALEUPS	GRANT AMOUNT RECEIVED	TOTAL NO. OF GRANTS WON	PRIVATE INVESTMENT SECURED	MULTIPLIER OF INITIAL SUM
58	£49.9m	218	£1.5bn	30.1x

18 University Spin-out

BUSINESS AND UNIVERSITY
Akamis Bio (University of Birmingham)
Biomodal (University of Cambridge)
Charnwood Molecular (Loughborough University)
Cirdan (Queen's University Belfast)
Crescendo Biologics (Babraham Institute)
Domainex (University College London (University of London))
Endomag (University College London (University of London))
Evox Therapeutics (University of Oxford)
Fios Genomics (University of Edinburgh)
Gyroscope Therapeutics (University of Cambridge)

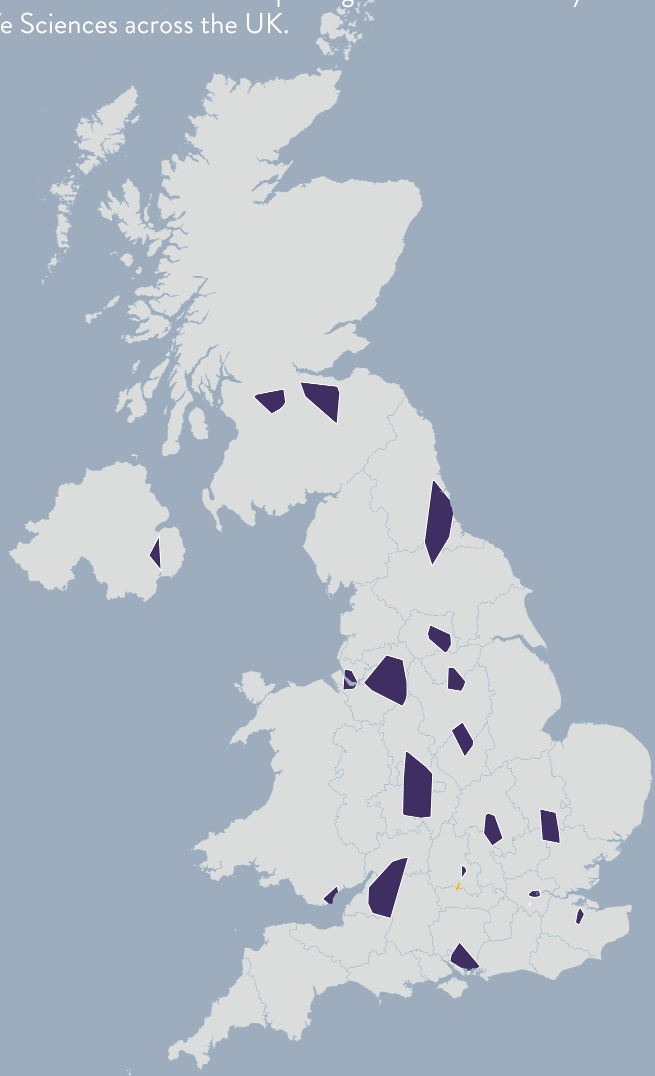
BUSINESS AND UNIVERSITY
Infinitesima (University of Bristol)
Invivata (MRC/Cancer Research UK/BHF Clinical Trial Service Unit & Epidemiological Studies Unit (CTSU))
NWEH (University of Manchester)
Osler Diagnostics (University of Oxford)
OxeHealth (University of Oxford)
OXGENE (University of Oxford)
Perspectum (University of Oxford)
PhoreMost (University of Cambridge)

17 Life Sciences Sector Unicorns

LIFE SCIENCES

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Life Sciences as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Life Sciences across the UK.



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Universities, e.g.: Manchester Institute of Biotechnology; UCL Institute of Biomedical Engineering; Glasgow Institute of Molecular, Cell and Systems Biology.

Hubs and Catapults, such as: Edinburgh Bioquarter; Babraham Research Campus; Alderley Park; Stevenage Bioscience Catalyst; Medicines Discovery Catapult; Cells and Gene Therapy Catapult.

Growth Programmes, inter alia: Innovation Accelerator Service; STEP INto Healthcare; Accelerate@Babraham; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

PROFESSIONAL SERVICES

SCALEUPS AND SCALING BUSINESSES WITHIN **PROFESSIONAL SERVICES** SECTOR **IN THE UK** (ONS DATA)

Within the Professional Services sector there are a total of 4,275 scaleups and a further 1,910 scaling businesses generating £153bn in turnover and employing 582k people.

	SCALEUPS	TURNOVER
	4,275	3,990
SCALING PIPELINE	1,910	1,245

	EMPLOYMENT	SCALING BOTH
	1,550	935
SCALING PIPELINE	760	935

Source: ONS IDBR 2010-2022

The Professional Services sectors comprises sub-sectors that include traditional service providers such as Consultancy/Advisory, Legal and Business Support (e.g. HR, Marketing) services, as well as technology-driven services, including admin support applications, Telecommunications support and Supply chain management solutions, etc

EMPLOY **433k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£105.9bn**

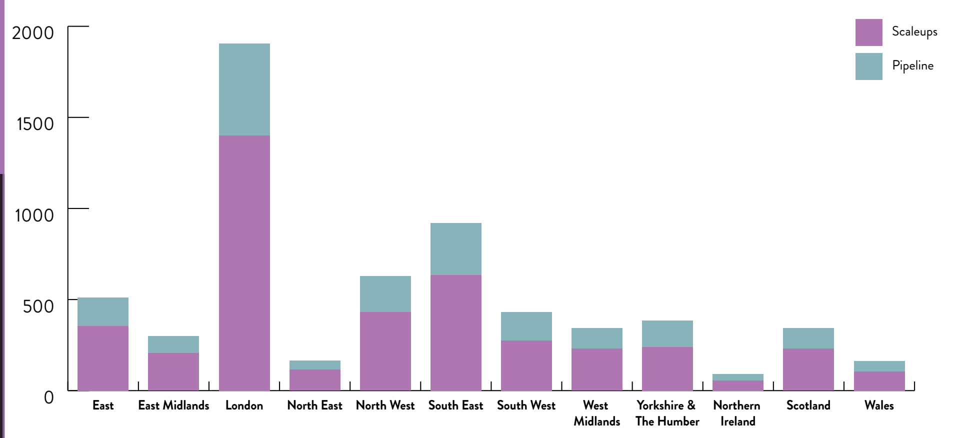
HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£244.6k**

SCALING PIPELINE

EMPLOY **149k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£47bn**

HAD AN AVERAGE TURNOVER PER EMPLOYEE OF **£315.5k**



SCALEUPS AND SCALING BUSINESSES WITHIN **PROFESSIONAL SERVICES** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Professional Services sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 2,420 visible scaling business generating £78.9 billion in turnover and employing 588k people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

2,420

VISIBLE SCALEUP & SCALING BUSINESSES

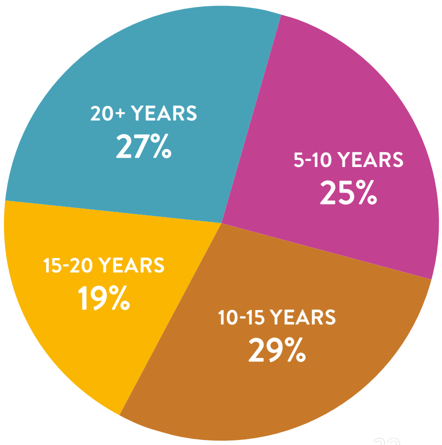
EMPLOY **588k** PEOPLE

THE TOTAL AMOUNT OF TURNOVER GENERATED **£78.9bn**

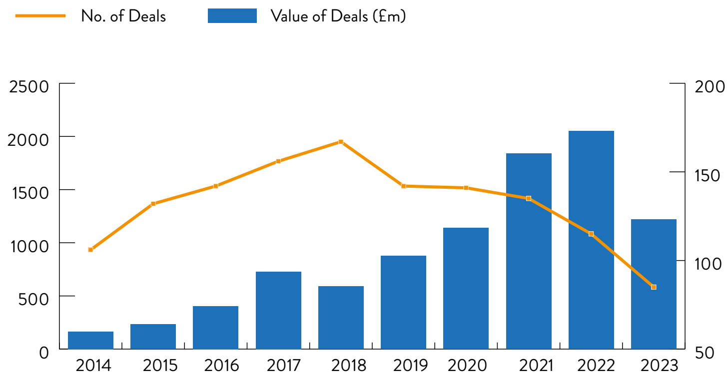
THE TOTAL AMOUNT OF INVESTMENT **£11.1bn**

BUSINESSES BY AGE

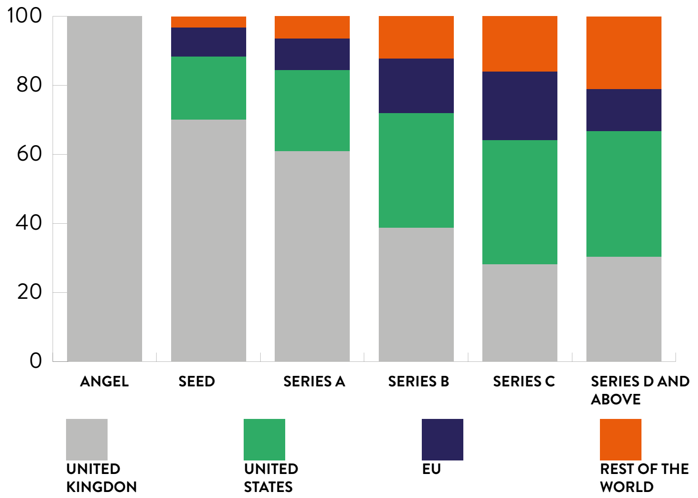
Three quarters of visible Professional Services sector businesses are over 10 years old.



