



European Union

European Regional
Development Fund



Scale up support in Oxfordshire

**Oxfordshire Local Enterprise
Partnership**

OXFORD
BROOKES
UNIVERSITY

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1 Executive Summary

Oxford Brookes Business School was commissioned by the Oxfordshire Local Enterprise Partnership (OxLEP) to develop a scale up strategy with the overall aim of providing *“A single, co-ordinated and collaborative service that delivers dedicated support for high growth potential breakthrough businesses, which will enhance the offer and contribute to the sustainability of the current eScalate project”*.

This project was conducted within a short timescale, with desk research and interviews carried out between December 2019 and January 2020 to map current provision available to Oxfordshire businesses and identify good practice.

Section 2 provides background to the study, including defining scale ups and national and local context. Section 3 summarises the findings from the mapping exercise. Section 4 shares research and best practice with selected case studies. Section 5 provides a gap analysis between current provision in Oxfordshire and best practice. Section 6 draws on the learning from the previous section to make a series of recommendations together with high level achievability and budgetary considerations. Section 7 contains appendices including the outcome of the mapping exercise.

Key findings include:

- The majority of scale up support is targeted at businesses prior to them fitting the OECD definition of a scale up. Identifying businesses who might benefit from support is problematic.
- The needs and support offered to scale ups is different to that required by start ups.
- Awareness of breadth and depth of support for scale up businesses in Oxfordshire is low across businesses and providers of support.
- Support can be broadly categorised as gateway or standalone support. Gateway support is either delivered alongside the renting of premises or through obtaining equity investment, and opens the business up to a networked ecosystem of training and advice. Standalone support is either structured skills based support or individual business advice services.
- Facilitated networking leading to opportunities to collaborate and benchmark are key attributes of existing ecosystems. Networking which is primarily a social event is less likely to be successful in helping businesses scale.
- Whilst breakthrough companies will drive economic growth in Oxfordshire, cornerstone businesses enable people to carry on living and working in Oxfordshire: both are important when considering business support, including finance, to scale.
- There are examples of thriving ecosystems within Oxfordshire; a key challenge is to open up the benefits of these ecosystems so that more Oxfordshire businesses can benefit from them.

Recommendations are grouped under the following themes:

- Improve market insight
- Address market failure in cornerstone business support
- Improve funding opportunities
- Increase permeability of existing ecosystems
- Improve navigation of the ecosystem

2 Background

2.1 Introduction

Oxford Brookes Business School was commissioned by the Oxfordshire Local Enterprise Partnership (OxLEP) to develop a scale up strategy with the overall aim of providing:

“A single, co-ordinated and collaborative service that delivers dedicated support for high growth potential breakthrough businesses, which will enhance the offer and contribute to the sustainability of the current eScalate project”.

Specific objectives were to:

- Research the current scale up landscape in Oxfordshire and national programmes that OxLEP businesses can access
- Provide a short summary of each that can be collated into a scale up map and associated on-line information source
- Review international best practice to identify the most suitable model(s) for scale up support in the area
- Draft a programme delivery plan

2.2 Methodology

This project was conducted within a short timescale, with the research carried out between December 2019 and January 2020. The report has been informed by:

- Intelligence from a Growth Hub event on 3rd December 2019 and workshop on 16th January 2020.
- Research on support accessible to Oxfordshire based businesses
- Desk research on ‘what works’ in scale up support
- Interviews with local and national organisations about their scale up offer and the scale up landscape

Early ambition to precisely categorise different types of support available was found to be impractical due to range of variables and specificity across schemes resulting in a lack of comparability. The mapping has been checked with, and informed by attendees of the 16th January workshop and other local stakeholders. However, the

scale up support landscape continues to be in a state of flux as the provision and scale of support in the county changes.

2.3 What is a scale up?

The OECD defines a scale up as a company that has seen average annualised growth in employees or turnover of at least 20% over three years with 10 or more employees at the beginning of the period. However, when looking at support and resources available to scale ups or high growth companies the OECD definition is seldom, if ever used.

Different perspectives on scale ups encountered in events attended and interviews undertaken for this research include:

- Scale ups are the growth stage following 'start up', and in contrast to 'stall up' when growth stagnates.
- Scale up is synonymous with high growth
- Scale up support is aimed at businesses with high potential for growth rather than those that have already scaled
- The challenges for businesses that are embarking on high growth can be different to those that have already sustained a period of high growth
- There are specific high growth sectors, such as science and tech, that have the greatest economic impact and need supporting
- Scale ups can be new or established businesses, the key is that they are undergoing a high growth phase

Whilst high growth businesses are often characterised as being young companies, focussed on innovation and transformative technologies, this not borne out by the evidence. In reality scale ups:

- Tend not to be high-tech. Research in the UK¹ and the US² has found that over two thirds of high growth companies are not high tech. In the UK, high growth businesses are overrepresented by services compared to other sectors, and they tend not to be disruptive innovators but rather modifiers of existing technologies³.
- Tend to be established businesses⁴. In the UK 70% of high growth businesses are at least 5 years old, in the US high growth businesses have an average age of 25 years, and smaller high growth businesses (under 20 employees) were 17

¹ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

² Hathaway, I., (2018) High-growth firms and cities in the US: an analysis of the Inc. 5000. Brookings Edu. Last accessed 23rd January 2020 at <https://www.brookings.edu/research/high-growth-firms-and-cities-in-the-us-an-analysis-of-the-inc-5000/>

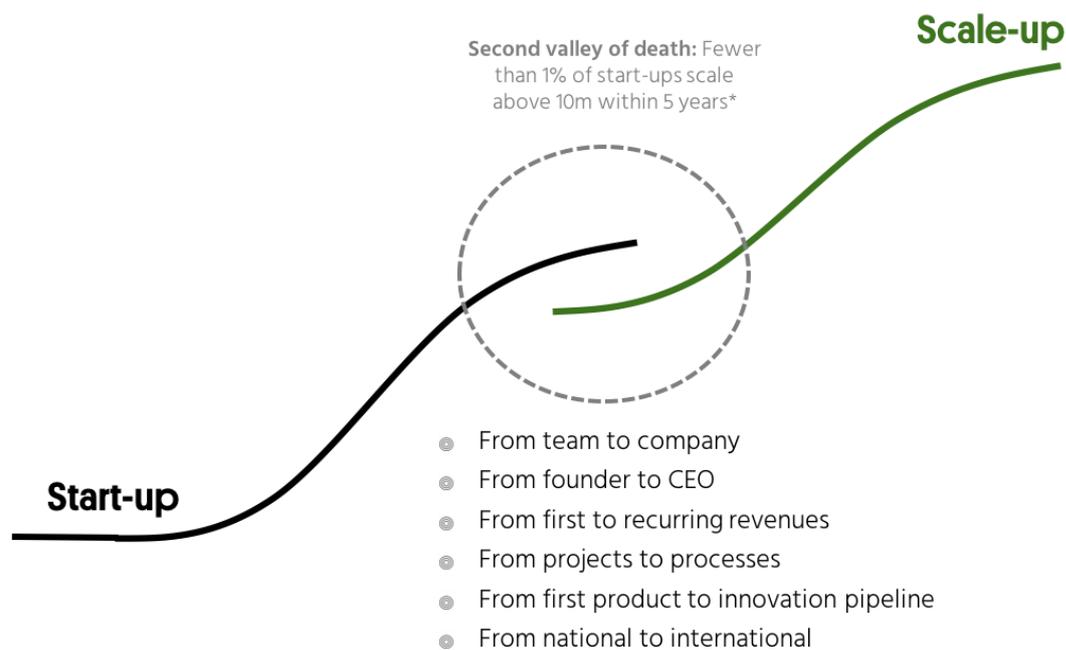
³ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁴ Audretsch, D. B., (2012) Report prepared for the OECD/DBA International Workshop on "High-growth firms: local policies and local determinants". Last accessed 23rd January 2020 at https://www.oecd.org/cfe/leed/Audretsch_determinants%20of%20high-growth%20firms.pdf

years⁵. Fortune’s analysis of the worlds top 100 fastest growing companies in 2019 found the average of those companies is 38 years old⁶. Beauhurst regards the growth phase of company as taking place in companies over 5 years old⁷.

- The age of the founder / entrepreneur tends to “be older and more experienced than in common depictions of fast-growing start-ups”⁸, typically 35-44 year old⁹ and “chimes with ... studies ... demonstrating the vital importance of pre-existing experience and relational connections in boosting firm performance”¹⁰

The diagram below from Scale Up Nation shows a notional and potential transition from start-up to scale up. It touches on one of the risks of scale-ups, that they have high death rates^{11 12}, particularly if growing rapidly from start-ups.



Source: Scale Up Nation (2020)

It is important to note that a scale up is not a start up. What is clear is that scale ups or high growth firms come in a variety of shapes and sizes. The definition is less

⁵ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁶ Fortune (undated) 100 Fastest-Growing Companies. Last accessed 23rd January 2019 at <https://fortune.com/100-fastest-growing-companies/2019/>

⁷ Cited in Griffiths, H. and Humbert, A.L., (2019) Gender and university spinouts in the UK: geography., governance and growth. Oxford: Oxford Brookes University Centre for Diversity Policy Research and Practice, p35

⁸ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁹ Hathaway, I., (2018) High-growth firms and cities in the US: an analysis of the Inc. 5000. Brookings Edu. Last accessed 23rd January 2020 at <https://www.brookings.edu/research/high-growth-firms-and-cities-in-the-us-an-analysis-of-the-inc-5000/>

¹⁰ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

¹¹ Satterthwaite, S., & Hamilton, RT., (2017) High-growth firms in New Zealand: Superstars or shooting stars? *International Small Business Journal*. Vol 35(3) pp244-261

¹² Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

important than the ability to support some¹³ of our most valuable business at the right time in the right way. A scale up can be considered not so much a definition but, for public policy, a challenge of growing an already identified business model while maintaining operational controls.

2.4 National Picture

The Government's Industrial Strategy¹⁴ promotes scale ups, or high growth companies; research¹⁵ found that whilst the UK was the third-best country in the OECD in 2015 at starting businesses, it was 13th at seeing them grow to 10 or more employees within three years. Productivity and business growth have slowed due to Brexit uncertainty¹⁶, and that uncertainty continues from lack of detail about trade with no deal currently in place for the UK's exit from the EU¹⁷. At a time when business growth is vital, as the UK leaves the EU and the benefits that held, confidence in growth is disconcertingly weak. Unsurprisingly, in these circumstances, accessing markets and talent are considered by scale ups to be the two most important factors in their continued growth¹⁸.

The NAO report on business support schemes¹⁹ notes that the support landscape is changing and that the business support portfolio funded by government will increasingly reflect the Industrial Strategy as historic schemes end and new ones are commissioned. It also notes that the plethora of schemes across government are uncoordinated and unknown so that government "*lacks complete information about which regions receive support or how different types of support...interact at a business level*"²⁰.

The government administers 47 schemes and unsurprisingly "*business representative groups have stated that firms find the range of government support difficult to navigate*"²¹. The Scale Up Institute have 194 schemes listed on this website, and are also challenged in how to do this effectively with the diverse range, delivery mechanisms and eligibility of schemes. There are few schemes that can be compared as like against like.

The government is currently developing the UK Shared Prosperity Fund (UKSPF) which is intended to replace European Structural Funds once the current schemes have finished. The NAO noted that the majority of 'business support' is administered by HM Treasury in the form of tax relief and states that HM Treasury and BEIS "*recognise the need to make support better coordinated and prioritised*"²². This raises

¹³ With limited resources, choices need to be made about which organisations receive support

¹⁴ <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

¹⁵

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

¹⁶ Groom, B., (2019) Scale-ups prioritised in UK productivity drive.

<https://www.ft.com/content/d7b5da9a-dde3-11e9-b8e0-026e07cbe5b4>

¹⁷ Strauss, d., and Romej, V., (2020) Economists predict little change for UK growth in 2020.

<https://www.ft.com/content/7c0be33e-28d8-11ea-9305-4234e74b0ef3>

¹⁸ ScaleUp Institute (2019) Annual ScaleUp Review 2019

¹⁹ NAO (2020) Business Support Schemes

²⁰ NAO (2020) Business Support Schemes, p11

²¹ NAO (2020) Business Support Schemes, p10

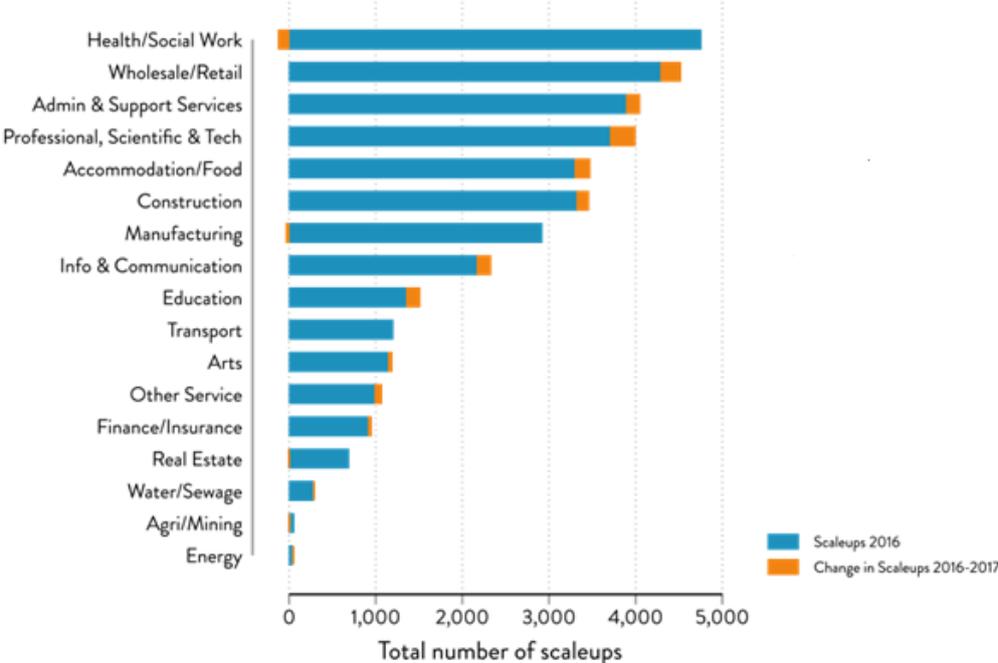
²² NAO (2020) Business Support Schemes, p14

the prospect the government support of businesses could be facing a once in a lifetime overhaul. Clearly this represents opportunities and threats in Oxfordshire.

The Budget in 2018 announced measures including a Small Business Leadership Programme, monies to strengthen local peer to peer networks and further investment in Knowledge Transfer Partnerships.

The profile of scale ups is diverse. Although science and tech form an important part of the scale up picture, the majority of scale ups in England are cornerstone²³ industries. The ScaleUp Institute, in their Annual Review, 2019, group scale ups by sector as shown below²⁴. Sectors which have seen the highest growth in scaleups are: Wholesale/Retail; Professional, Scientific and Tech; Accommodation/Food.

