

Pilot Coast to Capital Escalator Programme Information Sheet

Overview of Coast to Capital Escalator Pilot Programme

The Escalator Pilot Programme is a dedicated support opportunity for scaleup businesses. The programme will consist of the following:

- peer-to-peer learning through monthly meetings
- delivered over 6 months with a focused session each month on a barrier to growth with a solution driven outcome
- 4 cohorts of 10 businesses or possibly 2 cohorts of up to 20 businesses
- expert facilitation by an external provider (through tender process)
- 50% match funded by Coast to Capital LEP (cost to business is £100 per month)

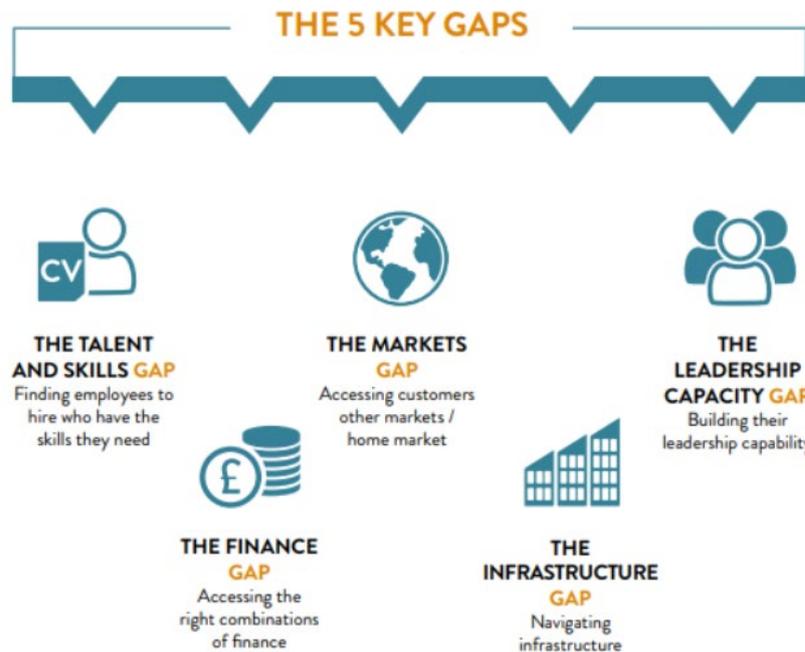
The above is an overview of the pilot programme. The evidence base on the need for the programme and further details on the delivery of the programme are detailed below.

Background

Research in 2017 conducted by the ScaleUp Institute identified that 5% of all SMEs trading for more than 2 years meet the definition of a scaleup and a further 1% are aspiring scaleups. Scaleups are found across all regions and sectors. They are typically younger businesses, with younger owners. They are likely to be profitable and more likely to have employees.

It has also been identified that high growth small businesses were responsible for 34% of total employment growth in 2017, creating a third more jobs than FTSE 100 companies. However, 75% of these businesses reported a significant barrier to their growth.

In the ScaleUp Institute's 2017 Annual ScaleUp review they identified the following gaps facing scaleup business leaders:



Source: ScaleUp Institute ['Annual ScaleUp Review 2017'](#)

This year, 2018, the ScaleUp Institute has identified there are 905 scaleup businesses in the Coast to Capital area. 370 are exhibiting employee growth and 735 turnover growth. 200 scaleups are exhibiting both employee and turnover growth. 93,084 people are employees of Coast to Capital scaleups and the businesses have a total combined turnover of £13.2bn.

Providing support to this economically important group of businesses is key to improving our business environment. Coast to Capital has therefore developed a dedicated support programme which focuses on the issues that scaleup businesses typically experience by providing bespoke solutions and support.

As part of developing the pilot project we learnt from the ScaleUp Institute Workshop led by Dan Isenberg and the research undertaken by the ScaleUp Institute. The 9 Key Learnings from the 10 LEP's who have started a scaleup programme in 2017 were as follows.

1. **CREATE ACCOUNT MANAGERS.**

The needs of individual scaleups change – in their nature, timing and intensity – as they go through their various stages of growth. There are clear benefits in adopting an account management structure in order for local ecosystems to be as close as possible to these fast-

evolving businesses as they grow and flourish. An account manager gives a busy scaleup someone who can help them to identify the available public and private sector programmes that sustain business growth and streamline their engagement with multiple bodies. The use of an account manager model is an important feature of the new programmes emerging for scaleups in the localities described here, to foster relationships with fast-growing firms, matching them to relevant services and training.