FUNDRAISING **OVER TIME**



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS **BY TOTAL VALUE OF FUNDRAISINGS**

INVESTOR	TOTAL
Government of Singapore Investment Corporation (GIC Private Limited)	£1.46b
Insight Partners managed by Insight Partners	£1.43b
Blossom Capital managed by Blossom Capital	£1.36b
Digital Sky Technologies (DST Global)	£1.36b
Origin Energy	£1.22b
Coatue Management	£1.18b
Endeavor Catalyst	£1.18b
Tiger Global Management	£1.06b
CPP Investments managed by CPP Investment Board	£1.03b
Generation Investment Management	£1.03b

INVESTOR	TOTAL
Tokyo Gas	£819m
BGF managed by BGF (formerly Business Growth Fund)	£797m
Ribbit Capital managed by Ribbit Capital	£737m
Altimeter Capital	£730m
Dragoneer Investment Group	£730m
Franklin Templeton	£730m
Oxford Endowment Fund	£730m
Qatar Investment Authority	£730m
APAC Private Equity managed by Ares Management	£500m
Searchlight Capital Partners	£500m

FUNDERS **BY NUMBER OF FUNDRAISINGS**

BGF managed by BGF (formerly Business Growth Fund)	46
Republic Europe (formerly Seedrs) managed by Republic	43
Octopus Ventures managed by Octopus Group	25
Archangels managed by Archangels	16
LocalGlobe managed by Phoenix Court Group	16
Notion Capital managed by Notion Capital Partners LLP	16
Future Fund managed by British Business Bank	14
Dawn Capital managed by Dawn Capital	13
Cambridge Angels managed by Cambridge Angels	12
Scottish Co-Investment Fund managed by Scottish Enterprise	11

Crowdcube managed by Crowdcube	10
Index Ventures managed by Index Ventures	10
Nesta Impact Investments managed by Nesta	10
24Haymarket managed by 24Haymarket	9
AlbionVC managed by Albion Capital Group	9
Downing managed by Downing	9
Equity Gap managed by Equity Gap	9
Molten Ventures managed by Molten Ventures	9
Passion Capital managed by Passion Capital	9
Pi Labs	9

SCALEUP PUBLIC **PROCUREMENT**

623 Financial and Business services public procurement contracts were given to scaling businesses in 2023

SECTOR	CONTRACTS
Financial and Business services	623

USING DATA FROM Beauhurst
Visible scaleups are those hitting Companies House filings thresholds of £10.2 million in annual turnover and/or £5.1m in assets.
Visible scaling pipeline are those businesses growing between 10%-19.99%.

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS BY MOST AMOUNT RAISED

INVESTOR	TOTAL
Checkout.com	£1.36b
Octopus Group	£1.22b
RSK Group	£517m
Multiverse	£322m
Quantexa	£286m
Paddle	£233m
toob	£213m
Zappi	£181m
Onfido	£176m
GWI	£169m

1
Profession Services Sector Unicorns

INNOVATE UK GRANTS

Innovate UK

NO. OF SCALEUPS
118

GRANT AMOUNT RECEIVED
£72.7m

TOTAL NO. OF GRANTS WON
310

PRIVATE INVESTMENT SECURED
£2.7bn

MULTIPLIER OF INITIAL SUM
36.9x

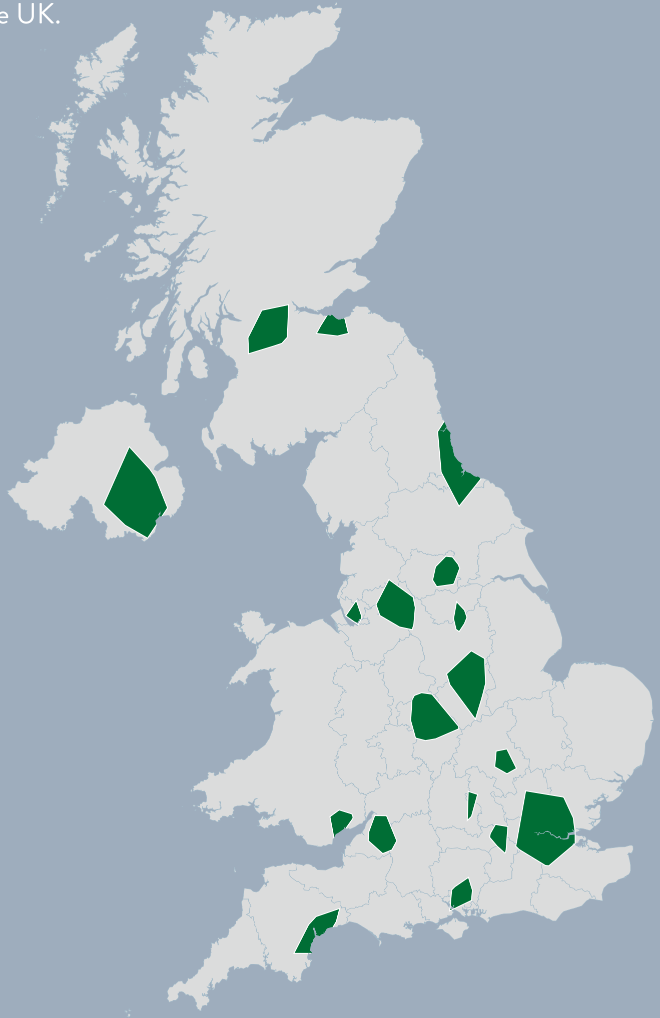
7
University Spin-out

BUSINESS AND UNIVERSITY
Datactics (Queen's University Belfast)
DiffBlue (University of Oxford)
Fios Genomics (University of Edinburgh)
IES (University of Strathclyde)
Navenio (University of Oxford)
NWEH (University of Manchester)
Reactec (University of Edinburgh)

PROFESSIONAL SERVICES

MAPPING SECTORAL SCALEUP CLUSTERS

As part of Invest 2035: the UK's modern industrial strategy, the Government has identified Professional Services as one of eight priority sectors to drive long-term sustainable growth. Research by the ScaleUp Institute (SUI) highlights the importance of sectoral clusters, talent, and growth capital in fostering local scaleup growth. To support this, SUI, in collaboration with The Data City, has created a sectoral map using advanced data analysis to identify and understand clusters of scaling businesses in Professional Services across the UK.



SUPPORT FOR THE CLUSTER

Across the UK a range of support with sector specialism exists:

Universities, e.g.: Cambridge Judge Business School; Oxford Saïd Business School; London School of Economics; University of Edinburgh Business School.

Hubs: a range of sector agonistic hubs exist, with most large cities having areas of collaboration for example, Canary Wharf in London, Spinningfields in Manchester, Edinburgh Financial District, and Belfast Harbour.

Growth Programmes, inter alia: Lawtech Scaler; FinTech Innovation Lab; and a range of sector agnostic programmes.

Further details of support can be explored using our online tool.

DEFENCE

SCALEUPS AND SCALING BUSINESSES WITHIN **DEFENCE** SECTOR **IN THE UK** (VISIBLE SCALEUPS)

Within the Defence sector of those businesses breaking through the £10.2 million barrier or £5.1 million in assets there are 417 visible scaling business generating £10.1 billion in turnover and employing 123k people.

Based on Companies House data this show the number of scaling businesses breaking through the £10.2m barrier or £5.1m in assets in 2023

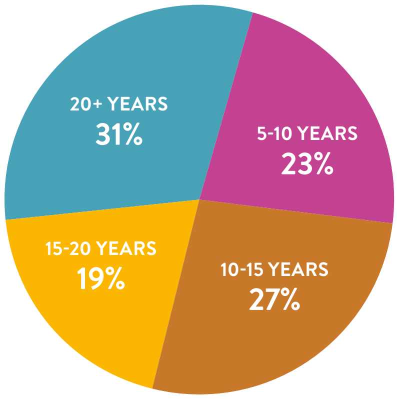
417

VISIBLE SCALEUP & SCALING BUSINESSES

EMPLOY	THE TOTAL AMOUNT OF TURNOVER GENERATED	THE TOTAL AMOUNT OF INVESTMENT
123k PEOPLE	**£10.1bn**	**£2.44bn**

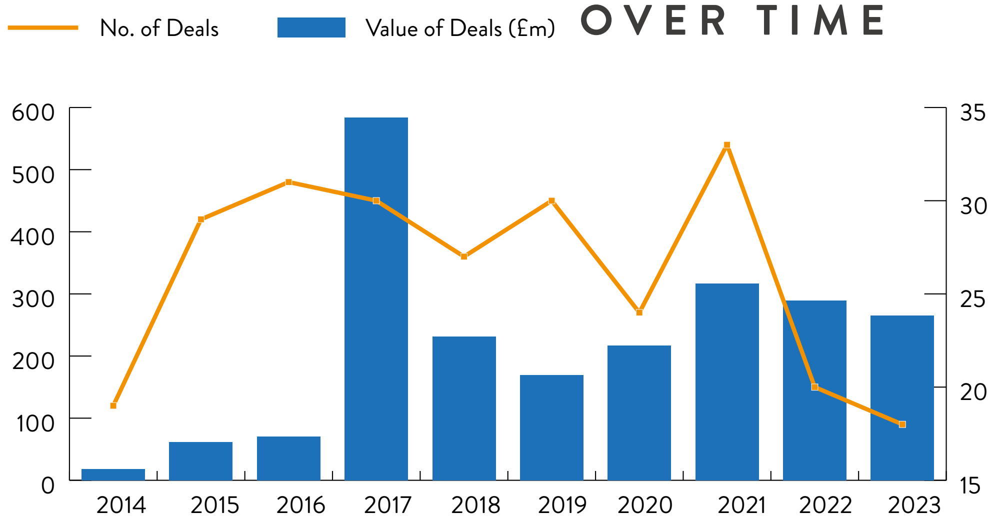
BUSINESSES BY AGE

Almost three quarters of visible Defence sector businesses are over 10 years old.