SCALEUPS BY SECTOR



SOURCE: ONS IDBR 2010-2017

The targeting and marketing of business support is important. The ScaleUp Institute found that “four out of ten feel that there is little support for businesses like them”²⁵.

2.5 Local picture

Oxfordshire is described by the ScaleUp Institute as having developing world class scale up programme and notes that, with 2 other LEPs, Oxfordshire has seen the highest scale up growth relative to its population²⁶. As seen in Section 2.3, definitions of scale up can vary, but across various metrics, Oxfordshire has:

²³ See Section 3.4 for Oxfordshire definition of a cornerstone industry.
²⁴ ScaleUp Institute (2019) Scale Up Review 2019
²⁵ ScaleUp Institute (2019) Scale Up Review 2019
²⁶ ScaleUp Institute (2019) Scale Up Review 2019

- 71 visible scale ups via ScaleUp Institute using OECD definition^{27 28}
- 347 firms with 10%+ employment growth²⁹, 136 firms with 20%³⁰
- 145 small high-growth firms (less than 10 employees in year 1)³¹
- 1,150 job creating firms with positive productivity growth³²

OxLEP have worked with approximately 1,200³³ businesses in the past year with support ranging from coaching and advice, engagement with ISfB or eScalate programmes or attendance at masterclasses and events. There is thought to be unmet demand in the county³⁴ and scope for businesses to grow and grow faster with support³⁵.

However, as highlighted in Oxfordshire's Local Industrial Strategy, there are a number of challenges in Oxfordshire's businesses realising their potential:

- Median house prices are 50% higher than the English average³⁶ making much of the county unaffordable for first time buyers and therefore limiting Oxfordshire's access to workforce
- 3% annual growth in apprenticeships, less than a quarter of the UK average of 12.5%³⁷, meaning that access to training to upskill the workforce is limited
- 7% full fibre rollout, behind many international competitors³⁸ therefore making the county a less attractive place for investment
- Predicted 95% increase in population aged over 85 between 2015 and 2030, and 26% increase in people with a learning disability³⁹, putting pressure on health and social care services and posing questions about where that workforce will come from given the above

In addition, the county has one of the lowest levels of unemployment in the country⁴⁰ meaning that there is strong competition for jobs, heightened by the unaffordability of Oxfordshire as a place to move into from outside the county. The recent Skills and

²⁷ The ScaleUp Institute names 'visible' scale ups. These are businesses that meet the OECD definition and file at companies house, therefore having 2/3 of annual turnover exceeds £10.2m, assets exceed £5.1m, more than 50 employees.

²⁸ <https://www.scaleupinstitute.org.uk/scaleup-companies-england/>

²⁹ Enterprise Research Centre (2019) UK Local Growth Dashboard: September 2019

³⁰ Enterprise Research Centre (2019) UK Local Growth Dashboard: September 2019. Individual firms not identified.

³¹ Enterprise Research Centre (2019) UK Local Growth Dashboard: September 2019. Individual firms not identified.

³² Enterprise Research Centre (2019) UK Local Growth Dashboard: September 2019. Individual firms not identified.

³³ OxLEP

³⁴ ScaleUp Institute (2019) Scale Up Review 2019

³⁵ OxLEP (2019) Oxfordshire Local Industrial Strategy

³⁶ OxLEP (2019) Oxfordshire Local Industrial Strategy, p25

³⁷ OxLEP (2019) Oxfordshire Local Industrial Strategy, p25

³⁸ OxLEP (2019) Oxfordshire Local Industrial Strategy, p25

³⁹ Oxfordshire County Council / Oxfordshire CCG (2019) Oxfordshire Market Position Statement 2019 – 2022, p7

⁴⁰ Oxfordshire County Council / Oxfordshire CCG (2019) Oxfordshire Market Position Statement 2019 – 2022, p7 – only 0.6% of people claim Job Seekers Allowance

Labour Market Research⁴¹ for OxLEP emphasises the need to act on these workforce challenges.

Whilst economic prosperity is driven by new, exportable, technologies, this is only enabled if the rest of society can continue functioning. For example, Oxfordshire pays one of the highest rates for domiciliary care in the country, but providers still struggle to secure a care workforce. This is an essential service given the escalating numbers of older people, and already care providers are saying that “*recruitment challenges in particular are limiting their ability to grow and sustain their businesses*”⁴². The Social Care Institute for Excellence⁴³ and Big Society Capital⁴⁴ identify innovative social care practices and social care social enterprises as models that need to scale for the wider benefit of society.

In considering how businesses in Oxfordshire can be supported to grow, this report aspires to consider and include not only high growth companies ripe for investment, but those that are less attractive to investors but vital for quality of life in our county.

3 The current Oxfordshire ecosystem and scale up resources

Overall, Oxfordshire is perceived to have a healthy and growing ecosystem for scale ups with ScaleUp Institute praising its’ “*strong foundation of support...and series of wrap around interventions*”⁴⁵. In common with the rest of the country, the support market is dominated by the private market, with public funds, most notably the EDRF, going into targeted and rationed support. However, Oxfordshire appears to have two distinct ecosystems (University of Oxford and others, see Section 3.2). There appears to be growing interest in investing in Oxfordshire scale ups⁴⁶. During the course of this study, Barclays have announced the opening of a new Eagle Lab in Oxford, and other companies are in discussion with partners about extending / opening offers to scale ups.

As seen in section 2.3, defining scale ups is an imprecise science at best and identifying support available to scale ups is even less precise. Programmes and schemes that say they are focussed at scale ups can sometimes refer to the initial stage of a company, after a company has been started up. In identifying support a broad approach has been taken – whilst support clearly aimed at start ups (regardless of terminology) has not been included, the support available spans a range from catering for small companies with under 10 employees who have a proven product wanting to scale, through to larger established companies in a high growth phase.

The mapping focusses on support available within and based in Oxfordshire. There is a wealth of support outside of the county; for example, some Oxfordshire businesses use the NatWest Accelerator in Milton Keynes. Mapping support available outside of

⁴¹ Hatch Regeneris (2019) Oxfordshire LEP Skills Advisory Panel: Skills and Labour Market Research

⁴² Oxfordshire County Council / Oxfordshire CCG (2019) Oxfordshire Market Position Statement 2019 – 2022, p7

⁴³ SCIE (2018) Innovative models of health, care and support for adults

⁴⁴ Big Society Capital (2019) It’s time to talk about scale

⁴⁵ ScaleUp Institute (2019) Annual ScaleUp Review 2019

⁴⁶ For example OSI originally envisaged supporting six companies annually, it now supports 24 each year. Source: ScaleUp Institute (2019) Annual ScaleUp Review 2019

the county would require mapping all support available in the UK and filtering for geographic restrictions; a task beyond the resources of this project.

This section segments the market in different ways to illustrate some of the considerations and tensions across the county, before summarising the overall position. A full map of the support available is given in Appendix 7.

There are already existing attempts in Oxfordshire to map resources for entrepreneurs. These are largely out of date. Many programmes seem to exist for a limited time, and in conducting this research a number of organisations spoken to are in the process of updating their websites to reflect their current offers.

Mapping of support should be used to kickstart discussion and promote cross agency understanding, but not taken as an end point in its own right. Ideally, it should be accompanied by mapping of scale ups to establish correlation between supply and potential demand.

3.1 Access to support / access to ecosystems

The range of support available to businesses in Oxfordshire can be broadly split into 'standalone' support and 'gateway' support.

The gateways take two main forms, premises and financial. These schemes provide a necessary practical support that then provides a gateway into a wider ecosystem of support and networks. For example, renting premises in Harwell, in one of the Oxford Innovation Centres or the Eagle Labs provides a company not only with desk (and sometimes lab space) but access to workshops, networking opportunities and specialist advice. By paying for these premises, businesses become part of a wider ecosystem of support. By the nature of these premises, businesses benefiting from these spaces are primarily micro and small enterprises.

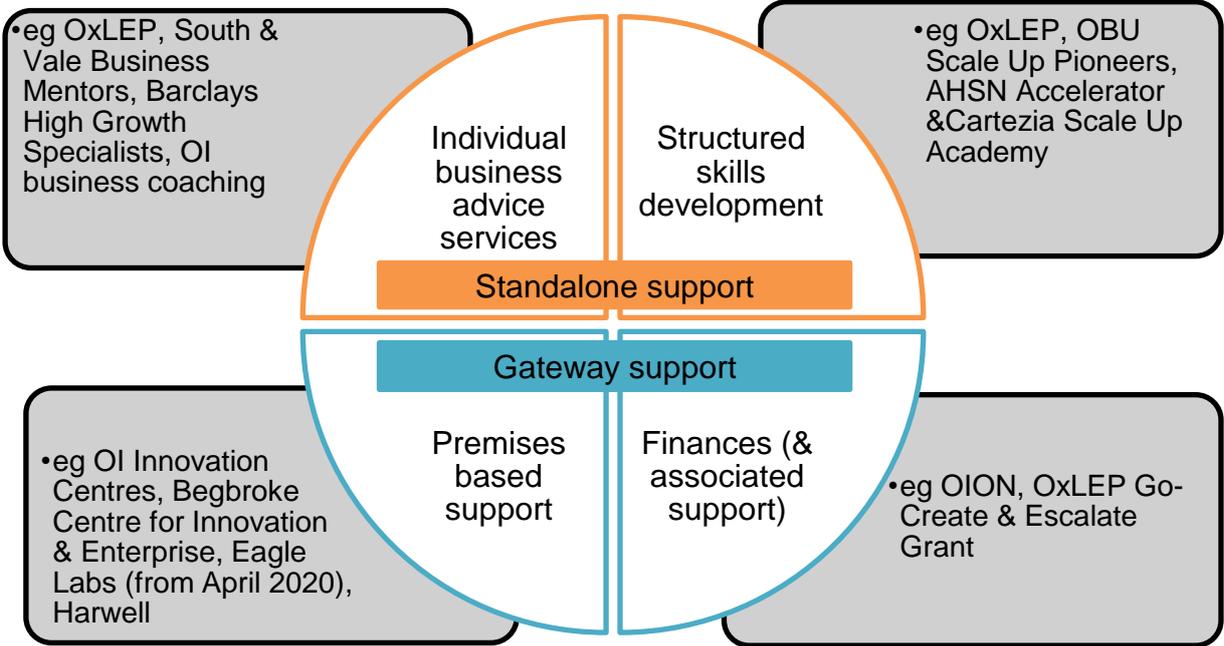
The financial gateway is similar. Business who want and secure venture capital or equity, are often then linked through to workshops, networking opportunities and specialist advice all intended to help the investor maximise the chance of their investment yielding good returns. Whilst, unsurprisingly, premises based gateway support is predominately accessed within Oxfordshire by Oxfordshire companies, financial based gateway support can come from anywhere and can include larger companies.

Standalone support does not require this commitment from companies, many of whom do not need the premises or that type of financial support. One area of standalone support is around structured skills development as part of a group of businesses, typically either as a one off workshop or masterclass, or as a programme of support. For example, the Scale Up Pioneers programme from Oxford Brookes University is a time limited skills development programme, bringing together a small number of companies from a range of industries and of different sizes, who come together monthly for masterclasses and action learning. Peer to peer support and benchmarking arises naturally from these interactions but inevitably it has neither the intensity, longevity, breadth or depth of gateway based support. There are a range of business networks operating in Oxfordshire. In the mapping, networks that are not

providing structured support for scale ups specifically, ie actively facilitating peer to peer support, have been excluded.

Businesses can also receive individualised advice. For example, OxLEP advisors, Oxford Innovations Business Coaches, and the South & Vale Business Mentors and professional services all work with businesses on a one to one basis.

An important characteristic of the standalone support is that it tends to be self-selecting; businesses identify they want support and proactively sign up to it. In contrast, gateway support forms a more fluid mix of self-selecting support (this is what we want to access) and curated support (this is what we've been advised to access).



3.2 University of Oxford / rest of Oxfordshire

The University of Oxford offers a range of financial support, courses, advice and networking to individuals and businesses with a university connection. They are in essence, a discrete ecosystem within the wider Oxfordshire ecosystem. The investment and commitment shown by the University of Oxford in facilitating start ups, spin outs and scale ups is commendable and is a clearly influential aspect of the general health of the Oxfordshire economy and entrepreneurial culture.

A recent study⁴⁷ into university spinouts found that the University of Oxford overwhelmingly dominated the university spinout landscape with 40% more active spinouts than the University of Cambridge. Amongst the 20 universities with over ten

⁴⁷ Griffiths, H. and Humbert, A.L., (2019) Gender and university spinouts in the UK: geography, governance and growth. Oxford: Oxford Brookes University Centre for Diversity Policy Research and Practice.

active spinout companies, the University of Oxford claims nearly a fifth of all those spinouts. This ecosystem is working.

When considered against the wider Oxfordshire ecosystem, a number of issues begin to arise as the result of this dominance:

- Inward investment can focus exclusively on the University of Oxford. One interviewee told us “*to identify potential high growth businesses we go and speak to the university*”.
- Businesses looking for (scale up) support can find that a number of useful avenues are closed to them because they do not have a University of Oxford connection.
- Understanding the whole ecosystem for support in Oxfordshire is challenging due to such a substantial part of it being University of Oxford based. Identifying eligibility for schemes and support can take time.
- There is a risk that businesses who can access University of Oxford facilities or services, even if they haven't got a university connection, won't because there is a perception that they can't.
- Businesses eligible for University of Oxford support may also take up more generally available resources, disadvantaging non UoO supported businesses.

Although only 4 of the 30 scale up supports mapping in the county are from the University of Oxford, these should be set in the context of a wealth of other support for start ups within the University including the range of services from Oxford University Innovation, its' incubator, the Student Entrepreneurs Programme to name a few and assorted events and workshops from Enterprising Oxford.

Key questions

- Are companies not part of the University of Oxford ecosystem at a competitive disadvantage in Oxfordshire?

3.3 New and potential scale up / establishing and scaling

The majority of support for scale ups in Oxfordshire identified in this report are targeted specifically at new companies with very small numbers of staff, ie micro businesses with under 10 members of staff. It is these self same companies that would not register on the OECD definition of a high growth firm until their employee numbers reached 10. Whilst there is understandable interest within Oxfordshire in identifying our high growth companies, the reality is that when they need help and when it is offered they are seldom in a position to meet the OECD definition.

To understand why young companies get the majority of support refer back to section 3.1. Gateway support, access to a range of support and networks on a premises basis, is most easily practical from a businesses and infrastructure perspective when small, young companies are involved. Larger companies are more likely to have established premises, and growth will involve expansion on the existing site or additional sites.

This is not a case of smaller companies get gateway based support and larger companies get standalone support though. Standalone support, tends to either be growth stage agnostic or geared towards younger companies.