2. LEVERAGE LOCAL BRAINPOWER.

Universities and business schools play a valuable role in the creation of a strong local scaleup ecosystem through access to their infrastructure, talent and R&D. They anchor successful scaleup programmes, particularly in the areas of leadership development and planning growth strategies. Momentum is gaining; institutions including Manchester University, Teesside University, Henley Business School and Worcester University are set to become important players in their local scaleup ecosystems currently devising scaleup leadership programmes due to be deployed in 2018.

3. PUT PEER-TO-PEER NETWORKS AT THE HEART.

The critical value of peer-to-peer networks is being recognised, and we are encouraged by the high level of enthusiasm among LEPs and Growth Hubs to promote and develop them at the local level. Peer-to-peer networks help scaleups to share knowledge and experiences, and provide opportunities for collaboration, learning and mutual support. These networks are often sector-specific, based around regional strengths.

4. BUILD ON LOCAL GROWTH SECTORS.

Many LEPs are adopting sector-specific approaches to their scaleup programmes, building on a close understanding of the local economy, strong networks and data insights.

5. HAVE A SUITE OF SOLUTIONS.

Five major areas present challenges to scaleups – access to talent and skills, leadership capacity, access to markets, finance, and flexible infrastructure. To help scaleups effectively at a local level, a suite of solutions is required to overcome these challenges. We are seeing how local programmes are breaking down barriers so that help can be

delivered to individual scaleups in a targeted and focused way.

6. ENGAGE LOCAL LEADERS IN THE ECOSYSTEM.

Galvanising local leaders – from the CEOs of corporations, university Vice-Chancellors, secondary school headmasters and governors to City Mayors, City Council members and the media – and engaging them with the scaleup agenda, are vital.

7. CREATE A VIRTUOUS CIRCLE THAT ENCOMPASSES LOCAL AND NATIONAL PLAYERS.

While it is vital that a scaleup can be assisted at a local level, local players must also be able to prepare and introduce their scaleups to national programmes that can come into play at the right point in their growth cycle. This may be a growth programme such as Goldman Sachs 10,000 Small Businesses UK and the London Stock Exchange's Elite programme or national bodies such as Innovate UK. Having such a local-national nexus creates a virtuous circle of growth.

8. PINPOINT AND CELEBRATE SCALEUPS.

Much is already being done to identify and highlight local high-growth companies. The Cambridge Cluster Map, which has evolved over several years, is a vital data tool for growth companies to attract talent, customers and investors – and to understand the area's wider economic development. We are seeing advances in areas such as Thames Valley Berkshire, which has created its own local scaleup map compiled using a diverse range of data sources to spot businesses with high-growth potential and outlook.

9. BE SELECTIVE, AND ASSESS IMPACT CONSTANTLY.

Helping scaleup leaders is not effectively achieved through a scattergun process. Successful local programmes apply clear and disciplined filters when assessing the businesses to admit into their cohorts. A filter may be sectoral, such as Manchester's digital focus or the North East LEP's Manufacturing Growth Programme. Profiling and eligibility screening are important for the selection of companies; a peer-to-peer network must include true peers

Coast to Capital Escalator Pilot Programme – What is it?

Early in 2019 we will commence our 6 month pilot for our Escalator Programme for scaling businesses.

The pilot programme will comprise of peer to peer groups meeting on a monthly basis to learn from each other in order to achieve their potential. These will address issues of concern to the group and also provide the opportunity for sharing experiences.

The programme consists of 4 cohorts of 10 scaleup business leaders, although this may change subject to discussions with the organisation delivering the programme based on their knowledge on what works best.

Feedback from previous similar programmes has strongly indicated that the business leaders of scaleup businesses value greatly learning from other business leaders experiencing the same issues.

We know we have to deliver a programme of the highest quality and we are therefore providing the opportunities to organisations with the knowledge and experience to tender to deliver a professional programme using expert facilitators.

These facilitators will provide participants with insights, strategies and leadership development required to achieve better results – be that in terms of turnover, employee growth or productivity improvements.

The Peer to Peer groups will meet monthly in suitable locations. Each session will be facilitated by an experienced facilitator whose role will be to draw out the issues for discussion and identify solutions from the cohort. It is likely that the business leaders will want to discuss the five gaps mentioned earlier in the report but the discussions will not be restricted to those.