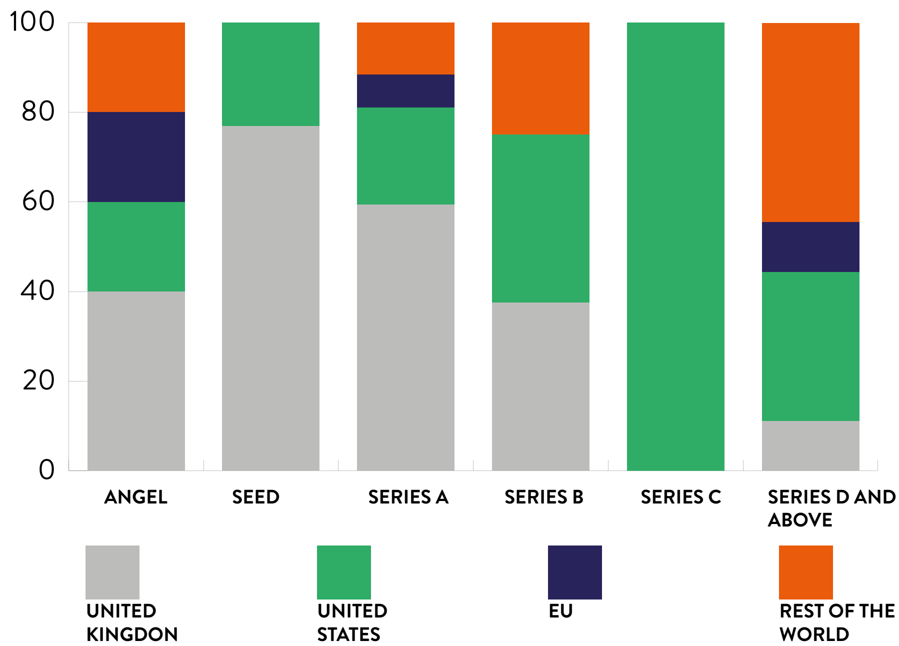


FUNDRAISING OVER TIME

Defence consists of 2 key subsectors - Military and Defence; Security and Surveillance together covering companies in military equipment, vehicles, cybersecurity infrastructure and intelligence gathering.



INVESTORS BY NATIONALITY AT FUNDING STAGES



TOP FUNDERS
BY TOTAL VALUE OF FUNDRAISINGS

INVESTOR	TOTAL
Andreessen Horowitz (a16z) managed by Andreessen Horowitz	£518m
Softbank Vision Fund managed by Softbank	£504m
Horizons Ventures	£409m
Temasek	£409m
Balderton Capital managed by Balderton Capital	£156m
Abu Dhabi Investment Office (ADIO)	£130m
Accel managed by Accel Partners	£116m
CMT Digital	£115m
Digital Currency Group (DCG) managed by Digital Currency Group	£115m
Ethereal Ventures managed by Ethereal Ventures	£115m

INVESTOR	TOTAL
Mirana Ventures	£115m
Nexo	£115m
Round13	£115m
Saranac Partners	£115m
SIG (Susquehanna International Group) China	£115m
Zinal Growth	£115m
Eurazeo managed by Eurazeo	£96.9m
Brighton Park Capital	£88.4m
MultiversX	£88.1m
Winton Investment Management managed by Winton Capital Management	£84.4m

FUNDERS
BY NUMBER OF FUNDRAISINGS

Winton Investment Management managed by Winton Capital Management	13
Equity Gap managed by Equity Gap	9
Nesta Impact Investments managed by Nesta	9
BGF managed by BGF (formerly Business Growth Fund)	8
Balderton Capital managed by Balderton Capital	6
Cambridge Angels managed by Cambridge Angels	6
IP Group managed by IP Group	6
Par Equity managed by Par Equity	6
Scottish Co-Investment Fund managed by Scottish Enterprise	6
Touchstone Innovations managed by Touchstone Innovations	6
Accel managed by Accel Partners	5
AlbionVC managed by Albion Capital Group	5
Amadeus Capital Partners managed by Amadeus Capital Partners	5
Crane Ventures managed by Crane Ventures	5
Notion Capital managed by Notion Capital Partners LLP	5
Santander Corporate & Commercial managed by Santander	5
Accelerated Digital Ventures managed by Accelerated Digital Ventures	4
Albion Capital managed by Albion Capital Group	4
Downing managed by Downing	4
Kernel Capital managed by Kernel Capital	4

TOTAL AMOUNT RAISED THROUGH FUNDRAISINGS
BY MOST AMOUNT RAISED

INVESTOR	TOTAL
Improbable	£664m
Callsign	£215m
Onfido	£176m
Featurespace	£116m
Netcraft	£99.8m
Tessian	£97.0m
ComplyAdvantage	£92.5m
PortSwigger	£88.4m
Claranet	£80.0m
Yoti	£70.7m

INNOVATE UK
GRANTS

Innovate UK

NO. OF SCALEUPS	GRANT AMOUNT RECEIVED	TOTAL NO. OF GRANTS WON	PRIVATE INVESTMENT SECURED	MULTIPLIER OF INITIAL SUM
28	£26.6m	104	£1.3bn	47.2x

SCALEUP PUBLIC PROCUREMENT

BUSINESS AND UNIVERSITY

1 University Spin-out

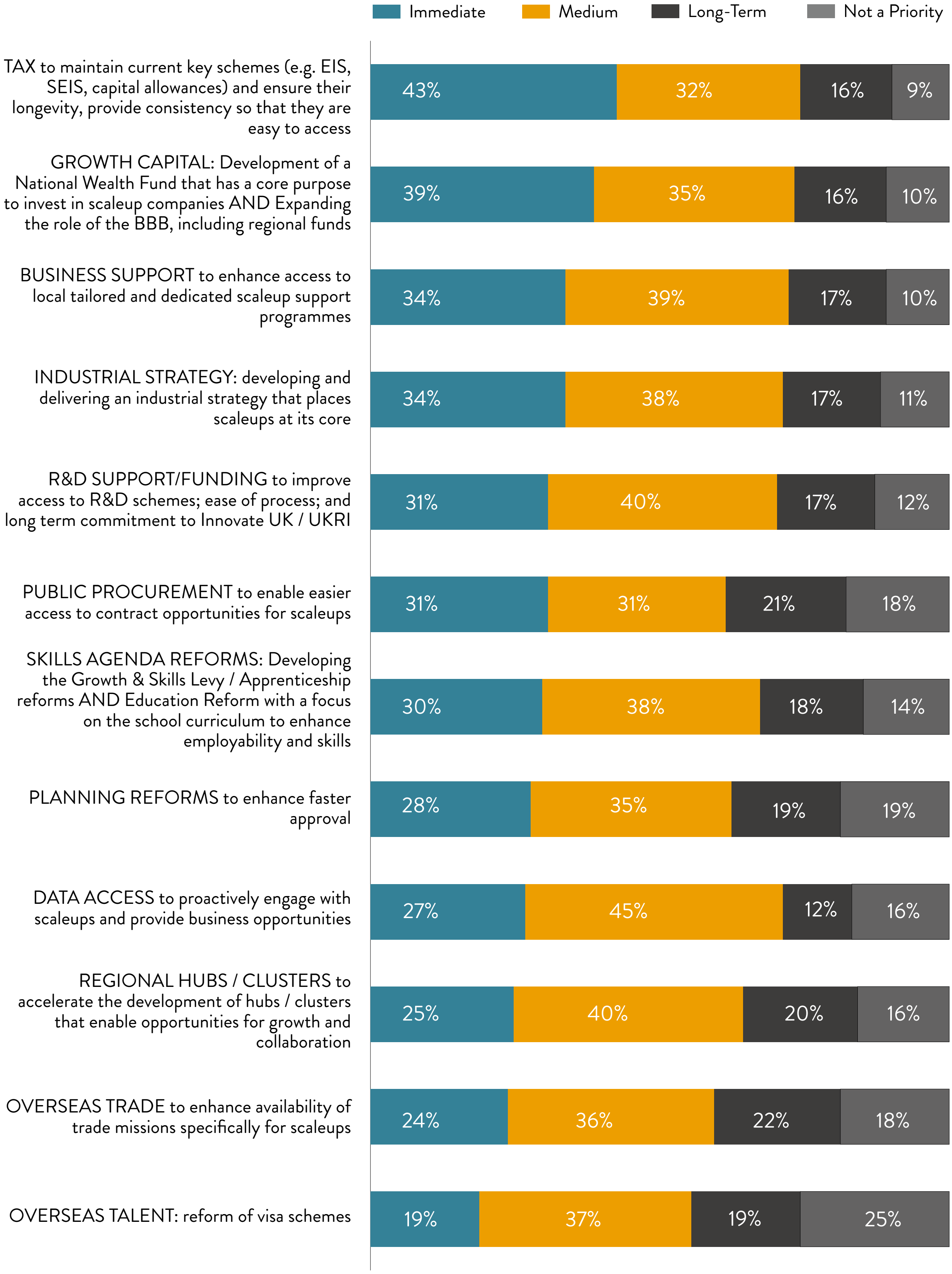
Symetrica (University of Southampton)

BUYER NAME	CONTRACTING AUTHORITY	TOTAL AWARD VALUE	NUMBER OF AWARDS TO SCALING BUSINESSES
Ministry of Defence (MOD)	Central Government	£175m	63

SUPPLIER	DESCRIPTION	REGION	CONTRACTING AUTHORITY	CONTRACT TITLE(S)	SECTOR	VALUE
Reds10	Interior design and project consultancy	London	Ministry of Defence (MOD)	Modular Buildings Framework Alliance Agreement	CONSTRUCTION	£72M

All Scaleups Government Priorities 2024

GOVERNMENT PRIORITIES



INDUSTRIAL STRATEGY SECTOR **BARRIERS AND ENABLERS**

Industrial Strategy sector CEO sentiments from Scaleup Institute Survey insights of over 1300 with over 200 in each of the sectors of Advanced Manufacturing, Creative Industries, Digital and Technology and Professional Services, over 150 in Life Sciences and over 100 in Financial Services and Clean Energy.