This raises questions about the sufficiency of support for older, established businesses. Whilst a number of supports are offered that are scale up stage agnostic, our mapping has found scant specialist support for actual scale ups in Oxfordshire. The only scheme for actual scale ups is the Oxford Brookes Scale Up Pioneers (for organisations with less than 30 employees) and Oxford Innovation sites tend to part ways with companies when they reach around 30 members of staff. Therefore there is no specialist support for scaling up organisations with over 30 employees.

Key questions

- Can support that is growth stage agnostic provide enough expertise to businesses as they progress through different growth stages?
- Should there be more dedicated support available in Oxfordshire for businesses that are currently scaling up and in a high growth phase?
- Specific support initiatives for scale ups are focused on small and micro sized enterprises – would medium and large enterprises benefit from more than is offered by professional services firms, networking events and executive education?

3.4 Breakthrough / cornerstone industries

The Local Industrial Strategy divides local business into two different types: breakthrough and cornerstone industries.

Breakthrough
“Tend to rely on innovation and transformative technologies. These technologies, and the innovation spurred by the convergence of technologies across industries, have the potential to drive economic growth at scale and will increasingly drive productivity across all sectors”
Oxfordshire Local Industrial Strategy, p63

Cornerstone
“The backbone of the economy and provide the platform for economic growth. Their performance is closely linked to the performance of the economy as a whole, as they tend to be in mature sectors, including education, health, professional services, transport, logistics, retail, leisure and tourism”
Oxfordshire Local Industrial Strategy, p63

Scale up resources available in Oxfordshire tend to be either industry agnostic, or aimed specifically at science and tech. 18 of 30 supports available in the county for scale ups are for breakthrough industries alone, with the remaining 12 sector agnostic.

There is a perception that Oxfordshire is dominated by breakthrough companies (relative to cornerstones). This is not borne out by the evidence. The ScaleUp Institute's list of scale ups (see Appendix 7.3) is notable for containing a mix of industries. At Harwell, Oxfordshire's science and innovation campus, about half of the resident businesses are Oxfordshire grown breakthrough business – the rest predominately service providers and branches of businesses who have their Headquarters elsewhere⁴⁸.

Crucially, both industries are viewed as vital to the success of each other. Whilst the breakthrough and cornerstone industries should have a symbiotic relationship, the importance of Oxfordshire Ecosystem to that of the UK is also emphasised in the Local Industry Strategy:

“Building a global innovation ecosystem...as well as supporting ‘breakthrough’ firms, this will enable growth in the ‘cornerstone’ local businesses that form the backbone of the Oxfordshire economy, providing jobs, essential services and supply chains across the innovation ecosystem and delivering growth in the UK as a whole. As one of the most significant locations of learning and innovation in the UK, the success of the UK, particularly post Brexit, will be influenced by the vibrancy of the ecosystem within Oxfordshire.”

Oxfordshire Local Industrial Strategy, p6

At present, cornerstone industries appear to have no specialist support available in Oxfordshire. Furthermore, there appears to be nothing in place to ensure that the benefits of the breakthrough companies spill over into the cornerstones in the form of knowledge, technology, skills or culture.

As discussed, some quarters of the support market are well catered for (young, potential scale ups in science & tech) whilst others aren't. If the support available to scale ups as a market is considered, then some parts of the scale up support market are missing; there is market failure. Whilst business support provision can be privately funded, publicly subsidised or completely free at the point of use, the What Works Centre for Economic Growth is clear that government funded business advice reflects “*market failure in the provision of private sector business support*”⁴⁹. This indicates that the potential and actual scale ups in these areas are not growing as fast and as successfully as they might have done had there been more support available. As seen in Section 2.5, residents need to be fed, housed, transported, bins emptied, social care and health services provided, leisure enjoyed and quality of life enjoyed.

Key questions

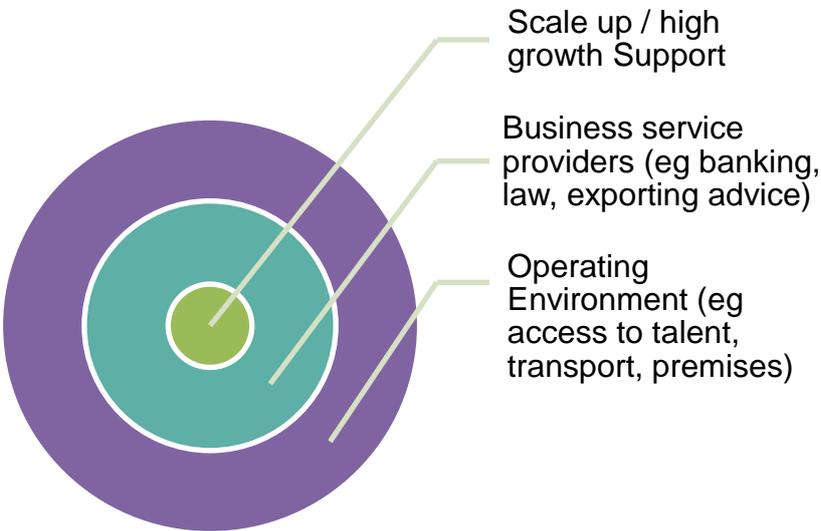
- Does Oxfordshire need cornerstone business to scale up?
- Should these take priority for resources, given the market failure in the provision of private support?

⁴⁸ <https://www.harwellcampus.com/organisation-list/>

⁴⁹ <https://whatworksgrowth.org/policy-reviews/business-advice/>

3.5 The overall Oxfordshire scale up ecosystem

The Oxfordshire scale up ecosystem can be considered as multi-layered form of supports as summarised in the diagram below. As the Scaleup Institute note in their analysis of Oxfordshire “support for scaleup companies cannot be an isolated policy area. There are a series of interconnected dependencies that successful areas need



in order to support high-growth businesses”⁵⁰.

Around the outside is the operating environment, broadly overlapping with the Local Industrial Strategy’s ‘Foundations of Productivity’. This includes access to talent and skills; a priority area currently being explored further

by Advanced Oxford.

In the middle are business service providers, organisations that provide specific services that all businesses require.

Some larger organisations may have some business services in house, but for the overwhelming majority of scale ups they will be accessed from an external agency. Whilst banking fits in the business services sphere, it can also have one foot in the specialist scale up support camp. Banks increasingly have high growth specialists and can offer a service beyond banking, able to facilitate meetings between compatible businesses and access to wider information networks. Other business service providers, such as law firms, may also have specialist staff for specific business types or sizes.

In the centre is the scale up support itself, specific to businesses that are scaling up. It is important from the outset to note that many businesses do not know that this support exists. Some may contact OxLEP and be usefully supported and signposted. As the research for this report has shown, navigation around the support available can be difficult and one support often has little knowledge about what else there is in the market. This is a very real barrier to success; even if the scale up support exists businesses need to know about it in order to access it in a timely fashion.

⁵⁰ ScaleUp Institute (2019) Annual ScaleUp Review 2019

3.6 Summary of findings

- The majority of scale up support is targeted at businesses prior to them fitting the OECD definition of a scale up. Identifying businesses who might benefit from support is problematic.
- Awareness of support for scale up businesses in Oxfordshire is low across businesses and providers of support.
- Support can be broadly categorised as gateway or standalone support. Gateway support is either delivered alongside the renting of premises or through obtaining equity investment, and opens the business up to a networked ecosystem of training and advice. Standalone support is either structured skills based support, often as part of a cohort or individual business advice services.
- Facilitated networking leading to opportunities to collaborate and benchmark are key attributes of existing ecosystems. Networking which is primarily a social event is less likely to be successful in helping businesses scale.
- Whilst breakthrough companies will drive economic growth in Oxfordshire, cornerstone businesses enable people to carry on living and working in Oxfordshire: both are important when considering business support, including finance, to scale.
- There are thriving ecosystems within Oxfordshire; a key challenge is to open up the benefits of these ecosystems so that more Oxfordshire businesses can benefit from them.

4 Research and best practice

Overall, there is a poor evidence base for interventions^{51 52 53}. Any intervention that makes a businesses reflect on current practice is likely to have value, but that does not help in distinguishing quality or cost-effectiveness. In their respective studies on business support schemes, both the NAO and OECD used extensive methodologies to assess schemes, with the OECD developing a detailed assessment framework comprised of 35 indicators under 7 categories.

The underlying reason for success in various locations are unclear and probably due to a number of factors; the reality often is that it is confluence of factors that support growth. Where academic evidence is available this is included in the report. Where success factors are more anecdotal, a number of sources have been used. Case studies have been chosen where learning from initiatives could potentially be applied in Oxfordshire.

⁵¹ OECD (2013) An International Benchmarking Analysis Of Public Programmes For High-Growth Firms. Last accessed 23rd January 2020 at [https://www.oecd.org/cfe/leed/OECD-DBA%20HGF%20PROGRAMME%20REPORT_SECOND%20FINAL%20DRAFT%20\(2\).pdf](https://www.oecd.org/cfe/leed/OECD-DBA%20HGF%20PROGRAMME%20REPORT_SECOND%20FINAL%20DRAFT%20(2).pdf)

⁵² NAO (2020) Business Support Schemes

⁵³ What Works Centre for Local Economic Growth (2016) Business Advice. <https://whatworksgrowth.org/policy-reviews/business-advice/>

4.1 What resources are needed by scale ups and when?

Early stage high growth businesses tend to have a range of specific challenges which will be influenced by factors such as their sector, structure, marketplace, maturity. For new businesses, or smaller established businesses, support functions, particularly finance and HR, tend to develop late⁵⁴. However, studies^{55 56} have shown that for rapid intensive growth to take place high capabilities are needed in marketing and financial capabilities and can be considered to be prerequisites to achieve high growth. Resources to help businesses in these key areas are important.

Growth arises as a result of changes in their strategies, actions, behaviour that allows for rapid growth⁵⁷ rather than forming part of lifecycle⁵⁸; for example specific growth opportunities such as a new contract or a management buy out or buy in can stimulate growth.

Once business begin to sustain high growth, research⁵⁹ has shown that their management challenges typically converge to:

- Customer management
- Managing business growth and development
- Financial management
- Leadership
- Human resource management
- External environment

Goldman Sachs found that major behavioural and structural changes made in high growth businesses as a result of their programme included introducing new business processes, using financial data more in decision making, of participants increase the training opportunities they provide to their staff, becoming more effective business leaders, becoming more confident at managing growth. The majority also took on external financing, launched a new product or service.

Oxford Innovation, networking and relationships

One of the businesses in the Heyford Park Innovation Centre needed to have specific organic molecules synthesised and this was business critical. Without the very specific chemicals they couldn't progress their research. They were sourcing the chemicals internationally, but were finding that they were taking months to arrive and the results were very unreliable. This significantly slowed down progress.

Oxford Innovation's Innovation Director mentioned this to a company in Culham Innovation Centre who suggested that Queen Mary University in London would be able to provide what they were looking for.

⁵⁴ Chanut-Guieu, C., & Guieu, G.C., (2014) High growth trajectories in small and medium sized enterprises: a comparative study. *Journal of Small Business and Enterprise Development*. Vol 21(4) pp623-637

⁵⁵ Barbero, J.L., (2011) Managerial capabilities and paths to growth as determinants of high-growth small and medium enterprises. *International Small Business Journal*. Vol 29(6) pp671-694

⁵⁶ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁵⁷ Moreno, A.M., & Casillas, J.C., (2007) High-growth SMEs versus non-high-growth SMEs: a discriminant analysis. *Entrepreneurship & Regional Development*. January 2007 pp69-88

⁵⁸ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁵⁹ Chan, Y.E., et al (2006) Having Arrived: The Homogeneity of High-Growth Small Firms. *Journal of Small Business Management*. Vol 44(3) pp426-440.

In addition, benchmarking the processes and practices of other high growth firms regardless of industry, size or revenue base, may provide added, and possibly overlooked insight⁶⁰.

Networking with other entrepreneurs is also important⁶¹ although our interviewees repeatedly emphasised that this is more than putting people in a room together. Facilitated introductions and conversations can yield new business opportunities and insights that more social networking is unlikely to. The importance of trusted relationships with key networked individuals such as scheme managers, as seen in the Oxford Innovation case study, or banking account managers were seen as influential in connecting businesses who might otherwise not have come into contact with each other but whose meeting created real value.

SETSquared Scale-up Programme
The programme is for established businesses to help them with the key challenges of R&D, raising investment and accessing new talent. Businesses have access to the talent and expertise of the partner universities (Bath, Bristol, Cardiff, Exeter, Southampton and Surrey). The programme includes workshops, events, peer-to-peer support and routes to further collaboration and investment.

4.2 What finances are needed?

The finances needed by a business in order to grow are heavily influenced by the industry they are operating in. Technology and research heavy businesses need more finance than low tech service based businesses. Science and tech industries are also more likely to be able to be protected by patents and other intellectual property rights. It is unsurprising then that discourse around high growth firms and finance is in reality focused on the

British Business Bank (BBB)
The BBB has an easy to use Finance Hub that helps businesses understand and discover the finance options that could enable them to grow
<https://www.british-business-bank.co.uk/finance-hub/>

NordicNinja, enabling scaling from Helsinki to Asia
In 2019 NordicNinja, a Nordic / Japanese VC fund, was set up to help Nordic and Baltic scale-ups to enter the technology business ecosystem in Japan and across Asia. The new fund offers investments between €2 and €4 million to deep tech scale-ups in industries such as robotics, automation, health tech, AI and mobility. In addition, scale-ups are given knowledge and technological expertise from local corporate partners to help them thrive in the complex Asian business markets.
Japan was drawn to the Nordic region because of its startup ecosystem but also due to the regions request for additional scale up funding.

⁶⁰ Chan, Y.E., et al (2006) Having Arrived: The Homogeneity of High-Growth Small Firms. Journal of Small Business Management. Vol 44(3) pp426-440.

⁶¹ Audretsch, D. B., (2012) Report prepared for the OECD/DBA International Workshop on "High-growth firms: local policies and local determinants". Last accessed 23rd January 2020 at https://www.oecd.org/cfe/leed/Audretsch_determinants%20of%20high-growth%20firms.pdf

science & tech firms and venture capital, a minority of scale ups in the UK and internationally.

Looking at the whole market, evidence suggests that as little as 2% of SMEs in the UK have sought venture capital or other forms of equity finance with the most common types of finance used being bank loans and bank overdrafts⁶². Repeated studies^{63 64}, including one on rapidly growing firms in Cambridge, have shown that firms with good growth prospects avoid VC to prevent dilution of their ownership and capital, potentially at the risk of curtailing their resource base and growth potential. This is indicative of a wider issue about whether business growth should be encouraged at the risk of losing native control of the business.

Key Questions

- How important is it for Oxfordshire to grow wholly or predominately UK owned businesses?
- How important is it that Oxfordshire's businesses fuel economy prosperity and quality of life in Oxfordshire and in the UK as whole?
- How important is it that growth of Oxfordshire companies is accompanied by corresponding growth in employment in the county or the UK?