Expert speakers will be brought in by the facilitator to address a particular topic and to stimulate thought and discussion.

We are looking for tangible impacts from these sessions that can be celebrated by the cohorts and communicated more widely across the Coast to Capital area.

At the end of the 6 month pilot we will invite the participants to join our Escalator Alumni group.

Who Are We Looking For?

Ideally we are looking for enterprises with average annual growth in employees or turnover greater than 20 per cent per annum over a three year period, and with more than 10 employees at the beginning of the period.

However we know that there are scaleups out there that do not quite fit that scaleup definition and so we will also consider those that have the greatest growth potential and have the leadership with the desire to achieve scaleup growth in the short term. These owners exhibit a “can do” attitude with a real appetite to learn. They will be enthusiastic for this type of support and ready to share success stories.

We will be looking for the following

- Businesses with sales and growth potential
- Business Leaders with the ambition to grow
- Owners who demonstrate leadership skills
- Businesses with scalability
- Leaders who want to own future growth

The businesses will have the following to achieve growth

- Customers
- Capacity
- Cash

Why only 40 businesses and why only six months?

This is just the start! We are keen to prove the success of this pilot in order that we can continue with the right form of scaleup support in the future.

We wanted to make the programme manageable during the pilot stage and provide the greatest opportunity to learn from the programme to inform future delivery.

We want the pilot programmes' intake to be reflective of the scaling businesses in the Coast to Capital area but also to reflect the businesses that will benefit best from the support. We will seek feedback from the cohort to help inform future developments and improvements moving on from the pilot programme.

Developing business infrastructure and support is Priority 2 of the Coast to Capital Strategic Economic Plan – Gatwick 360. The pilot Escalator Programme will inform how we meet the 2018-2020 priorities of increasing support to scaleup and growth potential businesses, through investment in our Growth Hub and other support services.

Timescales

Tender

Our invitation to tender to find a professional organisation to deliver the Escalator Programme was issued in early October and tenders were received on 31st October.

We will appoint the delivery organisation in November following a panel and presentation. The contract delivery of the peer to peer groups will commence in early 2019 and run, initially, for 6 months.

The Pilot project consists of four elements

Stakeholder engagement

Fostering a strong local support community is essential to successfully impact high growth businesses. A stakeholder event was held on 29 October at the Capitol Theatre, Horsham. Over 100 stakeholders attended the event which focussed on the economic benefit for running support programmes for scaleups and introduced the Escalator Programme to those attending. This event informed, initiated and engaged with the broad business support community, united, as they are, by common goals of growing the local economy or supporting business.

We asked stakeholders to pledge support for the programme and delighted that 16 businesses who attended the event expressed an interest in joining the pilot programme. Additionally, 50 pledges have been received to date from the stakeholder network committing to raising awareness of the programme.

Business Engagement for scaleup businesses

During this phase we will seek to find 100 scaleups and invite them to events to learn about the Escalator Pilot Programme. From these events, and previous enquiries, we will select 40 businesses to form the peer to peer cohorts of scaleup businesses.

Cohort Programme

The catalyst for accelerated growth will be the cohorts, a six month programme with monthly meetings with a facilitator focused on a specific barrier to growth.

This model of peer-to-peer roundtables and a professionally delivered programme is widely recommended by the ScaleUp Institute and scaleup business community.

We will work closely with the delivery partner to develop a programme that best fits the requirements of the scaleups in the Coasts to Capital area.

The programme will be subsidised and participating businesses will be asked to contribute £100 per month.

Alumni Programme

During the support period we plan to establish a network of growth businesses, to ensure prolonged engagement with them through a Coast to Capital coordinated alumni programme. Businesses who complete the cohort programme will have access to dedicated resources and specialist account management. Additionally, this will become an important stream of referrals for future businesses for the cohort.

How Do We Support The Programme?

We are very keen for stakeholders to help promote the Escalator Programme to their contacts where they feel they would be interested in joining a cohort and benefit from the initiative.

Lou Williams will speak with all introduced business leaders and help them determine if the Escalator Programme is right for them. If it is not right for them, then other support will be offered to help them in their scaling journey.

Below is some copy that can be used to promote the Escalator Programme.

If you have further questions please get in touch with Lou Williams, Coast to Capital's Growth Manager. Lou can be contacted at lou.williams@c2cbusiness.org.uk or 01403 333840.