INDUSTRIAL SECTOR SCALEUPS TOP BARRIERS TO FURTHER GROWTH

Across the priority sectors Access to Markets, both in the UK and overseas, is the primary barrier to ongoing growth with 5 sectors reporting this; Access to Talent and Leadership is the second biggest challenge overall for 6 sectors, with Life Sciences placing it at number one. Access to Growth Capital remains a leading barrier, and is ranked first by Clean Energy scaleups, but is reported as the third biggest challenge across most other sectors, with the exception of Professional Services where it is fourth behind access to infrastructure and innovation support.
When forced ranked the following challenges appear in their top 3 to overcome

ADVANCED MANUFACTURING	64% Access to UK and international markets	61% Talent & leadership development	46% Access to the right bank / equity finance	38% Infrastructure and access to R&D facilities	15% Access to government / larger corporates via procurement and/or supply chains
CLEAN ENERGY	64% Access to the right bank / equity finance	48% Talent & leadership development	44% Access to UK and international markets	40% Infrastructure and access to R&D facilities	28% Access to government / larger corporates via procurement and/or supply chains
CREATIVE INDUSTRIES	62% Access to UK and international markets	55% Talent & leadership development	44% Access to the right bank / equity finance	35% Infrastructure and access to R&D facilities	28% Access to tax breaks
DIGITAL AND TECHNOLOGY	69% Access to UK and international markets	64% Talent & leadership development	42% Access to the right bank / equity finance	31% Infrastructure and access to R&D facilities	28% Access to government / larger corporates via procurement and/or supply chains
FINANCIAL SERVICES	69% Access to UK and international markets	64% Talent & leadership development	47% Access to the right bank / equity finance	28% Access to tax breaks	20% Access to external support and advice (e.g. from mentors and peers)
LIFE SCIENCES	66% Talent & leadership development	57% Access to UK and international markets	53% Access to the right bank / equity finance	39% Infrastructure and access to R&D facilities	24% Access to tax breaks
PROFESSIONAL SERVICES	73% Access to UK and international markets	67% Talent & leadership development	33% Infrastructure and access to R&D facilities	26% Access to the right bank / equity finance	21% Access to government / larger corporates via procurement and/or supply chains

SCALEUP LEADERS ACROSS SECTORS ARE ALSO CAUTIOUS ABOUT MACROECONOMIC FACTORS

The current economic climate has made scaleup leaders more cautious about things generally in the business and the extent to which they can invest and recruit. Across the key sectors within the Industrial Strategy, scaleup leaders are most concerned about higher costs of doing business, including inflation, raw materials and wages (top issue for 6 of 7 sectors surveyed). The lower levels of consumer confidence and the ongoing effects of Brexit also plays on the minds of our scaleup leaders and their growth plans. Unsurprisingly, Advanced Manufacturing scaleups are more concerned about supply chain disruption than peers in other sectors.

THEY ARE MOST APPREHENSIVE OF:	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
HIGHER COSTS TO THE BUSINESS	41.50%	28.00%	32.00%	33.50%	22.60%	40.20%	31.20%
LEGACY OF UK'S EXIT FROM THE EU (BREXIT)	32.70%	40.00%	26.40%	24.60%	16.10%	31.00%	18.80%
LOWER LEVELS OF BUSINESS / CONSUMER CONFIDENCE	28.50%	44.00%	22.40%	19.90%	22.60%	27.60%	27.40%
SUPPLY CHAIN DELAYS / DISRUPTION	33.50%	32.00%	11.20%	15.20%	0.00%	23.00%	11.30%

AND CONFIDENCE REMAINS FRAGILE

Many scaleups in Financial Services, Digital/Tech, Advanced Manufacturing and Life Sciences are confident that they are outperforming their peers. However, despite this, across many sectors there is a perception that it is harder to grow a business now than it has been in the past; and there are concerns about the UK as a place to do business, which is particularly acute for those in Life Sciences, Creative and Digital/Tech industries.

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
IT IS VERY HARD TO PLAN FOR GROWTH, YOU HAVE TO RESPOND WELL TO OPPORTUNITIES	58.46%	60.00%	65.60%	53.40%	41.94%	59.77%	58.06%
IT IS HARDER TO GROW THE BUSINESS NOW THAN IN THE PAST	51.06%	60.00%	63.93%	40.98%	41.38%	60.11%	48.36%
I WORRY ABOUT WHETHER THE UK WILL BE A GOOD LOCATION FOR A BUSINESS IN A FEW YEARS' TIME	51.06%	44.00%	56.56%	54.15%	44.83%	60.11%	47.89%
I FEEL THAT MOST OF THE MONEY AND BUSINESS ADVICE IS PROVIDED IN LONDON / THE SOUTH EAST	44.38%	44.00%	57.79%	43.41%	44.83%	48.31%	36.15%
I FEEL THERE IS VERY LITTLE SUPPORT AVAILABLE FOR BUSINESSES LIKE OURS	42.25%	52.00%	56.97%	40.49%	43.10%	44.38%	45.07%
OUTPERFORMING OUR PEERS	57.69%	40.00%	49.60%	60.73%	74.19%	56.32%	48.39%

When it comes to support from the private sector, scaleups in Advanced Manufacturing and Creative Industries want greater access to financiers; while those in Digital/Tech and Financial Services want to access networks of NEDs and Fractional Executives. Support from local Professional Services is particularly sought by Clean Energy, Creative and Life Sciences.

LOCAL ACCESS TO RESOURCES TO FACILITATE GROWTH IS VITAL

KEY ENABLERS ARE:

	Local professional services	NEDs & Fractional Execs	Banks / Financiers	Universities
ADVANCED MANUFACTURING	4 IN 10	3 IN 10	4 IN 10	4 IN 10
CLEAN ENERGY	6 IN 10	4 IN 10	3 IN 10	2 IN 10
CREATIVE INDUSTRIES	5 IN 10	2 IN 10	4 IN 10	4 IN 10
DIGITAL AND TECHNOLOGY	4 IN 10	5 IN 10	3 IN 10	3 IN 10
FINANCIAL SERVICES	4 IN 10	5 IN 10	2 IN 10	4 IN 10
LIFE SCIENCES	5 IN 10	3 IN 10	3 IN 10	4 IN 10
PROFESSIONAL SERVICES	4 IN 10	5 IN 10	2 IN 10	3 IN 10

SOURCES OF SUPPORT FROM THE PUBLIC SECTOR

From the public sector, scaleups across all sectors are looking for easier access to support from Innovate UK, Local Government and Help to Grow style schemes. Access to the British Business Bank and Devolved Development Banks are also sought across each sector. However offers such as Horizon Europe are less in demand by Financial Services and Professional Services, reflecting the lesser focus of this scheme for those sectors.

SCALEUPS WOULD LIKE EASIER LOCAL ACCESS TO:	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
INNOVATE UK	54.77%	64.00%	41.04%	55.75%	19.28%	46.88%	30.25%
LOCAL/REGIONAL GOVERNMENT (INCL DEVOLVED GOVERNMENT AGENCIES, COMBINED AUTHORITIES, GROWTH HUBS)	40.92%	48.00%	43.66%	36.28%	33.73%	31.88%	36.55%
HELP TO GROW SCHEMES	39.83%	32.00%	42.23%	36.31%	27.78%	32.59%	33.33%
DBT INTERNATIONAL TRADE ADVISORS / EXPORT ACADEMY	35.54%	23.53%	12.35%	27.27%	14.55%	18.27%	15.38%
HORIZON EUROPE	28.32%	36.00%	11.83%	34.19%	7.94%	28.93%	6.09%
BRITISH BUSINESS BANK / DEVOLVED NATIONAL BANKS	27.94%	48.00%	37.50%	30.36%	28.05%	27.04%	23.32%
UK EXPORT FINANCE (UKEF)	26.59%	28.00%	29.10%	28.26%	32.88%	28.28%	18.18%
IP OFFICE	24.86%	24.00%	10.75%	25.64%	3.17%	19.83%	7.83%
CATAPULTS	23.81%	36.00%	10.61%	20.54%	6.10%	25.16%	10.76%
CLUSTERS AND HUB SUPPORT	17.34%	16.00%	21.51%	12.82%	23.81%	18.18%	19.13%

ACCESS TO MARKETS

Domestically many scaleups sell to other businesses and to government at all levels (including its agencies and the NHS), however they experience challenges when doing so. Having to go through complex procurement procedures is commonly cited as a top 3 issue for all sectors. Finding out about opportunities to bid and the time it takes to win a contract are also barriers for most sectors.

WHAT ARE THE MAIN BARRIERS TO YOU WORKING WITH LARGE CORPORATES AND/OR NATIONAL, REGIONAL OR LOCAL GOVERNMENT IN THE UK

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
THE TIME IT TAKES TO GET PAID WITH THESE CONTRACTS	41.03%	-	37.04%	29.79%	32.56%	29.17%	29.41%
THE TIME IT TAKES TO WIN A CONTRACT	38.46%	-	31.48%	55.32%	62.79%	12.50%	58.82%
HAVING TO GO THROUGH A COMPLEX PROCUREMENT PROCESS	41.03%	50.00%	42.59%	68.09%	44.19%	37.50%	52.94%
HAVING FINANCE IN PLACE TO HELP FULFIL CONTRACTS YOU WIN E.G. TO PAY FOR STOCK, INCREASED STAFF WAGES, ETC.	26.92%	50.00%	25.93%	19.15%	32.56%	27.08%	26.47%
FINDING OUT ABOUT OPPORTUNITIES TO BID FOR THE PRODUCTS OR SERVICES YOU OFFER	26.92%	25.00%	40.74%	29.79%	41.86%	41.67%	38.24%
CONTRACT ISSUES AROUND INTELLECTUAL PROPERTY	29.49%	-	14.81%	23.40%	16.28%	37.50%	16.18%
THE CONTRACTS ON OFFER BEING TOO LARGE FOR YOU TO BE ABLE TO FULFIL	14.10%	50.00%	24.07%	25.53%	4.65%	39.58%	14.71%
HAVING TO MEET QUALIFICATION CRITERIA E.G. ISO OR INDEMNITY COVER	23.08%	25.00%	29.63%	38.30%	16.28%	12.50%	20.59%

Access to key decision makers and account management is a top 3 ask from each of the sectors. Opportunities to meet the buyer are also in demand. The resource intensive industries of Advanced Manufacturing, Clean Energy and Life Science, want a dedicated apportionment of funding for scaling businesses.