4.3 Developing an ecosystem for growth

High-growth companies do not operate in a vacuum but are inextricably linked to the locality in which they are based. There is evidence that industry clustering of businesses is linked with higher rates of growth⁶⁵.

Creating and sustaining an ecosystem conducive to high-growth is to pursue a "*broad agenda of*

Silicon Valley: success factors

- "Variety of regional institutions ... and firms provide technical, financial, and networking services which the region's enterprises often cannot afford individually."
- "Networks defy sectoral barriers: individuals move easily... They move from established firms to startups (or vice versa) and even to market research or consulting firms, and from consulting firms back into startups."
- "[Individuals] continue to meet at .. the scores of seminars, talks, and social activities organized... Relationships are easily formed and maintained, technical and market information is exchanged, business contacts are established, and new enterprises are conceived... This decentralized and fluid environment also promotes the diffusion of intangible technological capabilities and understandings"

⁶² Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁶³ Mohr, V., E. Garnsey, and G. Theyel. 2014. "The Role of Alliances in the Early Development of High Growth Firms." *Industrial and Corporate Change* 23: 233–259.

⁶⁴ Parker, S. C., D. J. Storey, and A. van Witteloostuijn. 2010. "What Happens to Gazelles? The Importance of Dynamic Management Strategy." *Small Business Economics* 35 (2): 203–226.

⁶⁵ Audretsch, D. B., (2012) Report prepared for the OECD/DBA International Workshop on

*direct and indirect policies (housing, schools, amenities, transit, livability, etc.) that support these high-growth, knowledge-intensive companies and attract the people who found them*⁶⁶. Pangyo Techo Valley (see case study) is an example of what can happen when expensive premises and poor transport mean that a good place to start up can turn into a poor place to scale.

That high growth takes place most commonly and most effectively as part of a wider ecosystem is widely recognised, but remains the most complex and multiagency piece of the high growth puzzle.

McKinsey⁶⁷ make a number of recommendations for how Europe can become more

competitive than the US and Asia in business innovation. Two relevant to Oxfordshire are:

Pangyo Techno Valley, South Korea

Pangyo Techno Valley, a new working and living industrial complex was opened in 2011 with second and third Valleys to follow. Positive initiatives include the SBC, a non-profit, government-funded organization that was established to implement government policies and programs for the growth and development of Korean SMEs. They offer loans with little interest to enterprises that plan to scale. Whilst the Valley is a favourable place for start ups there are growing questions for scale ups who are vacating the complex due to rising rents (once their start up support programs finish) and poor accessibility.

- Fostering co-operation across industry boundaries is one method of scaling up the innovation that is already happening within certain sectors. The European Automotive Telecom Alliance is one example of cross-industry collaboration, which has seen car manufacturers and telecoms companies work together on automated driving and technology tests. Test-beds for new technologies could be introduced that can combine research efforts from a number of companies (see also Helsinki, Finland case Study).

Startup in Residence, Amsterdam

Inspired by San Francisco's Entrepreneur in Residence programme, Startup in Residence is a governmental accelerator. Startups are invited to devise creative and viable solutions to the urban and social issues faced by Amsterdam and its inhabitants. If the solutions prove successful, the municipality will invest in the startup or become their launching customer. During the Startup in Residence programme, startups go through intensive training with the support, knowledge and expertise offered by professional lead mentors, and they'll gain access to the municipality's network. Together with its partners, the municipality provides startups with working spaces and the opportunity to conduct pilot launches and validate their products within the city.

"High-growth firms: local policies and local determinants". Last accessed 23rd January 2020 at https://www.oecd.org/cfe/leed/Audretsch_determinants%20of%20high-growth%20firms.pdf

⁶⁶ Hathaway, I., (2018) High-growth firms and cities in the US: an analysis of the Inc. 5000. Brookings Edu. Last accessed 23rd January 2020 at <https://www.brookings.edu/research/high-growth-firms-and-cities-in-the-us-an-analysis-of-the-inc-5000/>

⁶⁷ Forsdick, S., (2019) Five ways to scale up innovation levels in Europe to drive economic growth. <https://www.ns-businesshub.com/business/europe-innovation/>

- Utilise public procurement spending help encourage innovation by providing capital incentives for start-ups and re-investing in research (see also Startup in Residence, Amsterdam Case Study).

As companies successfully scale and founders exit, so the available pool of native talent with experience of scaling grows⁶⁸.

Israel: growing a scale up nation

Israel has become known as a scale up nation over the last 5 years. Factors in this shift are thought to be more large scale private money available and increase in late stage funds. Much of the investment has come from non-Israeli MNCs, with more than 300 multinationals having set up R&D centres in the country, becoming part of the country's open innovation ecosystem. The geographic concentration of institutions such as universities, multinationals and startups creates a critical mass that facilitates innovation growth.

A focus on increasing and diversifying talent is also considered to have been important; increasing take up of stem subjects in schools, improving entrepreneurship education and encouraging woman and ethnic minorities. Challenges remain in encouraging native companies to actually consume and implement new innovations. Increasing the penetration of new technologies into day to day life in the country is seen as key for improved economic prosperity and quality of life within Israel. At present *"we create a lot of IT [but] don't really have the market, so we are creating an export-oriented industry"* says Uzi Scheffer, Chief Executive of the SOSA hub for tech start ups in Tel Aviv.

Helsinki, Finland

Key attributes for the success of Helsinki becoming a good place for starting and scaling businesses are thought to be:

- compact and supportive startup ecosystem with an attitude of wanting to help each other and solving global challenges
- active business angel networks
- government support including 18 months income for aspiring entrepreneurs, travel grants to support international expansion, financing for the start, growth and internationalisation of enterprises and for protection against export risks
- access to open data and testbeds
- a modern and attractive city for entrepreneurs to want to live and work in

⁶⁸ Startup Genome (2019) Global StartupEcosystem Report 2019

4.4 How else are businesses linked with support?

As seen, the evidence would seem to suggest that ideally, support is not something purchased off the shelf per se, but accessed as part of a business' engagement in a wider ecosystem. Not all businesses will recognise that this engagement is beneficial and prioritise it. The Business Productivity Review noted that "*SME managers can often overestimate their own ability and company performance, reducing the likelihood they seek advice*"⁶⁹. There remains a case for standalone and targeted support for those businesses who, for whatever reason, require more than what is currently on offer from existing and growing ecosystems – and don't always know that they would benefit from it. The challenge is how to best link them with this support.

Diagnostic tools

A range of diagnostic tools are available to support businesses to identify strengths and stress points, and to signpost on to further support. These have primarily been developed by business support organisations – who then hope to get the business. The differences between the tools seen are greater than might be expected, and surprisingly play to the business support offer from the originating company.

As noted, high growth is predominately a phase in the life^{70 71} of a company, and linking high growth firms with targeted support is a challenge⁷². Under the OECD definition, a company is three years into a potential 4/5 year growth phase⁷³ before it is officially known as a high growth firm – not allowing for delays in identification due to when accounts are submitted to Companies House and how often analyses of firm data are undertaken. Whilst obtaining the Beauhurst data on scale ups in Oxfordshire would have some value, it would be limited. Identifying high growth firms to study is different to identifying them for the purposes of offering them timely targeted support.

There appear to be two main techniques for increasing access by businesses to support. Firstly, by improving referral points. This involves widening the number

Launchpad Meetups, Amsterdam

Launchpad Meetups are designed to connect corporates to startups that can help solve a specific innovation challenge that the corporate is facing and to spark new startup / corporate collaborations. Corporates invite promising startups to your office to pitch their solution and explore synergies.

Over 50 corporates have taken part so far, including KLM, Philips, USG People, Accenture, Amsterdam Airport Schiphol, TomTom, ABN AMRO and Deloitte, with 220 startups connected during 67 Launchpad Meetups.

⁶⁹ HM Government (2019) Business Productivity Review, p14

⁷⁰ Moreno, A.M., & Casillas, J.C., (2007) High-growth SMEs versus non-high-growth SMEs: a discriminant analysis. *Entrepreneurship & Regional Development*. January 2007 pp69-88

⁷¹ Brown, R., Mawson, S., Mason, C., (2017) Myth-busting and entrepreneurship policy: the case of high growth firm. *Entrepreneurship & Regional Development*, 29 (5–6), pp. 414–443

⁷² Satterthwaite, S., & Hamilton, R.T., (2017) High-growth firms in New Zealand: Superstars or shooting stars? *International Small Business Journal*. Vol 35(3) pp244-261

⁷³ Moreno, A.M., & Casillas, J.C., (2007) High-growth SMEs versus non-high-growth SMEs: a discriminant analysis. *Entrepreneurship & Regional Development*. January 2007 pp69-88

of agencies that businesses come into contact with that are aware of support available and can refer across. The second is by increasing the marketing of such opportunities. The first would appear to be a superior method due to the lower costs, better targeting and utilisation of pre-existing trusted relationships.

4.5 Summary of best practice

Learning from international and best practice identifies that a successful scale up ecosystem is supported by activity at different levels. There is clear research about the behavioural, strategic and structural changes that individual businesses need to undertake in order to successfully sustain phases of high growth.

Research also shows that companies are more likely to achieve high growth when part of a wider ecosystem that enables them to network, benchmark from each other and where there is sufficient employee fluidity for necessary skills and expertise to keep circulating around the ecosystem. Furthermore, the mix of businesses is important – ideally these should provide support, services and expertise at world class levels.

This suggests that two symbiotic levels of support are needed to achieve a world class scale up ecosystem. Firstly, the support and resources available to individual businesses to help them grow and sustain growth in the way most appropriate for them. Secondly, this activity needs to take place in a wider, vibrant community of networked businesses who act to support and sustain each other.



Development opportunities for individual businesses:

- Leadership and management skills development
- Use of financial data to inform decision making
- Benchmarking

Whole ecosystem characteristics:

- Maximising knowledge spillover
- Complementary mix of self supporting industries
- Networking opportunities
- Employee fluidity
- Ease of navigation

5 Priority areas for improvement

The table below takes the key success factors identified from research and best practice above and compares them to the current picture in Oxfordshire.

As previously mentioned the picture of support available in Oxfordshire is constantly changing. The Eagle Lab launches in April and is expected to host 120+ events a year. Depending on the scope and capacity of these, these may act in part to address some of the gaps identified in the development opportunities for individual businesses currently available. Wider ecosystem characteristics are not limited to scale up companies, and a full understanding of these is outside the remit of the research conducted for this project.

Repeated themes within Oxfordshire are access to talent and skills. This is understood not only as a 'pipeline' issue but indicative of the high cost of living in Oxfordshire. Similarly, access to premises is a recurring theme, and plans to address both have already been iterated in the Local Industrial Strategy.

	Key success factors in scale ups and scale up ecosystems	Current picture in Oxfordshire
Development opportunities for individual businesses	Leadership and management skills development	<ul style="list-style-type: none"> ■ Masterclasses through to programmes of training available ■ Strong generic offering from the University of Oxford and Oxford Brookes as well as private provision. Oxford-centric. Potential for more bespoke programmes of support to be developed. ■ Question about sufficiency of specific support for cornerstone industries
	Use of financial data to inform decision making	<ul style="list-style-type: none"> ■ Patchy, when available largely offered through gateway support
	Benchmarking	<ul style="list-style-type: none"> ■ Very patchy, when available largely offered through gateway support. Scope for more facilitated standalone support.
Whole ecosystem characteristics	Maximising knowledge spillover	<ul style="list-style-type: none"> ■ Premises based gateway support facilitates this in areas such as the Harwell campus, Culham and OI sites. ■ Living Lab projects ■ University of Oxford appears to do this well within its own ecosystem ■ The Enterprise Europe Network work to facilitate collaboration across Europe ■ Outside of these areas, specifically science & tech (including healthcare tech), spillover opportunities

	Key success factors in scale ups and scale up ecosystems	Current picture in Oxfordshire
		appear scarce or not systematic particularly across to cornerstone businesses
	Complementary mix of self supporting industries	<ul style="list-style-type: none"> ■ Unaware of schemes to encourage or link Oxfordshire scale ups to each other to strengthen local supply networks and business sustainability
	Networking opportunities	<ul style="list-style-type: none"> ■ Many networking opportunities across the country. Science & tech well catered for as are low carbon businesses through Oxfordshire GreenTech ■ Few that actively facilitate peer to peer support⁷⁴ – again these are best seen on the premises / campus based support.
	Employee fluidity	<ul style="list-style-type: none"> ■ High cost of housing and variable public transport impact on ability of businesses to obtain an appropriately skilled workforce. Oxfordshire, compared to its' strengths has disproportionately poor connectivity and challenging cost effectiveness⁷⁵. To what extent the existing workforce moves between businesses has not been covered as part of this study.
	Ease of navigation	<ul style="list-style-type: none"> ■ A recurrent theme in Oxfordshire is how confusing the current system is: "<i>many Oxfordshire firms are simply unaware of the support available, or unable to access it</i>"⁷⁶.

6 Delivery programme

The importance of growing and sustaining a business ecosystem for Oxfordshire is explored in depth in Oxfordshire's Local Industrial Strategy and the plans in the preceding working draft⁷⁷ provide a strong basis for securing a world class scale up ecosystem. What is clear from research is that this thriving ecosystem is vital if Oxfordshire is to achieve its' aspiration of having a world class scale up programme. As noted, a world class scale up programme is not simply a 'programme' that businesses can attend, but an ecosystem that nourishes and sustains.

The existing ecosystem can be better structured to facilitate growth. Whilst specific actions can be taken to 'scale up' the existing ecosystems and resource offers, these cannot be pursued without acknowledgement that the wider ecosystem needs

⁷⁴ As supported by Budget 2018 and encouraged by the ScaleUp Institute (2019b)

⁷⁵ fDi (2020) fDi European Cities and Regions of the Future 2020/21; the best and the brightest among Europe's investment destinations

⁷⁶ OxLEP (2019) Oxfordshire Local Industrial Strategy, p43

⁷⁷ http://www.oxford.gov.uk/download/downloads/id/5632/eco5_-_the_oxfordshire_local_industrial_strategy_-_technical_negotiating_draft.pdf

attention and that work on realising Oxfordshire’s Local Industrial Strategy should continue apace.

6.1 Recommendations

The recommendations are grouped under 5 themes as shown below, the majority of which address development and improving the ecosystem.

Development opportunities for individual businesses				
1. Improve market insight	2. Address market failure in cornerstone business support	3. Improve funding opportunities	4. Increase permeability of existing ecosystems	5. Improve navigation of the ecosystem
Whole ecosystem characteristics				

In drawing up these recommendations it has been understood that OxLEP has / will rely in the main on distributing public funds. Recommendations have been reached so as to try and achieve the greatest impact in the county for a potentially achievable outlay. In line with the ScaleUp Institute’s 2019 Review, the recommendations “*build on what exists*”⁷⁸. However if OxLEP is to come close to realise its’ ambition of becoming a world class place to scale up then financial and practical commitment to this will need to be shared by central government. Some recommendations support existing recommendations in the LIS; current action to progress these recommendations may overlap those made here.