WOULD ANY OF THE FOLLOWING MAKE IT MUCH EASIER TO WORK WITH LARGE CORPORATES AND/OR GOVERNMENT?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
ACCESS TO KEY DECISION MAKERS AND A DEDICATED ACCOUNT MANAGER	62.23%	70.83%	45.30%	50.36%	20.83%	47.31%	51.52%
‘MEET THE BUYER’ STYLE EVENTS AND CURATED MATCHMAKING	47.34%	58.33%	44.44%	42.34%	33.33%	25.81%	48.48%
ONLINE PLATFORM FOR PROCUREMENT BIDS AND SHOWCASING YOUR BUSINESS	35.64%	41.67%	47.86%	47.45%	16.67%	26.88%	42.42%
DEDICATED APPORTIONMENT OF FUNDING TO WORK WITH SCALING BUSINESSES	44.15%	58.33%	30.77%	43.80%	16.67%	47.31%	41.67%
EDUCATION ON HOW TO RESPOND TO PROCUREMENT PROCESSES	28.19%	33.33%	24.79%	32.12%	16.67%	35.48%	34.85%
BETTER ACCESS TO CONTRACTS FOR INNOVATION (FORMERLY SBRI)	38.30%	62.50%	33.33%	51.82%	12.50%	29.03%	34.09%
ACCESS TO ONLINE COLLABORATION PLATFORMS (E.G. KONFER, INTERFACE)	17.55%	33.33%	15.38%	21.17%	18.75%	31.18%	28.79%
COLLABORATIVE "TEST BEDS" AND "SANDBOXES" FOR DEVELOPING INNOVATIVE SOLUTIONS	20.21%	37.50%	29.91%	30.66%	25.00%	20.43%	25.00%
CLEARER GUIDANCE ON HOW TO BECOME/QUALIFY AS A PRIME CONTRACTOR	23.94%	45.83%	25.64%	26.28%	10.42%	17.20%	24.24%

EXPORT MARKETS

Scaling businesses are highly international - with exporting activity a strong predictor of growth. Across the Industrial strategy sectors this is evident with the EU and US the leading markets outside the UK - for Life Sciences the biggest market opportunity is perceived to be the US.

KEY EXPORT MARKETS

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
THE EU	78.85%	72.00%	66.40%	77.49%	54.84%	83.91%	46.77%
NORTH AMERICA	63.85%	52.00%	64.80%	73.82%	35.48%	85.06%	39.78%
OTHER PARTS OF EUROPE OUTSIDE EU	51.15%	40.00%	39.20%	48.69%	29.03%	50.57%	28.49%
AUSTRALASIA	44.23%	32.00%	36.80%	48.69%	29.03%	55.17%	22.58%
MIDDLE EAST	40.00%	28.00%	33.60%	40.31%	25.81%	41.38%	24.19%
OTHER PARTS OF ASIA	39.62%	28.00%	25.60%	38.22%	29.03%	43.68%	19.35%
INDIAN SUBCONTINENT	35.38%	28.00%	24.00%	26.18%	16.13%	35.63%	13.98%
CHINA	32.31%	24.00%	27.20%	22.51%	9.68%	43.68%	11.83%
LATIN AMERICA	31.92%	32.00%	25.60%	27.23%	19.35%	37.93%	14.52%
AFRICA	25.38%	36.00%	20.00%	23.04%	9.68%	28.74%	15.05%

However, scaleups are reporting barriers to selling their goods and services overseas, with Creatives, Life Sciences, Financial and Professional Services particularly citing limited access to customers. Financial and Professional Services are also concerned about the impact of current world events; while Manufacturing and Digital/Tech scaleups are facing issues to find support and partnerships in foreign markets.

WHAT ARE THE MAIN BARRIERS TO YOU EXPORTING OR EXPORTING MORE THAN YOU CURRENTLY DO?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
LIMITED ACCESS TO CUSTOMERS OVERSEAS	27.78%	-	51.56%	35.14%	51.61%	30.77%	50.00%
UNCERTAINTY DUE TO CURRENT WORLD EVENTS	24.60%	-	34.38%	20.27%	51.61%	25.00%	44.12%
NOT HAVING THE PEOPLE/TALENT TO WIN OVERSEAS SALES	28.57%	33.33%	32.81%	32.43%	41.94%	25.00%	41.18%
FINDING LOCAL SUPPORT / PARTNERS IN OVERSEAS MARKETS	46.83%	-	32.81%	40.54%	41.94%	23.08%	36.76%
ADAPTING TO WORKING IN DIFFERENT OVERSEAS MARKETS	29.37%	-	28.13%	33.78%	48.39%	32.69%	35.29%
NOT BEING INVITED ON INTERNATIONAL TRADE MISSIONS	15.87%	-	21.88%	21.62%	19.35%	21.15%	25.00%
FINANCIAL BARRIERS	26.98%	66.67%	17.19%	31.08%	22.58%	25.00%	23.53%
LONG CREDIT TERMS / NOT GETTING PAID ON TIME	29.37%	-	23.44%	24.32%	29.03%	19.23%	22.06%

Across all sectors, facilitated introductions to buyers is seen as a key type of support; access to a single point of contact in the Trade Department and information about trade missions are also in demand. Financial services are seeking greater market insights.

WHEN CONSIDERING EXPORTING OR EXPANDING INTERNATIONALLY, WHICH OF THE FOLLOWING WOULD BE REALLY HELPFUL?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
BETTER INTRODUCTIONS TO BUYERS OVERSEAS	36.54%	50.00%	38.26%	41.21%	38.89%	44.74%	31.75%
MORE INFORMATION ON TRADE MISSIONS / MARKET OPPORTUNITIES	29.90%	27.27%	31.54%	28.64%	33.33%	24.56%	30.69%
SINGLE POINT OF CONTACT FOR SCALEUPS AT THE TRADE DEPARTMENT IN THE UK AND OVERSEAS	25.58%	36.36%	30.20%	34.67%	29.63%	32.46%	25.40%
GREATER BESPOKE MARKET INSIGHTS	22.59%	18.18%	23.49%	18.59%	40.74%	22.81%	24.87%
LOCAL INTERNATIONAL TRADE HUBS AND EXPORT PEER GROUPS	20.27%	22.73%	22.15%	24.12%	27.78%	33.33%	23.81%
SUPPORT TO FIND/ RECRUIT IN COUNTRY MANAGEMENT/ EMPLOYEES IN OVERSEAS MARKETS	26.25%	13.64%	18.12%	26.13%	33.33%	25.44%	22.22%
MORE TAILORED SCALEUP EXPORT TRADE MISSIONS	25.91%	36.36%	23.49%	31.16%	25.93%	33.33%	21.16%
LOCALLY DELIVERED SUPPORT ON MARKET SELECTION, ENTRY AND FULFILMENT	14.95%	22.73%	22.15%	21.11%	25.93%	22.81%	20.63%

THE **TALENT, SKILLS AND LEADERSHIP** PERSPECTIVE

Access to talent and skills at all levels is a key barrier to growth across sectors; with each requiring a different portfolio of skills and experiencing gaps when seeking to find suitable employees.

Manufacturing/Engineering skills, such technicians, fabricators, material specialists, etc., are the primary gaps experienced by Advanced Manufacturing and Clean Energy scaleups. In the Creative and Digital/Tech sectors AI and Analytical skills are key challenges to recruit for. These skills gaps also feature prominently for Life Sciences, Financial and Professional Services who are also seeking business skills and sales and marketing expertise.

WORKFORCE SKILLS GAPS AND RECRUITMENT CHALLENGES

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
MANUFACTURING / ENGINEERING	62.79%	66.67%	19.73%	12.24%	14.52%	22.62%	14.52%
AI / CYBER SKILLS	46.51%	16.67%	34.01%	44.90%	37.10%	36.90%	37.10%
RESEARCH / ANALYTICAL / SCIENTIFIC SKILLS	46.51%	-	27.21%	30.61%	33.87%	32.14%	33.87%
BUSINESS AND ADMIN / FINANCE	46.51%	33.33%	21.09%	20.41%	37.10%	30.95%	37.10%
LEADERSHIP / STRATEGIC DIRECTION	30.23%	33.33%	12.24%	26.53%	33.87%	30.95%	33.87%
INNOVATION / PRODUCT DEVELOPMENT	25.58%	33.33%	23.13%	28.57%	17.74%	21.43%	17.74%
SALES, MARKETING & CUSTOMER SERVICE	23.26%	16.67%	16.33%	24.49%	29.03%	32.14%	29.03%
BASIC DIGITAL / COMPUTING / CODING SKILLS	10.47%	-	8.84%	8.16%	9.68%	17.86%	9.68%
CREATIVE / DESIGN	9.30%	16.67%	17.69%	18.37%	29.03%	21.43%	29.03%

At the senior level, Sales and Business Development skills are in demand across all sectors. Innovation skills are a top priority for the Creative Industries; with Marketing and Branding a key ask for Financial and Professional Services.

BOARD / SENIOR MANGEMENT SKILLS DESIRED BY SCALEUPS

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
SALES / BUSINESS DEVELOPMENT	55.04%	76.00%	40.10%	66.04%	44.44%	49.63%	53.01%
FINANCE / FUNDRAISING	40.31%	40.00%	35.56%	35.43%	28.95%	46.15%	30.00%
STRATEGY DEVELOPMENT	37.82%	28.00%	40.58%	38.99%	23.61%	32.59%	34.34%
BRAND BUILDING / MARKETING / COMMUNICATIONS	36.82%	40.00%	40.00%	42.86%	47.37%	34.97%	53.16%
INNOVATION / PRODUCT DEVELOPMENT	36.13%	36.00%	43.96%	38.36%	6.94%	24.44%	19.88%
HR / TALENT / CULTURE MANAGEMENT	32.77%	20.00%	29.95%	21.38%	27.78%	25.93%	27.11%
COMPLIANCE / RISK MANAGEMENT	17.44%	20.00%	21.33%	27.43%	28.95%	22.38%	19.47%

THE EDUCATION SYSTEM

Schools, colleges and universities play an important role in developing the next generation of workers and entrepreneurs, however there remain gaps in provision to meet the needs and expectations of scaling businesses across all sectors. In particular focus is the delivery of careers education with improvements needed in how opportunities within fast growing businesses and sectors are highlighted with young people; opportunities to engage with students via employer encounters are in demand. Vocational Courses are important to Advanced Manufacturing and Creative scaleups; with many sectors also wanting clearer accreditation of digital skills.