The 5 themes are expanded below with a total of 14 recommendations in total. For each recommendation, aims of the recommendation, overview and methodology for execution are given together with key stakeholders, estimated budget and priority level. These are followed by suggestions regarding implementation and review.

1. Improve market insight

1.1 Draw on existing tools and expertise to develop an online triage tool with resource links	
Aim:	<ul style="list-style-type: none"> ■ Scale ups can get a broad idea of areas they should be considering when growing ■ OxLEP advisors can get an overview of the business and their likely needs prior to meeting them, thereby increasing how much can be achieved with their contact time ■ Signposting reach by OxLEP can be extended by providing resource links without requiring client contact ■ Business can self identify as a scale up to bypass issues with definitions and timeliness

⁷⁸ ScaleUp Institute (2019) Annual ScaleUp Review: Highlights 2019. p7

Overview	<p>As noted in Section 4, there are a number of diagnostic tools currently available to businesses. The triage tool suggested here, when used, is envisaged to come before use of the more extensive diagnostic tools.</p> <p>To meet the aims above, the triage tool would be light touch and give an overview of areas that will need to be considered when scaling, a brief assessment of strengths in those areas and signposting to where more information is available. The data collected by the tool would be qualitative and quantitative, comprising of a brief company profile and key issues faced.</p> <p>Diagnostic tools would still have a role to play in face to face business support; going into further depth, with a business coach, of areas concerned with successful business health and growth. For example, the Enterprise Europe Network uses the GROWTHmapper tool as part of its fully funded support offer.</p>
Method	<ul style="list-style-type: none"> ■ Research key information to be sought in a tool that would be a) most useful in triaging and b) most useful for business in identifying areas for them to consider. ■ Develop draft triage tool in consultation with OxLEP website developer ■ Pilot with businesses and business support advisors ■ Refine tool as required ■ Embed and advertise tool
Stakeholders	OxLEP business support advisors, scale ups, OxLEP website developer
Budget	<£40k to commission the develop of a basic triage tool
Priority	Medium / High

1.2 Maintain and extend database of support suppliers

Aim:	<ul style="list-style-type: none"> ■ Increase transparency of available support ■ Enable easier signposting and navigation ■ Provide a gateway system for supplier registration ■ Increase take up of available support
Overview	<p>This report has highlighted a significant number of currently available support organisations and programmes. However, it also identified a number of defunct programmes still publicised on the internet and/or dead links still being circulated. In addition, it noted that some programmes that are promoted as scale up support are not providing the type of support expected.</p> <p>To meet the aims above, OxLEP would need to maintain or commission a rolling update of a directory of suppliers. This would not be an approval process (unless needed), but would improve the relevance of recognised support programmes.</p>

	This would also assist in identifying gaps in supply, either by sector or location.
Method	<ul style="list-style-type: none"> ■ Research mechanisms for identifying and capturing relevant data ■ Develop / commission a data capture system to contain relevant information and enable simple navigation for non-expert users ■ Encourage supplier registration and updating of information ■ Undertake regular checks and updates ■ Embed and advertise tool
Stakeholders	OxLEP business support advisors, scale ups, OxLEP website developer
Budget	<£30k to commission Plus annual resources to support maintenance of data
Priority	Medium / High

2. Address market failure in cornerstone business support

2.1 Pilot development support for cornerstone scale ups	
Aim:	<ul style="list-style-type: none"> ■ Improve business capability to successful grow and scale including through benchmarking, using financial data, peer to peer support, scaling mentors and cornerstone orientated masterclasses ■ Begin to improve knowledge spillover and identify workable networking and collaboration fora ■ Better understand the needs this sector has in scaling up
Overview	<p>Scale up support is currently heavily orientated towards young, tech firms, yet the evidence is that most scale ups are older firms in non tech industries. Although many of the challenges in scaling are the same regardless of sector, cornerstones may have similarities not shared with breakthroughs (ie access to finance, lower 'high growth' projections, more embedded company culture, longevity in current premises). Scaling up is a risky phase for a business and not all survive following scaling.</p> <p>The ScaleUp Institute recommend that the <i>“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”</i>⁷⁹. Providing the access to proven development support will help sustainable growth.</p>
Method	<ul style="list-style-type: none"> ■ Identification of scaling cornerstone companies

⁷⁹ ScaleUp Institute (2019) Annual ScaleUp Review 2019

	<ul style="list-style-type: none"> ■ Research / engagement with a sample of scaling cornerstone industries to understand met and unmet development needs in relation to scaling challenges ■ Engagement with existing suppliers to establish appetite for growth/expansion in areas of unmet development needs ■ Match or seed funding for suppliers to instigate development support (if necessary)
Stakeholders	Barclays Eagle Labs, Natwest Accelerators, Oxford Brookes University, Oxford Foundry, OxLEP, Advanced Oxford
Budget	Research <£20k
Priority	High

2.2 Investigate how cornerstone businesses can better benefit from knowledge spillover from breakthrough businesses in Oxfordshire

Aim:	<ul style="list-style-type: none"> ■ Improve the sustainability of the local business ecosystem ■ Support the survival of essential cornerstone industries that are struggling in the county
Overview	<p>The Local Industrial Strategy states that “<i>the region will deepen greater engagement between Oxfordshire’s research institutions, universities and ‘cornerstone businesses’ to drive greater innovation into more mature sectors which can improve firm level productivity in these markets</i>”⁸⁰. The recent ScaleUp Institute Review notes that “<i>Oxfordshire intends to encourage university and business collaboration around scaleup company sectors at all levels</i>”⁸¹. How these commitments will be met needs further work.</p> <p>For example, the LIS aims for a number of Living Labs within Oxfordshire, including a Health & Wellbeing Living Lab. Oxford Brookes has a Healthy Aging Network, Oxfordshire County Council are supporting innovations in health and social care, and TheHill hosts a cluster of activity around innovation in healthcare. These resources, and others, need to be utilised to drive improvement in cornerstone health and social care services.</p>
Method	<ul style="list-style-type: none"> ■ Identification and agreement of initial cornerstone industries to be targeted ■ Identification and engagement of potential stakeholders and breakthrough companies relevant to that industry ■ Identification and engagement with individual cornerstone businesses ■ Research into ‘what works’ ■ Recommendations for developing knowledge spillover
Stakeholders	Depending on industries targeted but to include research institutions, universities, relevant scale up support organisations.
Budget	Dependant on scope. Initial research <£15k and then budget required for implementation (£15k+)
Priority	Medium / High

⁸⁰ OxLEP (2019) Local Industrial Strategy, p45

⁸¹ ScaleUp Institute (2019) Annual ScaleUp Review 2019

2.3 Signal to the private market areas where more support is needed	
Aim:	<ul style="list-style-type: none"> ■ Raise awareness of market opportunities for providers
Overview	<p>The scale up support market in Oxfordshire is varied and not easily navigable. One of the consequences of this can be that scale up support providers find it harder to discern the market growth opportunities for them, particularly if this represents any diversification from their current offer.</p> <p>Signposting to the market where opportunities lie is a useful method for stimulating the supply for unmet demand.</p>
Method	<p>At its simplest, OxLEPs innovation advisors and other Growth hub staff could keep an ‘unmet needs’ list support that has been hard / impossible to source within Oxfordshire. Periodically this is shared with providers.</p> <p>Other opportunities to hear about potential unmet need could be used eg at OxLEP workshops, events, website form etc.</p>
Stakeholders	OxLEP, scale up support providers
Budget	Staff time
Priority	High

3. Improve funding opportunities

3.1 Progress widening finance options as per the Local Industrial Strategy⁸², working with OUI and OION and other partners to identify underserved markets in Oxfordshire	
Aim:	<ul style="list-style-type: none"> ■ To help firms access finance at different stages of their growth cycle⁸³ ■ Seek further opportunities to attract institutional investors such as Sovereign Wealth Funds into the area⁸⁴
Overview	<p>The LIS is ambitious to improve and widen funding opportunities for businesses in Oxfordshire. International practice can also give inspiration as to how this can contribute to international collaborations eg NordicNinja in Section 4.</p> <p>In addition, cogniscent of the need to ensure the survival and thriving of cornerstone industries, attention needs to be paid as to whether they are able to obtain the finance they need to grow and scale.</p> <p>Whilst a range of funding options do exist for Oxfordshire firms, if Oxfordshire is serious about competing on the global stage as a</p>

⁸² OxLEP (2019) Oxfordshire Local Industrial Strategy, p67

⁸³ OxLEP (2019) Oxfordshire Local Industrial Strategy, p67

⁸⁴ OxLEP (2019) Oxfordshire Local Industrial Strategy, p10

	place to do business then it will need to demonstrate the attractiveness for investors of developing an Oxfordshire focus.
Method	OxLEP is currently tendering for a PR and public affairs agency to promote Oxfordshire in line with the LIS. The work carried out by the successful bidder should include promoting Oxfordshire as a place to invest. A feasibility study for widening finance options, followed by an options appraisal if required, should be undertaken to fulfil the commitment made in the LIS.
Stakeholders	Includes OxLEP, OUI, OION, Advanced Oxford
Budget	PR activity within contract scope. Feasibility study dependent on scope.
Priority	High/medium

3.2 Further work on promoting finance options for businesses including the Finance Hub commitment from the Local Industrial Strategy⁸⁵ and use of the British Business Bank Finance Hub website

Aim:	<ul style="list-style-type: none"> ■ To support access to finance by providing advice and support in commerciality, business planning, Intellectual Property (IP) adoption and investment⁸⁶
Overview	Awareness of finance options available to businesses is low, despite useful resources existing. The LIS made a case for the establishment of a Finance Hub and this commitment should be actioned.
Method	In line with the vision and existing plans envisaged by the LIS and subsequent action.
Stakeholders	OxLEP, British Business Bank, Advanced Oxford
Budget	Dependent on scope envisaged
Priority	Medium

4. Increase permeability of existing ecosystems

4.1 Investigate how Oxfordshire's most successful ecosystems (for example Harwell, University of Oxford, Begbroke, Culham) can be made more permeable to external businesses

Aim:	<ul style="list-style-type: none"> ■ Further improve the vibrancy, collaboration potential and skills mix within those ecosystems ■ Better support complementary businesses operating outside those ecosystems
Overview	Companies most successfully scale up as a part of a wider ecosystem that brings with it idea and employee fluidity and cross business collaborations. Oxford has a number of small ecosystems

⁸⁵ OxLEP (2019) Oxfordshire Local Industrial Strategy, p10

⁸⁶ OxLEP (2019) Oxfordshire Local Industrial Strategy, p69

	<p>which confer advantages to its members, but not to the extent that they could if permeability was increased. Creating a cross university scale up network along similar lines to SETSquared could be explored.</p> <p>Action here is supported by the ScaleUp Institute’s emphasis that “<i>better collaboration between government, universities and big business</i>”⁸⁷ is required.</p>
Method	Work with each ecosystem to explore current barriers and how permeability could be increased (ie access to events, funding, widening relationship manager oversight). See also recommendation 4.4.
Stakeholders	OxLEP, Harwell, University of Oxford, Begbroke, Culham, Oxford Innovation
Budget	Dependent on scale but dedicated staff time desirable
Priority	High

4.2 Improve mechanisms for firms across the tech spectrum to come together thematically	
Aim:	<ul style="list-style-type: none"> ■ Act as a catalyst and facilitator for technology to permeate through to other breakthrough industries and cornerstone industries
Overview	<p>Further work to facilitate linkages between cornerstone and breakthrough companies to use the power of the new to support the workings of the old.</p> <p>Linking to recommendation 2.2 and the aspiration in the LIS to develop Oxfordshire as a “<i>living laboratory to help solve the UK’s Grand Challenges</i>”⁸⁸. Section 4 showed that ‘networking’ can best lead to effective collaborations when there is purpose or a goal driving activity – for example, smaller companies pitching to solve large company challenges in Amsterdam and Israel.</p> <p>Techtribe groups its news content and advertised events under different themes. These may also provide a useful basis for further work in this area.</p>
Method	It is recommended that this recommendation is actioned after 2.2, and 4.1 as the research arising from, and the outcomes of those recommendations are likely to heavily influence the scope of this one.
Stakeholders	OxLEP, all business sectors
Budget	Dependent on scale but dedicated staff time desirable
Priority	Medium/High

⁸⁷ ScaleUp Institute (2019) Annual ScaleUp Review: Highlights 2019. p9

⁸⁸ OxLEP (2019) LOxfordshire Local Industrial Strategy, p14

4.3 Utilise existing ecosystem premises and campuses outside of Oxford for provision of development support	
Aim:	<ul style="list-style-type: none"> ■ Increase accessibility of structured development support to businesses based outside of Oxford ■ Facilitate connections between local businesses
Overview	<p>OxLEP is working with OSEP⁸⁹ to launch 6 social enterprise Hubs in February 2020⁹⁰. These will host workshops, networking events and peer-to-peer learning sessions helping social entrepreneurs, charities and purposeful businesses. The majority of these are in Oxford with one each in Didcot and Bicester.</p> <p>This is a good example of the constructive use of local assets and businesses to foster connections between local business and provision of structured development support. For larger companies and those with a less overt social purpose, other venues and campuses could provide similar functions.</p>
Method	<p>Use learning and approach from OSEP collaboration to investigate other sites outside of Oxford.</p> <p>An option to consider would be whether the support was moved from Oxford, or in addition to existing support</p>
Stakeholders	OxLEP, OSEP, Oxford Innovation, premises and campus providers
Budget	Staff time, potential hire
Priority	Medium

5. Improve navigation of the ecosystem

5.1 Improve connections between different programmes and supports with a providers network	
Aim:	<ul style="list-style-type: none"> ■ Ensure more businesses are signposted to support that can add value to them ■ Enhance and improve cross referrals between providers so businesses can be linked to appropriate support faster and with fewer agencies involved ■ Reduce signposting workload for Growth Hub so that resources can be spent on more support
Overview	<p>Scale up support providers in Oxfordshire currently have a fragmented understanding of the variety of scale up supports available in the county. Although the mapping conducted during this project will provide an overview, nothing works as well as providers actually knowing each other and being able to cross-refer with confidence.</p>

⁸⁹ Oxfordshire Social Enterprise Partnership

⁹⁰ <https://www.oxfordshirelep.com/escalate>

Method	As emphasised in this report, networking without structure can be missed opportunity. The recommendations in this report (ie 2.1, 2.2, 2.3, 4.3, 5.4) represent a number of opportunities for touch points for engagement with providers which could also be used to progress this recommendation.
Stakeholders	OxLEP, scale up support providers
Budget	Staff time
Priority	High

5.2 Strengthen relationships with business / professional service providers (eg banks, law firms, export advisors)

Aim:	<ul style="list-style-type: none"> ■ Better signposting and client referral to further appropriate supports for scaling up ■ Provision an early warning system of changes (that could influence support plans)
Overview	Some professional service providers have a unique overview, knowledge of and access to scaling businesses. Closer relationships with these organisations would be beneficial to OxLEP. They may also benefit from and be interested in the provider network in recommendation 5.1.
Method	Individual meetings with professional service providers to inform, discuss and gauge levels of interest in being a more active part of the scale up support provider network. Potential branding as eScalate 'ambassadors'.
Stakeholders	OxLEP, professional service providers (eg banks, law firms, export advisors)
Budget	Staff time
Priority	High

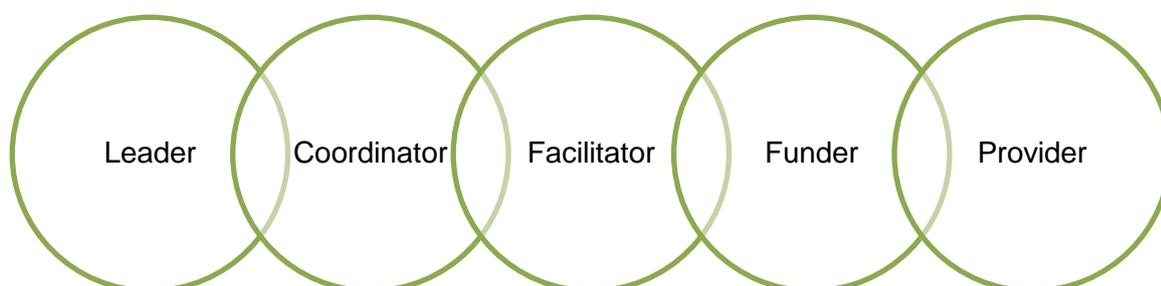
5.3 Refer to potential and actual scale up (or equivalent phrases) in marketing of support opportunities

Aim:	<ul style="list-style-type: none"> ■ Encourage actual scale ups to realise that support is not limited to new firms and potential scale ups
Overview	As seen in Section 2.3, the nomenclature around scale ups can be confusing. The dominance of scale up support focused on young businesses could inadvertently provide a barrier to access for older and/or scaling firms. More explicit recognition of these phases in marketing may widen participation as well as assist growth in particular areas of development support (see recommendations 2.1 and 2.3)
Method	Consideration of how communications around scale up support is phrased when new communications are developed. Review of existing messages.
Stakeholders	OxLEP communications team, Growth Hub staff, scale up providers
Budget	Staff time
Priority	Medium

5.4 Investigate, with existing providers such as Enterprising Oxford and Techtribe and imminent newcomers Eagle Labs, consolidating the array of events so that (scale ups) have one place to look and search for events	
Aim:	<ul style="list-style-type: none"> ■ Make available event information even more transparent ■ Widen reach to businesses who may currently not be aware of all that is on offer
Overview	<p>There are a wide variety of events in Oxfordshire, predominately in Oxford, for businesses. Many are usefully collated by Enterprising Oxford and Techtribe, many (but far from all) ticketed via Eventbrite; effectively navigating what's on offer and what would be relevant is difficult. Business who are most pressed for capacity are unlikely to spend the time necessary to regularly research what's available.</p> <p>Collating and sharing events can provide a regular reason for business to visit those websites that share events, and whilst doing so access other content. Providers may be unwilling to support the creation of a competitor who could reduce visits to their site.</p>
Method	Identifying and bringing together key event collators and hosts of events in a facilitated session with the aim of exploring potential consolidation and cross referrals to simplify the landscape for business.
Stakeholders	OxLEP, Enterprising Oxford, Techtribe, Eagle Labs, other event collators and event hosts
Budget	Initially, staff time
Priority	Medium

6.2 Implementation

Progression of the recommendations will be influenced by how OxLEP sees its role in supporting businesses to scale up in Oxfordshire. The diagram shows different possible roles; at present OxLEP would appear to exercise elements of all five.



Ideally, Oxfordshire should establish a dedicated, identifiable and recognised 'Scale Up Office', with a visible ScaleUp Champion as recommended by the ScaleUp Institute⁹¹. The Office would facilitate the ecosystem in Oxfordshire and promote Oxfordshire as a place to scale. They would be a clear 'go to' for the scale up support

⁹¹ ScaleUp Institute (2019) Annual ScaleUp Review 2019

community and businesses, improving relationship management⁹², able to hold and share an oversight of Oxfordshire's diverse landscape. This would be in keeping with other world class scale up ecosystems who typically have a significantly larger core staff than OxLEP⁹³. A steering group of major providers should be formed to maximise effectiveness of signposting and to fill in gaps in offers.

Further research and/or data is required to progress some of the recommendations. Serious consideration should be given to purchasing Beauhurst data⁹⁴. Assuming sufficient analyst ability and capacity, this would support the ability of the county to understand more about the businesses operating in the county⁹⁵ and to target businesses more effectively – using “*the power of data...to unlocking [sic] scaleup potential*”⁹⁶.

Without the above, there is a risk that provision and understanding will remain confused as different initiatives lack a coordinating force.

OxLEP and partners may also wish to consider to joining SCALE.CITIES⁹⁷, a European network who work together on strengthening local startup ecosystems and coordinating and deploying strategies to allow both their local and global ecosystems to grow.

A summary of the recommendations and implementation facilitators can be found in Appendix 3.

6.3 Arrangements to review effectiveness of programme

The Governments Business Support Evaluation Framework⁹⁸, by its own admission, is excessive for local programmes of support. Nonetheless, it contains principles that can be adopted and adjusted according to applicability. At the very least, schemes should be able to demonstrate a ‘logic model’, that “*identifies links between a schemes activities and measures of long term impact*” as this can “*guide data collection and monitoring processes*”⁹⁹.

When recommendations are agreed, with timescales, it is recommended that an overall logic model is developed that draws together the different strands of OXLEP funded scale up activity, expected outputs and outcomes and how these will be assessed jointly and individually for their efficacy in the short to medium term.

⁹² As recommended in ScaleUp Institute (2019) Annual ScaleUp Review 2019

⁹³ <https://newcohelsinki.fi/en/about-us/>

⁹⁴ The Cabinet Office DECA Working Group is looking at how data can be used to better identify scaleups. However any improvements to current datasets or changes in availability seem unlikely to alter in the short to medium term.

⁹⁵ As recommended in ScaleUp Institute (2019) Annual ScaleUp Review 2019

⁹⁶ ScaleUp Institute (2019) Annual Scale Up Review: Highlights 2019. p7

⁹⁷ <https://scalecities.com/> see Appendix for more information

⁹⁸ BEIS (2019) Business Support Evaluation Framework.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772808/business-support-evaluation-framework.pdf

⁹⁹ BEIS (2019) Business Support Evaluation Framework, p12.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772808/business-support-evaluation-framework.pdf



Appendices

7 Appendix 1: Mapping

7.1 Mapping: Oxfordshire based support

Name	Delivery type	Sector focus	Stage focus ¹⁰⁰	Uni of Oxford limited?	Summary	Website
AHSN Accelerator / Cartezia Scale Up Academy	Structured skills development	Healthcare & life sciences	Early	No	Programme aimed at innovations that will have an impact on health quality outcomes. Comprised of 2-5 stages of input over an eight month period. Initial two stages work with entrepreneurs and ventures to explore concepts and establish commercial viability, with selected participants/teams invited back for the final 3 stages culminating in a pitch event for investment.	https://www.oxfordahsn.org/our-work/strategic-and-industry-partnerships/oxford-ahsn-accelerator-programme/
Begbroke Centre for Innovation and Enterprise (CIE)	Premises based support	Science & Tech	Early	No	Offers adaptable and flexible serviced incubation units, with an environment that nurtures small innovative businesses working across various disciplines including medicine, big data, materials and engineering. Residents are able to access networking opportunities within the University of Oxford.	http://www.begbroke.ox.ac.uk/home/space-and-facilities/available-property/centre-for-innovation-and-enterprise-cie/

¹⁰⁰ Unsurprisingly, and in keeping with the findings in Section 2.3, scale up support organisations use different terminology when referring to their target businesses. Here, ‘early’ has been used to refer to businesses that are seeking to grow a prototype product, with ‘early / mid’ including those seeking to further expand initial commercial progress. Broadly these two categories relate to ‘Growth’ firms in the Triple Chasm Model (Phadke & Vyakarnam, 2019), concerned with overcoming Chasm II from early product or service to fully functional product or service with a sustainable business model.

Name	Delivery type	Sector focus	Stage focus ¹⁰⁰	Uni of Oxford limited?	Summary	Website
Bicester Innovation Centre (OI)	Premises based support	All	Early/mid	No	In addition to premises the site offers a range of support to help businesses scale. Open to all sectors, but generally not breakthrough industries. Suitable for businesses with 1-15 employees. There is an Innovation Director who facilitates links across the Oxford Innovation family of 8 centres in the county, 26 centres nationwide.	https://www.bicester-ic.co.uk/
Bioescalator	Premises based support	Science & Tech	Early	No	The BioEscalator is a hub for new and developing life science innovations.	https://www.bioescalator.ox.ac.uk/
Culham Innovation Centre (OI)	Premises based support	High tech engineering & bioscience	Early/mid	No	In addition to premises the site offers a range of support to help businesses scale. Business size varies between 2-30 employees. There is an Innovation Director who facilitates links across the Oxford Innovation family of 8 centres in the county, 26 centres nationwide.	https://www.culham-ic.co.uk/
Eagle Labs (from April 2020)	Premises based support	Life sciences & tech	Early	No	Space for micro businesses with accompanying networking opportunities and events. Businesses can expand into the neighbouring Wood Centre as they grow.	https://labs.uk.barclays/locations/oxford
European Enterprise Network	Individual business advice services	All	All	No	Funding support (including use of GROWTHmapper diagnostic tool), coaching and a free service matching businesses across 60 countries for commercial, technical and research collaboration for eligible companies.	https://www.oxfordshirelep.com/enterprise-europe-network/ https://www.enterprise-europe.co.uk/services/Grow-further-and-scale
Grassroots (OSI)	Premises based support	Science & Tech	Early	Partly	In addition to premises, OU offers a range of support to help portfolio businesses scale. Business size varies between 1-15 employees. There is a Community Manager who develops the community both internally and by arranging seminars, workshops and clinics.	https://www.grassrootsworkspace.com/

Name	Delivery type	Sector focus	Stage focus ¹⁰⁰	Uni of Oxford limited?	Summary	Website
					Office space is limited to OU companies, but co-working space is available to anyone	
Harwell Campus Management Office	Finances (& associated support)	Science & Tech	All	No	Offer advice on capital raising options and provide access to a comprehensive suite of national and global sources of funding.	https://www.harwellcampus.com/space-for-growth/
Harwell Cross-Cluster Industrial Engagement Proof of Concept funding grant	Finances (& associated support)	EnergyTec, HealthTec and Space	Early	No	Up to £30k per project to support and accelerate innovative cross-disciplinary collaborations across the three clusters at Harwell: EnergyTec, HealthTec and Space.	https://stfc.ukri.org/funding/research-grants/funding-opportunities/closing-calls/cross-cluster-proof-of-concept-grant-funding/
Harwell Innovation Centre (OI)	Premises based support	Science & tech ¹⁰¹	Early/mid	No	In addition to premises the site offers a range of support to help businesses scale. Suitable for businesses with 1-30 employees. There is a Centre Director who facilitates links across the Oxford Innovation family with 26 centres nationwide and involvement with the larger Harwell Campus and networking events.	https://www.harwell-ic.co.uk/
Heyford Park Innovation Centre (OI)	Premises based support	Life sciences	Early/mid	No	In addition to premises the site offers a range of support to help businesses scale. Business size varies between 2-30 employees. There is an Innovation Director who facilitates links across the Oxford Innovation family of 8 centres in the county, 26 centres nationwide.	https://www.heyfordpark-ic.co.uk/
OBU Scale Up Pioneers	Structured skills development	All	Mid	No	Peer to peer network and associated training to enhance and develop the leadership and management capacity of local organisations	https://www.brookes.ac.uk/business/employers/scale-up/

¹⁰¹ Space for Satellite Applications, Life Sciences for Healthcare, Big data and Supercomputing, Energy for and the Environment and Advanced Engineering for Materials

Name	Delivery type	Sector focus	Stage focus 100	Uni of Oxford limited?	Summary	Website
OION	Finances (& associated support)	All	All	No	Operates the following four Investment Networks which combined aim to provide investors with the widest possible range of investment opportunities, both in terms of stage of development and capital requirements. Oxford based but applications welcome from across the UK	https://www.oion.co.uk/
OXFO L.E.V8	Premises based support	All	Early	Yes	OXFO L.E.V8 (Elevate) at the Oxford Foundry is the University of Oxford's most diverse accelerator, designed to support and nurture early-stage start-up teams affiliated to the University. The programme takes in up to 14 high potential ventures throughout an academic year.	https://www.oxfordfoundry.ox.ac.uk/about-oxfo-lev8
Oxford Centre for Innovation (OI)	Premises based support	Science & Tech	Early	No	In addition to premises the site offers a range of support to help businesses scale. Business size varies between 2-30 employees. There is an Innovation Director who facilitates links across the Oxford Innovation family of 8 centres in the county, 26 centres nationwide.	https://www.ocfi.co.uk/
Oxford Foundry (OXFO)	Structured skills development	All	Early	Yes	Workshops and events	https://www.oxfordfoundry.ox.ac.uk/
Oxford Innovation Services	Individual business advice services	All	All	No	Business coaching and advice	https://oxfordinnovationservices.co.uk/

Name	Delivery type	Sector focus	Stage focus 100	Uni of Oxford limited?	Summary	Website
Oxford Sciences Innovation	Finances (& associated support)	Science & Tech	Early	Yes	£600M + raised so far for University of Oxford spinouts. Partner early and for the long-term, understanding that it takes time to turn disruptive science into an enduring business. Investments span transition, seed and follow-on funding, and range from £100,000 to £10M.	https://www.oxfordsciencesinnovation.com/
Oxford Technology	Finances (& associated support)	Science & Tech	Early	No	For more than 30 years, Oxford Technology has specialised in investing in start-up and early stage technology companies based near Oxford.	http://www.oxfordtechnology.com/
OxLEP Workshops and Events	Structured skills development	All	All	No	Range of free workshops and events	https://www.eventbrite.co.uk/o/oxlep-business-14802888923
OxLEP eScalate and Go-Creat Grants	Finances (& associated support)	All	Early / mid	No	eScalate is a £2.1m investment supporting Oxfordshire's Social Enterprises who would like support to develop new business models, higher-quality products, processes, services or specific products to boost productivity or resource efficiency and SME Scale-Ups who are looking to increase market share, increase revenues, increase staff and add value to their business. We also support organisations who struggle to identify/ access finance and investment readiness support. eScalate Grants of between £1000 and £25000 are available for social enterprise and scale up businesses. ISfB Go-Creat Grants are from £1,000 to £50,000 for innovation projects within tech and non-tech businesses.	https://www.oxfordshirlep.com/business/funding-grants