WITH A REVISION OF THE SKILLS CURRICULUM IMPENDING, WHAT WOULD YOU MOST LIKE TO SEE AS THE OUTCOMES TO THIS AS WE PREPARE FOR THE NEXT GENERATION ENTERING THE WORKFORCE?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
BETTER UNDERSTANDING WITHIN CAREERS ADVICE	57.25%	71.43%	52.23%	52.22%	36.36%	35.66%	48.21%
MORE 'EMPLOYER ENCOUNTERS' WITH STUDENTS	39.41%	50.00%	34.38%	29.44%	36.36%	25.58%	36.41%
CLEARER ACCREDITATION OF DIGITAL SKILLS FOR YOUNG PEOPLE	34.20%	14.29%	34.38%	35.00%	33.77%	35.66%	34.87%
VOCATIONAL COURSES	41.26%	28.57%	35.27%	30.56%	23.38%	20.93%	31.28%
ENTREPRENEURIAL EDUCATION MODULES	34.20%	57.14%	25.89%	38.33%	18.18%	29.46%	30.77%
EDUCATION ON BUSINESS FUNDING, INVESTMENT AND CAPITAL	9.29%	14.29%	23.66%	15.00%	10.39%	20.16%	6.15%
FOCUS ON INTERPERSONAL SKILLS, TEAMWORK & COLLABORATION	6.69%	-	20.54%	12.78%	15.58%	10.85%	6.15%
ENHANCED MATHS CURRICULUM, INCL. HOW IT RELATES TO MODERN TECHNOLOGIES	12.27%	28.57%	28.57%	10.00%	7.79%	16.28%	5.13%
FOCUS ON CREATIVITY	8.92%	-	19.20%	5.56%	5.19%	11.63%	2.05%

Scaling businesses are engaging with universities and business schools in a variety of ways with access to student and academic talent a key mode, including via collaborative innovation projects. Digital/Tech scaling businesses are biggest users of the Help to Grow scheme.

WORKING WITH UNIVERSITIES & BUSINESS SCHOOLS

SCALING BUSINESSES ARE ENGAGING WITH UNIVERSITIES AND BUSINESS SCHOOLS IN A VARIETY OF WAYS.

	ADVANCED MANUFACTURING	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
ACCESS TO STUDENTS FOR WORK EXPERIENCE, PLACEMENTS, OR EMPLOYEES	53.85%	37.06%	82.86%	25.00%	45.21%	25.00%
ACCESS TO SENIOR RESEARCH PROFESSIONALS / ACADEMIC EXPERTISE (E.G. VIA A KNOWLEDGE TRANSFER PARTNERSHIP)	33.85%	44.06%	25.71%	44.23%	41.10%	44.23%
HELP TO GROW MANAGEMENT PROGRAMMES	26.15%	20.98%	45.71%	36.54%	36.99%	36.54%
SUPPORT FOR COLLABORATIVE R&D/ INNOVATION PROJECTS	24.62%	51.05%	31.43%	50.00%	38.36%	50.00%
ACCESS TO FLEXIBLE INFRASTRUCTURE FOR WORKSPACE AND/OR RESEARCH FACILITIES (E.G. WET LABS, 3D PRINTING FACILITIES, ETC)	20.00%	51.75%	48.57%	34.62%	35.62%	34.62%
EXECUTIVE EDUCATION COURSES	7.69%	20.28%	34.29%	1.92%	13.70%	1.92%

Accessing HEIs could be supported via a single point of contact to help scaleups navigate the institution, with Digital/Tech and Life Sciences also wanting a clearer menu of support that an HEI can provide. Online platforms, such as Konfer and Interface, could support engagement with collaboration opportunities, particularly for Creative and Clean Energy scaleups.

WHICH OF THESE WOULD MAKE IT EASIER TO WORK WITH A UNIVERSITY OR BUSINESS SCHOOL?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
A PORTION OF RELEVANT RESEARCH GRANT FUNDING DEDICATED FOR ENGAGEMENT WITH INNOVATIVE / SCALING BUSINESSES LIKE MINE	43.02%	66.67%	37.41%	51.02%	32.26%	44.05%	32.26%
A SINGLE POINT OF CONTACT WHO COULD FACILITATE ENGAGEMENT ACROSS THE INSTITUTION	48.84%	50.00%	46.26%	34.69%	32.26%	27.38%	32.26%
ACCESS TO ONLINE PLATFORM(S) THAT PROVIDE OPPORTUNITIES TO ENGAGE ON COLLABORATIVE PROJECTS	33.72%	50.00%	51.02%	44.90%	32.26%	29.76%	32.26%
BETTER UNDERSTANDING OF WHAT SUPPORT IS ON OFFER	44.19%	16.67%	45.58%	61.22%	25.81%	51.19%	25.81%
PROVISION OF REGULAR BRIEFINGS ON RELEVANT UNIVERSITY ACTIVITIES	32.56%	-	31.29%	30.61%	25.81%	19.05%	25.81%
UNIVERSITY COULD ACT AS AN "ANCHOR"/FACILITATOR OF INVESTOR AND/OR CORPORATE COLLABORATIONS	34.88%	16.67%	39.46%	55.10%	29.03%	39.29%	29.03%

There is an onus on HEIs to prove that the services on offer are effective; scaling businesses would be willing to pay for support they provide if it meets their needs. Life Sciences and Advanced Manufacturing are the most sceptical, however, with 62% of Life Sciences and 42% Manufacturing tentatively responding that they would possibly pay for services. Digital/Tech and Manufacturing were most likely to say No, with 14% and 11% respectively responding in this way.

WOULD BE WILLING TO PAY TO ACCESS SUPPORT FROM UNIVERSITIES & BUSINESS SCHOOLS - *IF* THEY MET THEIR TALENT AND GROWTH NEEDS.

	ADVANCED MANUFACTURING	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
YES	47.69%	69.23%	74.29%	76.92%	36.99%	76.92%

GROWTH & SKILLS LEVY

Broadening the Apprenticeship Levy to a Growth and Skills Levy is welcomed with sectors seeking to upskill their whole workforce. Financial and Professional Services still prioritise bringing in young people; while Life Sciences, Digital/Tech and Creative Industries see value in developing management and leadership skills through the business. Scaling businesses would like to use this levy to...

	ADVANCED MANUFACTURING	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
UPSKILL YOUR EXISTING STAFF AT ALL LEVELS	61.54%	67.13%	91.43%	42.31%	47.95%	42.31%
SUPPORT MANAGEMENT TRAINING	44.62%	64.34%	80.00%	28.85%	53.42%	28.85%
BRING IN NEW STAFF AND SCHOOL LEAVERS/ GRADUATES	50.77%	48.95%	54.29%	67.31%	46.58%	67.31%
SET UP AN INHOUSE TRAINING ACADEMY	16.92%	31.47%	25.71%	26.92%	20.55%	26.92%

Apprenticeships should remain a key focus for the new scheme, however each sector would value flexibility to use funding to support different types of learning and development activities. Digital/Tech scaleups place considerable value on using the levy to access short modular courses.

GROWTH & SKILLS LEVY

SCALEUP LEADERS WANT THE NEW SCHEME TO PRIORITISE THE FOLLOWING:

	ADVANCED MANUFACTURING	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
APPRENTICESHIPS	71.93%	59.71%	31.43%	69.39%	61.54%	69.39%
SUPPORT/FUNDING FOR WORK PLACEMENTS AND INTERNSHIPS	64.91%	59.71%	68.57%	48.98%	66.15%	48.98%
SHORT MODULAR COURSES	54.39%	45.32%	85.71%	53.06%	50.77%	53.06%
PRE APPRENTICESHIP COURSES	64.91%	46.04%	20.00%	53.06%	43.08%	53.06%
HIGHER EDUCATION COURSES	29.82%	46.76%	57.14%	34.69%	47.69%	34.69%
RETURNERSHIPS (TO HELP GET OLDER WORKERS BACK TO WORK)	14.04%	35.97%	34.29%	42.86%	30.77%	42.86%

THE FINANCE PERSPECTIVE

SOURCES OF FINANCE

On average 8 in 10 scaleups are using some form of external capital, with traditional debt products a common source across different sectors. Advanced Manufacturing scaleups use a broad portfolio of finance as the highest users of Leasing/Hire purchase, Trade Credit, Invoice Finance and Government backed Grants schemes (incl. from Innovate UK). Life Sciences, Digital/Tech and Clean Energy are the highest users of Equity finance.

		ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
OVERDRAFTS, CREDIT CARDS OR LOANS	DEBT	47.41%	48.15%	31.67%	36.31%	25.63%	26.85%	25.63%
LEASING/ HIRE PURCHASE	DEBT	41.04%	37.04%	12.50%	15.48%	14.07%	19.44%	14.07%
TRADE CREDIT	DEBT	29.88%	11.11%	7.50%	7.74%	4.52%	5.56%	4.52%
INVOICE FINANCE	DEBT	21.12%	14.81%	5.83%	2.38%	9.05%	4.63%	9.05%
VENTURE DEBT	DEBT	1.20%	-	1.67%	5.36%	1.01%	2.78%	1.01%
FINANCE FROM GOVERNMENT SCHEMES, E.G. TAX CREDITS, ETC.	GOVT / OTHER	43.03%	40.74%	22.50%	44.05%	15.08%	40.74%	15.08%
INNOVATE UK GRANTS AND LOANS	GOVT / OTHER	42.63%	14.81%	5.00%	29.76%	7.04%	31.48%	7.04%
GOVERNMENT OR LOCAL GOVERNMENT GRANTS	GOVT / OTHER	32.27%	14.81%	20.00%	13.69%	11.56%	23.15%	11.56%
EU FUNDING SUCH AS FROM HORIZON 2020 AND COSME	GOVT / OTHER	10.76%	-	4.17%	5.36%	1.01%	7.41%	1.01%
EQUITY FROM THIRD PARTIES	EQUITY	23.51%	37.04%	11.67%	34.52%	9.55%	39.81%	9.55%
FINANCE FROM FRIENDS AND FAMILY OR DIRECTORS	EQUITY	26.29%	29.63%	25.83%	26.79%	21.11%	23.15%	21.11%
CROWDFUNDING OR PEER TO PEER FINANCE	EQUITY	4.78%	7.41%	8.33%	3.57%	0.50%	4.63%	0.50%

Despite being users of a range of finance, many sectors report that they have insufficient capital to support their current ambitions, with over half of scaleups in Advanced Manufacturing, Digital/Tech, Life Sciences, Creative Industries and Clean Energy sectors stating this.