Name	Delivery type	Sector focus	Stage focus ¹⁰⁰	Uni of Oxford limited?	Summary	Website
OxLEP mentors	Individual business advice services	All	Early / mid	No	One-to-one support, helping SMEs to build resilience when facing current and future challenges in areas including: Business strategy; People and finance issues; Sales and marketing; Advice on import and export rules and potential changes. Also available are: one-hour telephone consultations with experts on legal, employment and data protection; support with building links to sector-focussed clusters, experts and networks; obust coaching and mentoring	https://www.brookes.ac.uk/business/employers/scale-up/
Panacea Stars Develop & Grow	Structured skills development	Science & Tech	Early	No	Mentoring, workshops, capital and office/lab space	https://panacea-stars.com/get-involved/
South & Vale Business Mentors	Individual business advice services	All	All	No	SVBS business mentors offer guidance, support and advice, offering up to 6 hours support. Mentors can help with challenges including: Business growth & planning; access to finance; building successful teams; leadership development; strategic direction	https://www.svbs.co.uk/business-mentors/
STFC Knowledge Exchange	Finances (& associated support)	Science & Tech	Early	No	A number of different funding schemes have been developed to help coordinate the translation of STFC technology and research to a commercial application.	https://stfc.ukri.org/funding/stfc-knowledge-exchange/

Name	Delivery type	Sector focus	Stage focus 100	Uni of Oxford limited?	Summary	Website
TheHill	Structured skills development	Digital health	Early	No	In-house team provides a bespoke programme of support interventions taking ideas forward from conception to sales. Small and medium enterprises (SMEs) move through a development pipeline with the help of workshops, group sessions with partner companies, 1:1 support from the experts-in-residence, NHS roundtables, introductions, demonstrations, conferences and 1:1 mentoring.	https://www.thehilloxford.org/
University of Oxford Innovation Fund	Finances (& associated support)	Science & Tech	All	Yes	OUI has a global reputation for expertise in protecting, patenting and licensing early-stage technologies, averaging six spin-out companies every year (over the last 30 years) many of which are supported by Oxford alumni investor communities. The University of Oxford Innovation Funds invest in companies selected by OUI, utilising their extensive expertise and experience.	https://parkwalkadvisors.com/fund/university-of-oxford-innovation-funds/
Witney Business & Innovation Centre (OI)	Premises based support	All	Early/mid	No	No business support available. Centre suitable for businesses with 1-50 employees. There is a Centre Manager who connects businesses to specialist advice and skill providers.	https://www.witney-BIC.co.uk/
Wood Centre for Innovation (OI)	Premises based support	Science & Tech	Early/mid	No	In addition to premises the site offers a range of support to help businesses scale. Business size varies between 2-30 employees. There is an Innovation Director who facilitates links across the Oxford Innovation family of 8 centres in the county, 26 centres nationwide.	https://www.wcfi.co.uk/

7.2 Mapping: support available nationally / outside of Oxfordshire¹⁰²

Name	Delivery type	Sector focus	Summary	Website
10KSB UK (Goldman Sachs)	Structured skills development	All	The core of the programme is a high quality, practically-focused business and management education, delivered over 100 hours through a blend of online and in-person residential sessions. The success of the program is contributed to the right balance of formal learning, mentoring, and peer-to-peer support. Participants of the programme will benefit from: Specialist workshops; One-on-one business advising; Business coaching; Access to professional experts; Networking opportunities and a network of 10,000 Small Business graduates	https://www.goldmansachs.com/citizenship/10000-small-businesses/UK/about-the-program/
Barclays Scale Up UK Programme	Structured skills development	All	The Barclays Scale Up UK Programme is delivered by world-class coaches and industry practitioners with a proven track record of delivering tangible results for growth companies. The programme is run in Cambridge, London and Manchester, and consists of core modules delivered in three two-day workshops over six weeks.	https://www.barclays.co.uk/business-banking/sectors/entrepreneurs/scale-up/
Creative Enterprise	Structured skills development	Moving image	Network and training for business leaders through events and bespoke workshops led by industry leaders and mentors	https://www.creativeengland.co.uk/creative-enterprise-2/
Google Digital Garage	Structured skills development	All	Focuses on training people, charities, small and scaling businesses, to acquire the right digital skills to embrace new opportunities. Participants are helped to use online tools and social media as well as maps and data analytics.	https://learndigital.withgoogle.com/digitalgarage

¹⁰² This is not a comprehensive list of all support available outside of Oxfordshire to Oxfordshire based businesses, rather a collation of some of the most notable and accessible.

Name	Delivery type	Sector focus	Summary	Website
Growth 365 (Grant Thornton)	Individual business advice services	All	Businesses receive: regular support from your portfolio manager and growth adviser; access to an ambitious business community; a bespoke solution focused on your strategic priorities with regular review points; tailored insight reports	https://www.grantthornton.co.uk/en/services/consulting/growth-365/
Lloyds Bank Social Entrepreneurs Scale Up Programme	Structured skills development	All	This programme brings you together with a supportive network of peers and helps you develop your own style of leadership, as well as equipping you with the technical skills you need to scale your organisation. Support can include: Free learning programme (14 days spread over a year); Match Trading grant of up to £7,000; Support network; Mentoring	https://www.the-sse.org/courses/lloyds-bank-scale-up-programme/
Microsoft Scale Up	Structured skills development	Software	Delivered in London in UK, 8 global programmes, international. You must be engaged in development of a software-based product or service that will form a core piece of your current or intended business. Prioritise early stage B2B start ups. Less than 5 years old, less than \$10m in total annual revenue, Seed or series A development stage	https://startups.microsoft.com/en-us/scale-up/
NatWest Accelerator	Structured skills development	All	offering free co-working spaces, bespoke one-to-one coaching, and networking events plus peer-to-peer learning. Workshops offer scaleups insight into subjects such as finance and funding, leadership and innovation, marketing and sales. 6 month programme, can access max of 3 times	https://www.business.natwest.com/business/business-banking/services/entrepreneur-accelerator.html
Oracle Scaleup	Structured skills development		Non-residential, virtual-style program designed for mature startups and venture capital and private equity portfolio companies to enable hypergrowth and scale.	[finding out if this is still running - mixed messages on website]

Name	Delivery type	Sector focus	Summary	Website
Productivity through People (Be the Business)	Structured skills development	All	This 12-month programme provides SME leaders access to the latest techniques, thinking and research to transform their businesses' productivity and working practices. The programme provides an interesting mix of classroom learning and being pragmatic, with firms receiving advice and site visits from relevant industry leaders. In addition to meeting and learning from industry leaders, course attendees build peer networks to help them work together to solve challenges and meet opportunities	https://www.bethebusiness.co.uk/group-event/productivity-through-people/
Regulatory sandbox (FCA)	Individual business advice services	Financial services	The regulatory sandbox allows businesses to test innovative propositions in the market, with real consumers. The sandbox is open to authorised firms, unauthorised firms that require authorisation and technology businesses that are looking to deliver innovation in the UK financial services market. The sandbox provides access to regulatory expertise and a set of tools to facilitate testing.	https://www.fca.org.uk/firms/innovation/regulatory-sandbox
Scale Up Programmes (PwC)	Structured skills development	B2B tech	Curated events give founders the opportunity to meet and pitch to an extended network of industry decision makers to drive commercial opportunities. Group masterclasses provide insights through a combination of PwC and industry experts, as well as learning from shared peer experiences. Individual support, including coaching, business support and other bespoke advice leaves your entire business fit to scale.	https://www.pwc.co.uk/ux23/products-and-services/pwc-scale-up-programmes.html
Scale up Programme (Smith & Williamson)	Individual business advice services	All	Diagnostic, tailored networking and educational events	https://smithandwilliamson.com/media/3333/scale-up-toolkit-realising-your-ambition.pdf
ScaleUp Accelerator (The Accelerator Network)	Structured skills development	Favour B2B and SaaS revenue models	Accepted applicants receive a six-month programme of training, mentoring and support, delivered in day-long sprints each week. Delivered in London, available UK based. Revenue should be approaching / exceeding £1m pa revenue (min £500k revenue), growing at least 20% YonY, 10+ staff with the intention to raise £1-5m VC funding within 12 months	https://thescaleupaccelerator.com/

Name	Delivery type	Sector focus	Summary	Website
SME Leaders Programme (Royal Academy of Engineering)	Structured skills development	Tech & engineering	We support the development of leadership skills through our Hub Membership which includes: which includes: Grant of up to £10,000 to fund leadership training courses of your choice; Masterclasses and workshops delivered by senior business leaders; Provision of an experienced business mentor; One-to-one personal leadership coaching; Access to the Taylor Centre, our Central London office and meeting space; All travel and accommodation expenses covered for all activities	https://www.raeng.org.uk/grants-prizes/grants/enterprise-hub-support-for-entrepreneurs/sme-leaders-programme
Tech Nation Cyber	Structured skills development	Cyber Security	Offering peer-to-peer learning, masterclasses led by expert scale coaches, meetups and an international trip organised in conjunction with the Department of International Trade (DIT), the programme will provide cyber security scaleups with invaluable skills, a powerful network – including peers, investors and potential clients – and the ability to implement changes to help their companies grow.	https://technation.io/programmes/cyber-security/
Upscale (TechNation)	Structured skills development	Tech	Coaches and peers work with on relevant leadership issues such as culture and values, hiring and retaining talent, international expansion plus finance and fundraising. Senior leaders participate in six months of curated workshops and meetups which are based on the values of honesty, intimacy and trust.	https://technation.io/programmes/upscale/
Vistage	Structured skills development	All	Private peer advisory network. Selected members meet in groups of around 12 and spend a day a month focusing on what makes the best leaders. Each group is led by a Vistage Chair recruited for their business background, scaleup knowledge and experience. The Vistage Chair also acts as a personal mentor and coaching meeting each member monthly on a one-to-one basis.	https://vistage.co.uk/

For finance options see:

- British Business Bank

https://www.british-business-bank.co.uk/finance-hub/?gclid=EAlaIQobChMI9fCp9LbM5wIVibPtCh1ndg7LEAAYASAAEgKyjPD_BwE

- ScaleUp Institute

<https://www.scaleupinstitute.org.uk/find-programmes/?pag=1®ions=27&support=68>

7.3 ScaleUp Institute's 71 visible scale ups

Adaptimmune	Hazell and Jefferies	P2i
Adlens	Immunocore	PMC
AgilityWorks	Innoval Technology	Prolinx
Agrivert	International Applications	Prosonix
AirTanker	John Nicholls Trade	Pye Homes
Alamy	Kel-Berg Trailers and Trucks	R T Harris & Son
Allmakes 4x4	Lombard Medical	Rapier
Anthesis	Lucy Group	Rebellion
Audio T	Marston Book Services	Relayware
bChannels	Microsharp Corporation	Seward Group
Brakspear	MMR Research Worldwide	Shepherd & Woodward
Bremont Watch Company	Mogford Hotels and Restaurants	Silbury
ByBox	Newton	Smart Garden Products
Calber	Nominet	Smiths Bletchington
Circassia	North Oxford Garage	Thames Materials
CompactGTL	Osprey Publishing	The Barons Eden Group
Ede Holdings	Oxford BioTherapeutics	The Ethical Property Company
Ella's Kitchen	Oxford Economics	Thomas Franks
Genomics	Oxford Gene Technology	Tibbetts Group
Gigaclear	Oxford Immunotec	Perspectum Diagnostics
Glanville	Oxford Nanopore	ULS Technology
Groves	Oxford PharmaGenesis	Virtua
GSM Automotive	Oxford Policy Management	Wise Investments
Hawkins	P.D. Hook	



European Union

European Regional
Development Fund

8 Appendix 2: Case

studies

8.1 Diagnostic tools

A range of diagnostic tools are available to support businesses to identify strengths and stress points, and to signpost on to further support. These have primarily been developed by business support organisations – who then hope to get the business.

For example, Smith & Williamson have an online ‘Dream Bigger’ tool that compares the relative size and performance of your business to others in the area/ sector “*to determine if you’re a Scale-up*”. With other partners they also have a free 70+ question diagnostic tool for companies to find out if they are “*ready for rapid growth*”.
<https://smithandwilliamson.com/en/solutions/entrepreneurs/dream-bigger/>
<https://scaleupdiagnostic.co.uk/>

Oxford Innovation use their GROWTHMapper tool. Each member of the client’s senior management team answers an online questionnaire that probes the key issues facing high growth businesses across 10 domains with 10 questions in each domain. The GROWTHmapper® Coach then analyses the results, which are reported to the client on a non-attributable, anonymous basis and are used by the Coach to facilitate the development of an agreed plan of action. Regular use of GROWTHmapper® measures progress and development. The GROWTHmapper® tools are delivered in combination with business coaching and the cost is dependent on the specific coaching package agreed. The tool is delivered by Oxford Innovation or under licence to trained advisors.

<https://about.oigrowthmapper.com/overview/>

Biz Smart have a Value Builder tool, enabling businesses to see how they rate against their peers for 8 key benchmarks of Scalability, Sustainability and Value. The tool is free (their website states it is worth £500) and subsequent business support can be ‘self-service’ or with an advisor with costs ranging from £75pm to £500pm.

<http://www.biz-smart.co.uk/business-growth/>

MSI share a Scaleability Checklist, intended as a basic test of scaleability and intended to stimulate, not substitute for, serious dialogue and analysis. It is best used not as a scorecard to determine what can be scaled up and what cannot, but as an aid to prioritize alternatives and as a means for identifying actions that can be taken to simplify the scaling up process toolkit to support practitioners to scale. MIS delivers services to strengthen education systems and scale up interventions and the checklist is placed within this context. It sits within a management framework which provides tools and approaches to help practitioners manage the scaling up process.

<https://www.msiworldwide.com/>

8.2 Startup in Residence, Amsterdam, Netherlands

With the Startup in Residence programme, startups are invited to devise creative and viable solutions to the urban and social issues faced by Amsterdam and its inhabitants. If the solutions prove successful, the municipality will invest in the startup or become their launching customer. During the Startup in Residence programme, startups go through intensive training with the support, knowledge and expertise offered by professional lead mentors, and they'll gain access to the municipality's network. Together with its partners, the municipality provides startups with working spaces and the opportunity to conduct pilot launches and validate their products within the city.

8.2.1 Successful pilot

The city ran the successful first pilot of Startup in Residence in 2015-2016. Following this, the programme was continued in Amsterdam and launched in the Hague. Of the seven startups that participated in the 2015 pilot edition, the City of Amsterdam now cooperates with five. For example, MijnBuur (Dutch link), an app that stimulates the self-reliance and social cohesion of the people of Amsterdam, was able to validate their product in Stadsdeel Oost; startup Wander is working on an app that lets users discover the hidden depths of a city and works to spread tourists more evenly; and startup RecyQ has a shop, an app and a community in Amsterdam South East to raise awareness on separating waste.

8.2.2 Startup in Residence 2.0

For the second edition of Startup in Residence, the city defined 13 social issues. With themes like waste, safety, health and tourism, the programme called upon a variety of companies. A new addition to 2016's Startup in Residence programme was the "Wildcard", which reserved a position for a startup working on a social issue that is not defined by the municipality.

8.2.3 Collaboration with the CTO

The Startup in Residence programme is run in collaboration with the Chief Technology Office of Amsterdam. Minouche Cramer – head of the programme – said, "We learned a lot from the Startup in Residence pilot, like the difference in use of vocabulary between startups and civil servants, which sometimes slows down the process and causes misconceptions."

This is why the second edition facilitates additional training for civil servants, bringing them up to speed on topics such as the lean-startup methodology, growth hacking and Business Model Canvas. Meanwhile, the participating startups were coached to better understand the municipal processes, with training on organising decision making and procurement processes.

San Francisco, which provided the basis for this programme, remains in close contact about all proceeds.

8.2.4 Future

The importance of supporting ‘socially good’ businesses has now been mainstreamed into Startup Amsterdam’s*** action plan 2019-2022. The projects and initiatives that Startup Amsterdam 2019-2022 will work on will not focus so much on companies with yet another delivery service or a fun app, but on innovative companies that, in addition to a profit objective and the ambition to scale up internationally, also aim to bring a positive change. There is a strong understanding in Europe that these fast growers will play a crucial role in tackling major societal problems, such as climate change, food supply and access to healthcare. We have reached a point where growth of the local ecosystem does not have to mean that the local government wants to encourage as many companies in Amsterdam as possible, but encourages activity that adds value to the city in new ways.

*** StartupAmsterdam is a public-private partnership to make sure Amsterdam will grow as a centre point in the European Startup Tech Scene. More than 250 partners are actively involved such as VC’s, Accelerators, Incubators, Universities, Tech Companies, Multinationals, Startups & Scale-ups.

Source:

<https://startupinresidence.com/amsterdam/>

<https://www.iamsterdam.com/en/business/startupamsterdam/initiatives/startup-in-residence>

<https://www.iamsterdam.com/media/startups/download-docs-and-files/eng-startupamsterdam-20192022.pdf>

For more information see <https://startupinresidence.com/amsterdam/>

8.3 Launchpad Meetups, Amsterdam

Launchpad Meetups are designed to connect corporates to startups that can help solve a specific innovation challenge that the corporate is facing and to spark new startup / corporate collaborations. Corporates invite promising startups to their office to pitch their solution and explore synergies (a similar approach is used by the Israeli Innovation Authority in Israel).

Over 50 corporates have taken part so far, including KLM, Philips, USG People, Accenture, Amsterdam Airport Schiphol, TomTom, ABN AMRO and Deloitte, with 220 startups connected during 67 Launchpad Meetups.

Previous challenges from corporates include:

Bridgestone: "How to use digital technologies to create a unique ad winning in-store experience when offering car automotive services?"

Philips: "How can Philips take advantage of Augmented Reality for new products, services, or solutions?"

KLM: "What is the future of travel? Focus areas are big data, customer experience and seamless travel."

Rabobank: “Wouldn’t it be great if you had your own personal assistant that gives insights in your spending behaviour? Help creating the best concept!”

Source and more information: <https://launchpadmeetups.com/>

8.4 NordicNinja, enabling scaling from Helsinki to Asia

8.4.1 Overview

In 2019 NordicNinja, a Nordic / Japanese VC fund, was set up to help Nordic and Baltic scale-ups to enter the technology business ecosystem in Japan and across Asia. The new fund offer investments between €2 and €4 million to deep tech scale-ups in industries such as robotics, automation, health tech, AI and mobility. In addition, scale-ups are given knowledge and technological expertise from local corporate partners to help them thrive in the complex Asian business markets.

The Japan Bank for International Cooperation (JBIC) had created a new unit called JBIC IG Partners whose responsibility is to create VC/PE funds globally. During 2018 it was agreed with BaltCap to create a joint venture VC fund located in Helsinki.

The joint venture raised its fund from Japan. In addition to JBIC, it is backed by three large tech corporates: Honda, Panasonic and Omron. The partners offer support and cooperation possibilities for startups, but the actual investments and development is done independently by NordicNinja.

8.4.2 Why Japan?

Japan doesn’t have a strong startup culture; security and stability are favoured over openness to risk. Most Japanese innovation comes from within existing companies and the startup ecosystem that does exist is focused on the domestic market. An opportunity was seen to learn and create cooperation from Japanese tech companies.

8.4.3 Why Helsinki?

JBIC was drawn to the Nordic region not only because of its startup ecosystem, but also due to the regions request for additional scale up funding. The cost of living in Helsinki was felt to be reasonable and there were regular flights to Japan and Asia. In addition the cultural history between Finland and Japan had been positive and shared common characteristics – for example, in both cultures silence is an accepted element in discussions.

Source:

<https://nordicninja.vc/>

<https://paaomasijoittajat.fi/en/introducing-nordicninja-the-nordic-and-baltic-region-was-picked-because-of-its-viral-startup-ecosystem-and-the-request-for-additional-scale-up-funding/>

<https://newcohelsinki.fi/en/>
<https://maria.io/2019/12/18/2220/>

More information:

<https://nordicninja.vc/>
<https://newcohelsinki.fi/en/>

8.5 Helsinki, Finland

The Nordics have a higher share of billion-dollar exits in comparison to GDP than any other region in the world and Finland is increasingly seen as the epicentre of startup activity. Mario01, a former hospital in the centre of Helsinki has grown to be the largest start up facility in the Nordics making it the automatic 'go to' place for investors. The current CEO, Ville Simola attributes this to:

“Being physically together enables everything to become much faster. People change their jobs at a faster rate, experts find work quickly. Investments take place faster as the investors are able to follow the startups from a close distance. Everybody else from big corporations, media, and foreign investors have found their way here themselves”

Key attributes for the success of Helsinki becoming a good place for starting and scaling businesses are thought to be:

- compact and supportive startup ecosystem with an attitude of wanting to help each other and solving global challenges
- active business angel networks - the Finnish Angel Investment Network is the biggest in Europe
- growing investment opportunities including a culture of investing in home grown companies
- extensive government support including 18 months income for aspiring entrepreneurs, travel grants to support international expansion, financing for the start, growth and internationalisation of enterprises and for protection against export risks
- access to open data and testbeds
- a modern and attractive city for entrepreneurs to want to live and work in (there are more saunas than cars in Finland)

Source:

<https://newcohelsinki.fi/en/>
<https://www.helsinkibusinesshub.fi/investors/>
<https://maria.io/2019/12/18/2220/>
<https://maria.io/2019/11/21/help-one-woman-a-week-in-her-career/>

8.6 Pangyo Techno Valley, South Korea

Pangyo Techno Valley, a new working and living industrial complex was opened in 2011 with second and third Valleys to follow. Positive initiatives include the SBC, a

non-profit, government-funded organization that was established to implement government policies and programs for the growth and development of Korean SMEs. They offer loans with little interest to enterprises that plan to scale.

Whilst the Valley is a favourable place for start ups there have been questions for scale ups who are vacating the complex due to rising rents (once their start up support programs finish) and poor accessibility.

Source:

https://www.koreatimes.co.kr/www/tech/2019/05/133_269277.html
<https://seoulz.com/korean-government-agencies-that-support-startups/>

8.7 Israel

Israel has become known as a scale up nation over the last 5 years. Tel Aviv has the highest number of startups per capita in the world after Silicon Valley. Factors in this shift are thought to be more large scale private money available and increase in late stage funds. Much of the investment has come from non-Israeli MNCs, with more than 300 multinationals having set up R&D centres in the country, becoming part of the country's open innovation ecosystem. The Israeli Innovation Authority also funnels funds to growth companies, targeting companies with disruptive technologies and higher risk portfolios, who find it more challenging to raise funds in the prevalent investment arena. This approach of giving greater amounts to fewer, larger companies differs from the earlier one of distributing lesser amounts to many smaller and earlier-stage companies.

The geographic concentration of institutions such as universities, multinationals and startups creates a critical mass that facilitates innovation growth.

A focus on increasing and diversing talent is also considered to have been important; increasing take up of stem subjects in schools, improving entrepreneurship education and encouraging women and ethnic minorities.

Challenges remain in encouraging native companies to actually consume and implement new innovations. Increasing the penetration of new technologies into day to day life in the country is seen as key for improved economic prosperity and quality of life within Israel. At present "*we create a lot of IT [but] don't really have the market, so we are creating an export-oriented industry*" says Uzi Scheffer, Chief Executive of the SOSA hub for tech start ups in Tel Aviv. This is common in countries with small local markets; Hong Kong is similar.

Source:

<https://globaluniversityventuring.com/israel-goes-from-startup-to-scale-up-nation/>
<https://www.forbes.com/sites/davidyin/2017/01/09/what-makes-israels-innovation-ecosystem-so-successful/#5ccc646c70e4>

StartUp Genome (2019) Global Startup Ecosystem Report 2019

8.8 SET Squared Scale up Programme, UK

Open to businesses have an established team, developed products and emerging revenue streams. The Scale-Up Programme is designed to provide businesses with support around the key challenges of R&D, raising investment and accessing new talent.

As well as being part of a high-profile network, backed by SETSquared the global no 1 university business incubator, businesses have a direct link to the research talent and expertise of the six scale-up partner universities (Bath, Bristol, Cardiff, Exeter, Southampton and Surrey).

As part of the Scale-Up Programme, businesses find out about opportunities for investment in innovation from public and private funders. They have a range of opportunities to access bid support funds which help build compelling collaborative R&D bids alongside scale-up partner universities.

8.8.1 Member benefits

- Join scale-up member network of 280 innovative, ambitious scale-up companies in the UK.
- Exclusive invitations to members events featuring industry speakers, insightful debates, inspiring panel discussions and effective networking.
- Regular one-day Innovation Workshops which explore opportunities for innovation within a members business model.
- Part of a community of peers growing and facing challenges together, across multiple sectors and the opportunity for peer-to-peer support.

For an additional fee:

- Collaborative R&D support. As well as rigorous academic insight, it opens up new avenues for public grant funding and private investment.
- Opportunities to access proposal development funding. As well as identifying appropriate calls and research partners, SETSquared can also assign a bid writer, help you build consortia, develop proposals and deliver a strong application for funding.
- Access talent through our University introduction service. Companies have access to a sector specialist who can advise on the potential for Knowledge Transfer Partnerships to bring expertise into your business.
- Investment raising support. Access to a wide network of investors, an in-depth investor readiness review process, periodic investment showcase events plus an online Investment Platform to showcase investment campaigns to active technology investors and corporate venturing teams.

8.8.2 Eligibility

The programme is open to companies with strong growth ambitions from the following sectors:

- Digital Innovation
- Health & Wellbeing
- Environmental, Sustainability, Marine & Maritime
- Advanced Engineering & Manufacturing

Source and more information:

<https://www.setsquared.co.uk/programme/scale-up-programme-2020/>

8.9 SCALE.CITIES

SCALE (the Startup Cities Alliance) is a collaborative force of European cities (SCALE.CITIES) who work together to facilitate, strengthen and connect the European startup ecosystem for entrepreneurs. Members include: Amsterdam, Barcelona, Helsinki, Oslo and Vilnius.

By sharing their networks and learnings and providing trustworthy and unbiased content, the SCALE platform gives access to a hub of up to date information and opportunities in acceleration, incubation, soft landing programs and funding calls, in order to help discover new markets.

Through joining SCALE.CITIES, a city becomes part of a global ecosystem of front-running cities; learns from ecosystem building experts from other cities; gets access to a growing number of cases and experiences of other cities about a range of topics; and showcases the city's activities to a global network.

Source and more information:

<https://scalecities.com/>



Improve current arrangements

Market insight

- **Online triage (1.1)**
- Support supplier database (1.2)

Navigation of the ecosystem

- **Providers network (5.1)**
- **eScalate ambassadors (5.2)**
- Marketing (5.3)
- Events directory (5.4)

Decide priorities for scale up ecosystem

Cornerstone business support

- **Development support (2.1)**
- **Knowledge spillover (2.2)**
- Market signaling (2.3)

Funding opportunities

- Growing finance options (3.1)
- Marketing resources (3.2)

Permability of existing ecosystems

- **Enhance permability (4.1)**
- Thematic tech networks (4.2)
- Widen opportunities outside of Oxford city (4.3)

Implementation facilitators

Business Intelligence

Scale up Office



European Union

European Regional Development Fund

Theme	Recommendation	Cost	Type	Order 103
1 Improve market insight	1.1 Draw on existing tools and expertise to develop an online triage tool with resource links	<£40k	Capital, Revenue (maintain / update)	1
	1.2 Maintain and extend database of support suppliers	<£30k	Capital, Revenue (maintain / update)	3
2 Address market failure in cornerstone business support	2.1 Pilot development support for cornerstone scale ups	<£20k	Capital, potential Revenue	2
	2.2 Investigate how cornerstone businesses can better benefits from knowledge spillover from breakthrough businesses in Oxfordshire	<£15k & £15k+	Capital (research), Capital / Revenue (implementation)	2
	2.3 Signal to the private market areas where more support is needed	Staff time	Revenue (staff time)	2
3 Improve funding opportunities	3.1 Progress widening finance options as per the local Industrial Strategy, working with OUI and OION and other partners to identify underserved markets in Oxfordshire	Scope dependent	Capital (feasibility study)	3
	3.2 Further work on promoting finance options for businesses including the Finance Hub commitment from the Local Industrial Strategy and use of the British Business Bank Finance Hub website	Scope dependent	Revenue (staff time)	4
4 Increase permeability of existing ecosystems	4.1 Investigate how Oxfordshire's most successful ecosystems (for example Harwell, University of Oxford, Begbroke, Culham) can be made for permeable to external businesses	Scale dependent	Revenue (staff time)	2
	4.2 Improve mechanisms for firms across the tech spectrum to come together thematically	Scale dependent	Revenue (staff time)	3
	4.3 Utilise existing ecosystem premises and campuses outside of Oxford for provision of development support	Scale dependent	Revenue (staff time, potential hire costs)	4
5 Improve navigation of the ecosystem	5.1 Improve connections between different programmes and supports with a providers network	Staff time	Revenue (staff time)	1
	5.2 Strengthen relationships with business / professional service providers (eg banks, law firms, export advisors)	Staff time	Revenue (staff time)	1
	5.3 Refer to potential and actual scale up (or equivalent phrases) in marketing of support opportunities	Staff time	Revenue (staff time)	4
	5.4 Investigate, with existing providers such as Enterprising Oxford and Techtribe and imminent newcomers Eagle Labs, consolidating the array of events so that (scale ups) have one place to look and search for events	Staff time (initially)	Revenue (staff time)	4

¹⁰³ 1=High / to action first, 2 = high / to action next, 3= medium/high, 4 = medium

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