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
INSUFFICIENT CAPITAL TO SUPPORT ITS CURRENT AMBITIONS	53%	91%	67%	53%	28%	62%	43%

Not being able to obtain the right deal and lacking knowledge about funding options are the key barriers to finance across different sectors. Clean Energy scaleups also state that investors lack understanding of their sector, while Life Sciences and Advanced Manufacturing can be deterred by a perceived short-term focus of investors.

WHICH OF THE FOLLOWING, HAS PREVENTED YOU FROM HAVING THE RIGHT/ANY EXTERNAL FINANCE IN PLACE?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
WE ARE NOT SURE WHAT TO DO E.G. WHO TO APPLY TO / WHAT TO APPLY FOR / WHO TO ASK FOR ADVICE	33%	13%	57%	33%	25%	26%	37%
WE DON'T THINK WE WOULD GET THE DEAL WE WANT	38%	21%	51%	40%	33%	40%	31%
WE DON'T WANT TO GIVE UP ANY CONTROL OF THE BUSINESS	20%	21%	15%	25%	0%	19%	23%
WE HAVE NO SECURITY OR COLLATERAL TO OFFER TO A FINANCE PROVIDER	17%	29%	21%	15%	8%	21%	15%
WE'RE PUT OFF BY THE SHORT-TERM FOCUS OF INVESTORS	25%	21%	14%	22%	13%	27%	12%
WE THINK WE WOULD BE TURNED DOWN IF WE APPLIED	11%	21%	9%	5%	8%	7%	11%
WE'VE NOT BEEN ABLE TO FIND AN INVESTOR WHO IS A GOOD FIT WITH US	22%	21%	15%	23%	13%	20%	10%
WE DON'T THINK THE VALUE OF EQUITY IN OUR BUSINESS WOULD BE ATTRACTIVE TO INVESTORS	11%	17%	14%	5%	4%	5%	10%
INVESTORS OFTEN LACK OF UNDERSTANDING OF OUR SECTOR	11%	38%	9%	12%	8%	21%	6%
WE WOULD LIKE TO APPLY FOR (MORE) FUNDING BUT THIS IS NOT THE RIGHT TIME TO DO SO	7%	4%	5%	9%	4%	2%	6%

To enable easier access to funding, scaleups across sectors are seeking greater opportunities to showcase their businesses and meet potential investors. Having access to local relationship managers is important to Advanced Manufacturing, Clean Energy, Financial and Professional Services scaleups; while Life Sciences and Digital/Tech scaleups are seeking greater access to mentors and peers who have raised before. 4 in 10 operating in Financial and Professional Services, Life Sciences, Clean Energy and Digital/Tech are seeking more structured referral processes between investors

WHICH OF THE FOLLOWING WOULD REALLY HELP THE RELATIONSHIP BETWEEN BUSINESSES AND POTENTIAL INVESTORS (INCLUDING INSTITUTIONAL INVESTORS) IN YOUR LOCAL AREA?

	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
"MEET THE INVESTOR" AND OTHER EVENTS SHOWCASING YOUR BUSINESS	41.61%	45.45%	38.89%	45.57%	50.00%	34.91%	50.00%
RELATIONSHIP MANAGERS IN LOCAL INVESTMENT ZONES, MAKING CONNECTIONS TO INVESTORS, PEERS, GOVERNMENT FUNDING ETC	42.95%	59.09%	29.37%	32.91%	42.59%	28.30%	43.42%
RELATIONSHIP MANAGERS AT INVESTORS	32.21%	27.27%	33.33%	30.38%	38.89%	38.68%	40.79%
A MORE STRUCTURED REFERRAL PROCESS BETWEEN INVESTORS	24.83%	40.91%	26.98%	39.24%	38.89%	39.62%	39.47%
BETTER ACCESS TO FINANCE MENTORS AND PEERS WHO HAVE RAISED FUNDS BEFORE	32.89%	31.82%	30.95%	40.51%	29.63%	46.23%	36.84%
REGULAR INVESTMENT BRIEFINGS FOR BUSINESSES TO INFORM YOU ABOUT LATEST INVESTOR SENTIMENTS / TRENDS, ETC.	38.93%	27.27%	30.16%	27.85%	31.48%	24.53%	36.84%
ACCESS TO INVESTMENT MANAGERS AT INNOVATE UK	39.26%	35.29%	40.16%	48.57%	32.69%	34.65%	33.33%
INCREASED REGIONAL PRESENCE OF THE BRITISH BUSINESS BANK WITH ACCESS TO INVESTOR RELATIONSHIP MANAGERS TO CONNECT TO FUNDING OPTIONS	29.63%	41.18%	28.69%	30.00%	25.00%	23.76%	30.67%
SECTOR BRIEFINGS AND INSIGHTS SO THAT INVESTORS KNOW MORE ABOUT YOUR SECTOR	30.87%	31.82%	26.19%	31.65%	27.78%	28.30%	28.95%
CONNECTIONS WITH SCHOOLS, UNIVERSITIES, COLLEGES AND TECHNICAL INSTITUTIONS TO ACCESS TALENT AND SUPPORT R&D	28.19%	22.73%	18.25%	26.58%	22.22%	23.58%	23.68%

Innovative activities dominate plans for investment whether conducting new R&D or making changes to current products and services. Those in Advanced Manufacturing and Life Sciences are also planning to use funds raised on capital assets; while international expansion is a particular focus for Digital/Tech scaleups. Financial Services are looking to use funding for acquisitions.

PLANS FOR INVESTMENT	ADVANCED MANUFACTURING	CLEAN ENERGY	CREATIVE INDUSTRIES	DIGITAL AND TECHNOLOGIES	FINANCIAL SERVICES	LIFE SCIENCES	PROFESSIONAL SERVICES
RESEARCH AND DEVELOPMENT	85.19%	76.00%	51.16%	82.93%	45.45%	83.33%	39.68%
CAPITAL EXPENDITURE (E.G. MACHINERY AND EQUIPMENT)	79.63%	40.00%	30.23%	34.15%	36.36%	54.17%	25.40%
CHANGES TO PRODUCT / SERVICE DESIGN AND/OR OFFERINGS	65.74%	48.00%	60.47%	75.61%	63.64%	39.58%	46.03%
INFRASTRUCTURE / PREMISES	50.93%	36.00%	27.91%	26.83%	27.27%	41.67%	25.40%
INTERNATIONAL EXPANSION	40.74%	36.00%	32.56%	57.32%	36.36%	50.00%	22.22%
ACQUISITION OF ANOTHER BUSINESS	17.59%	12.00%	6.98%	18.29%	54.55%	16.67%	19.05%
WE ARE NOT PLANNING TO INVEST	0.93%	8.00%	11.63%	4.88%	0.00%	2.08%	26.98%

ScaleUp Institute 2024/5 - 10 Point Plan for Growth

As the Government seeks to evolve its Industrial Strategy, Small Business Strategy and Trade Strategy and Education Reforms, consideration should be given to the following matters. The Private Sector should also adopt and lean in to these recommendations:

1

DATA

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

Government Data - such as that held within HMRC - should be utilised to spot scaling businesses early and fast track them into the relevant Government and private sector support to drive UK economic growth. The Data (Use and Access) Bill should be utilised effectively to enable this alongside the integration of various data activities into DSIT, including the AI incubator, alongside the Smart Data Council. Open Data should be our mantra.

2

SEGMENTATION

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

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. This distinction should be consistent across the whole of Government, at both local and devolved levels as we evolve StartUp, ScaleUp, Stay Ahead policies. We can also segment within scaleup groups to ensure we are following through the growth cycle. This should be further assessed as part of the Small Business Strategy including at mid market level. As part of this consideration should be given to how we develop a UK / 'England' Enterprise Agency mirroring models in Ireland and Scotland.

3

RELATIONSHIP MANAGEMENT AND HIGH GROWTH TEAMS

Build effective Relationship Management High Growth Teams and deploy Local Scaleup Champions: making it easier for scaleups to access programmes and support

Proactive, Relationship Management and high growth team structures, often also referenced as 'concierge' services, are widely used in the private sector to oversee their client base. As part of the upcoming Small Business Strategy, Government should seek to develop this to engage with the UKs high growth business population and help them to continue their growth, with frictionless access to Trade Missions; Procurement; R&D collaboration; Finance, and; Leadership development services. To make this type of structure effective, it must make efficient use of Government data, as noted in Recommendation 1.

4

HUBS AND CLUSTERS

Develop a strategy to encourage local hubs and clusters: a nexus bringing together the different elements which businesses require to grow. Every Local Growth Plan should include a plan for Scaleups. Settlements with cities and Combined Authorities should contain a clear scaleup allocation.

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. The most successful hubs utilise a Relationship Management structure to aid this process. The Investment zones, freeports, Catapults, Growth Hubs and sectoral hubs around the country should evolve scaleup account managers and high growth services. Every Local Growth Plan should include a plan for Scaleups, and Settlements with cities and Combined Authorities should also contain a clear scaleup allocation.

5

EXPORT

Target greater export resources to scaleups

As part of the upcoming Small Business Strategy, and forthcoming Trade Strategy the Government needs to progress greater alignment and proportion of export focused resources toward scaleups. This should include building on the International Trade Advisor service by connecting it to emerging relationship management teams as piloting in the North. We recommend a 'ScaleUp Desk' is created in all overseas embassies/ innovations agencies to enable scaleups to access local market knowledge, and that Scaleup focused trade missions are rolled out to Investment Zones and key city regions, mirroring successful programmes already in place. UKEF should continue to evolve its engagement with scaling firms.

6

PUBLIC PROCUREMENT AND R&D

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

Government should have a more dedicated R&D Innovation procurement process, similar to international counterparts like the US. This should include simpler and speeder access through fast track; passporting; meet the buyer and sandbox options, supported by a National Audit Office and Public Accounts Committee with clear growth objectives. The Government should seek to commit longer and larger term funding in our grant processes as the US and other markets do, so that we can truly follow on and capitalise on innovations and take inventions to full commercialisation, including making better utilisation of 'Contracts for Innovation' and expanding Regulatory Sandboxes. These should all follow the customer - not simply 'projects' - and join up Government and private sector resources towards scaling businesses better through referral processes.

As part of this, the new Procurement Act should be implemented in a way that ensures the Public Sector increases its buying and strategic partnerships with scaling companies. Procurement champions within Government departments should be given clear objectives to increase buying and strategic partnership with scaleup companies, with clear KPIs and a carve out of budgets towards scaleup and R&D collaboration with them. Procurement opportunities should be connected to Government account management teams with a priority to connect scaleups to appropriate opportunities.

7

CORPORATE COLLABORATION

Improve the connection between scaleups and large corporates

Large companies should report on the level of collaboration and procurement they source from scaleup companies, and seek to 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 the creation of a 'Corporate Collaboration Charter'. Government and private sector should look at how to encourage stronger Corporate Venturing in the UK.

8

TALENT

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

Develop a more coherent strategy for utilising the ScaleUp Visa alongside Overseas Talent Hubs and trade missions and follow through on the commitment to reform and expand the Apprenticeship Levy to provide greater flexibility to accommodate the needs of scaleups as outlined overleaf. Further consideration should be made on retaining level 7 Apprenticeships whilst balancing lower entry levels. As Education Reform through Skills England takes shape: Entrepreneurship and more scaleup employer encounters should be provided via utilisation and expansion of existing platforms and impactful initiatives, such as the Careers Enterprise Company. Balance is needed between STEM and STEAM. The planned Education Reform should be fit for the modern era covering technical and practical skills such as investment by giving an understanding on equity / VC, similar to US counterparts. For digital skills a third party accreditation system, such as that used for music grades, should be rolled out for digital skills. As we consider how to help our most promising spinouts to scale and open up further University collaboration there should be a more balanced weighting of investment to KEF initiatives.

9

PEER TO PEER

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.

10

GROWTH CAPITAL

Close the growth capital gap across the UK and increase knowledge in both scaleup and investment communities in every part of the country, e.g., work further with those in the private sector, such as BGF, that have built significant infrastructure and are already doing this well.

Initiatives underway to unlock institutional capital, including the National Wealth Fund, British Growth Partnership, PISCES and the Mansion House Compact, must continue to be implemented at pace, with clear focus on how to ensure capital is deployed towards, and connected to, scaleup businesses. This should include stronger fostering of VC skills and knowledge of the UK growth economy across Institutions, including an InvestIn series similar to that in the creative sector. Account management structures as outlined in 1 and a better referrals network between government players and industry should be enacted. Work to ensure diverse founders and areas across the whole of the UK are connected to investment resources should continue through such vehicles as the Invest In Women taskforce etc.

Maintenance and expansion of British Business Bank schemes should continue beyond the next Spending Review period, including Regional Funds, Angel Programmes, Life Sciences Investment Programme and Future Fund: Breakthrough. The role and scale of Innovate UK and its direct deployment of innovation capital to our most innovative, early stage and scaling businesses should also be expanded and given permanence in the same manner as the British Business Bank.

The UK business taxation system - notably EIS/SEIS/VCTs, Capital Allowances and R&D - should be consistent and maintained with better awareness raising and flexibility, including beyond the new 2035 horizon. All areas of the country should seek to replicate the Northern Gritstone model of funds as we support start up to scaleup, with Scotland, and the South West already engaged in this activity including leverage of Local Pension Funds.

LIGHT GREEN: significant progress being made but much more to do to ensure the initiatives underway are at scale and reach every scaleup everywhere
HALF AND HALF: progress is being made but it is inconsistent and needs doubling down on to reach every locality across the public, private and education space
LIGHT BLUE: progress is being made, but much remains to be done to implement further and see concrete impact for scaleups

Consolidated list of investors who appear in the Top 20 by number or size of deal in at least one of the Industrial Strategy sectors

AUSTRALIA	ORIGIN ENERGY
CANADA	CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ)
	CPP INVESTMENTS MANAGED BY CPP INVESTMENT BOARD
	ROUND13
CHINA	NETEASE (NTES) CAPITAL
	TENCENT
	ZHEJIANG SILK ROAD FUND
FRANCE	ANDERA PARTNERS
	CREDIT AGRICOLE
	EURAZEO MANAGED BY EURAZEO
HONG KONG	HORIZONS VENTURES
JAPAN	MITSUBISHI CORPORATION
	SOFTBANK VISION FUND MANAGED BY SOFTBANK
	TOKYO GAS
MALTA	MULTIVERSX
NETHERLANDS	GRYPHION CAPITAL INVESTMENTS
	M VENTURES MANAGED BY MERCK GROUP
	NIBC BANK
NORWAY	WATRIUM AS MANAGED BY WATRIUM
QATAR	QATAR INVESTMENT AUTHORITY
SINGAPORE	GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION (GIC PRIVATE LIMITED)
	TEMASEK
SPAIN	ESCALA CAPITAL MANAGED BY ESCALA CAPITAL
	SABADELL CAPITAL
SWEDEN	HANDELSBANKEN
SWITZERLAND	LGT CAPITAL PARTNERS MANAGED BY LGT CAPITAL PARTNERS
UAE	ABU DHABI INVESTMENT OFFICE (ADIO)
UK	ARIX BIOSCIENCE MANAGED BY ARIX BIOSCIENCE
	BALDERTON CAPITAL MANAGED BY BALDERTON CAPITAL
	BGF MANAGED BY BGF (FORMERLY BUSINESS GROWTH FUND)
	BLOSSOM CAPITAL MANAGED BY BLOSSOM CAPITAL
	BRITISH PATIENT CAPITAL (CORE FUND) MANAGED BY BRITISH BUSINESS BANK
	BUSINESS LOANS MANAGED BY LLOYDS BANK
	CAMBRIDGE INNOVATION CAPITAL (CIC) MANAGED BY CAMBRIDGE INNOVATION CAPITAL

UK	CHIMERA PARTNERS
	CORPORATE & ACQUISITION FINANCE MANAGED BY BARCLAYS CORPORATE BANKING
	CORPORATE & INSTITUTIONAL BANKING
	ENERGY EFFICIENCY FINANCING SCHEME (EEF) MANAGED BY SIEMENS FINANCIAL SERVICES
	ETHEREAL VENTURES MANAGED BY ETHEREAL VENTURES
	FIRST TRUST BANK BUSINESS GROWTH FUND MANAGED BY AIB GROUP
	FLEXIBLE BUSINESS LOAN MANAGED BY HSBC
	FUTURE FUND MANAGED BY BRITISH BUSINESS BANK
	GENERATION INVESTMENT MANAGEMENT
	GROWTH CAPITAL & LEVERAGED FINANCE MANAGED BY INVESTEC BANK
	HCOB
	HGCAPITAL MANAGED BY HG
	HIGHLAND EUROPE MANAGED BY HIGHLAND EUROPE
	HSBC NORTH YORKSHIRE AND HUMBER
	INFRACAPITAL
	ING
	IP GROUP MANAGED BY IP GROUP
	KOMMUNAL CREDIT
	LATITUDE MANAGED BY PHOENIX COURT GROUP
	LEGAL & GENERAL CAPITAL MANAGED BY LEGAL & GENERAL
	LLOYDS BANK COMMERCIAL FINANCE
	MIRANA VENTURES
	MOLTEN VENTURES MANAGED BY MOLTEN VENTURES
	NEXO
	NORTHERN GRITSTONE MANAGED BY NORTHERN GRITSTONE
	OXFORD ENDOWMENT FUND
	OXFORD SCIENCE ENTERPRISES MANAGED BY OXFORD SCIENCE ENTERPRISES
	PASSION CAPITAL MANAGED BY PASSION CAPITAL
	RAILPEN: PRIVATE MARKETS MANAGED BY RAILPEN
	SARANAC PARTNERS
	SCHRODERS CAPITAL MANAGED BY SCHRODERS
	SEAH WIND
	SYNCONA PARTNERS MANAGED BY SYNCONA PARTNERS
	WINTON INVESTMENT MANAGEMENT MANAGED BY WINTON CAPITAL MANAGEMENT
	WOODFORD INVESTMENT MANAGEMENT MANAGED BY WOODFORD INVESTMENT MANAGEMENT
	ZINAL GROWTH

US	ACCEL MANAGED BY ACCEL PARTNERS
	ALLY BRIDGE GROUP
	ALTIMETER CAPITAL
	ANDREESSEN HOROWITZ (A16Z) MANAGED BY ANDREESSEN HOROWITZ
	APAC PRIVATE EQUITY MANAGED BY ARES MANAGEMENT
	BLACKROCK
	BRIGHTON PARK CAPITAL
	CMT DIGITAL
	COATUE MANAGEMENT
	DIGITAL CURRENCY GROUP (DCG) MANAGED BY DIGITAL CURRENCY GROUP
	DIGITAL SKY TECHNOLOGIES (DST GLOBAL)
	DRAGONEER INVESTMENT GROUP
	ENDEAVOR CATALYST
	FRANKLIN TEMPLETON
	GALAXY INTERACTIVE
	GE HEALTHCARE
	GENERAL ATLANTIC MANAGED BY GENERAL ATLANTIC
	GV (GOOGLE VENTURES) MANAGED BY GOOGLE
	INSIGHT PARTNERS MANAGED BY INSIGHT PARTNERS
	PFM HEALTH SCIENCES
	PROSPERITY7 VENTURES
	RIBBIT CAPITAL MANAGED BY RIBBIT CAPITAL
	SEARCHLIGHT CAPITAL PARTNERS
	SIG (SUSQUEHANNA INTERNATIONAL GROUP) CHINA
	TECHNOLOGY CROSSOVER VENTURES (TCV) MANAGED BY TECHNOLOGY CROSSOVER VENTURES
	TETRAGON
	TIGER GLOBAL MANAGEMENT

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