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| Title | The Coast to Capital Escalator Programme |
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Request for Decision/Approval

1. For the panel to consider, discuss and approve the programme delivery of the Coast to Capital Escalator Programme
2. Support the allocation of SEEDA legacy funding, totalling £330,000

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Introduction

At the Coast to Capital Escalator Working Group on June 28th, the panel agreed the establishment of the LEP taking a leadership position in providing dedicated support for scale ups, the panel requested further clarity on deliverables, outcomes and operational aspects of the programme. This proposal document will inform the panel prior to its final meeting to approve the proposed delivery of the programme, funded by the SEEDA legacy funding.

The Coast to Capital Service Pillar Committee held on 6th June 2018 approved delegated authority for this panel to provide an advisory role as part of our ongoing commitment to proper governance of Coast to Capital LEPs budgetary allocation.

The programme was launched at the Coast to Capital AGM, a platform that outlined the LEPs ambitious vision for the area in the new Strategic Economic Plan (SEP). The central focus of the SEP was eight economic priorities, this proposition seeks to deliver on priority number two, to support business infrastructure and support in the area.

Rational for supporting scale ups

Outlined in greater detail in the earlier paper presented to the panel, a brief on the economic value of this under engaged group of businesses:

- They represent 1% of total business stock, but were responsible for more than 34% of employment growth in 2017. Creating a third more jobs than FTSE 100 companies in the same year.
- They contributed £12.9bn GVA to the South East economy in 2017.
- The Scale Up Institute has identified 226 high growth small businesses in the Coast to Capital area. Beauhurst, a sophisticated database has identified a further 106.
- High growth businesses suffer five common constraints on their growth:
 - o Retention and recruitment of talent
 - o Leadership and leadership teams
 - o Access to finance
 - o Capacity to growth (physical constraints)
 - o Growth into international markets
- Internal expertise has come from learnings gained by the team at a three-day training event run by The Scale up Institute and Goldman Sachs.

Considerations

Accounting for the direction given from the panel, this version of the paper only considers one proposal:

- Allocating legacy funding to construct a dedicated Scale Up Programme

Proposal

The purpose of this programme is to create an environment for growth, address barriers, help one another become better leaders, make better decisions and achieve better results. The performance of the programme is dependent on three elements:

- **Stakeholder Engagement**

The original proposal outlined a plan for a stakeholder event, recognising the panel's comments, it is now proposed we hold two receptions for stakeholders. Attendees will be introduced to the programme through the reception, strategically located across the Coast to Capital area at selected venues to enhance engagement and ensure attendance.

It is proposed that the receptions have 75 senior representatives at intriguing locations to inform the business support community of the programme. Engagement with this tranche of the stakeholders will be ensured through an established and positive relationship with the LEP, reinforced by the successful launch of the SEP and the notion of a commonality of goals among attendees, to develop the area's economy and support business.

More detail is given on the provisional schedule for one of these drinks receptions in annex 1.

- **Business Engagement Event**

Again, acknowledging comments from the panel, the original proposal for a hybrid event for engagement with businesses has been replaced with four dinners, each for 20 selected businesses.

Invited business will be attending a dinner at an intriguing location, such as Goodwood House with an experienced facilitator in attendance with a stimulating discussion topic, such as *improving the economic potential of the area*. The reason for such an event is an opportunity to engage with these businesses but critically to introduce them to the escalator programme and form a list of attendees to the first cohorts.

Further detail is given on engagement and delivery in annex 1.

- **Business Cohort Delivery**

The cohort programme is a mixture of peer-to-peer sessions and ongoing support over a six month period for businesses wanting immediate growth and are open to learning new ways to achieve it.

It is proposed that groups will run in sixth month cycles, four cohorts each time with carefully constructed participants in each to ensure mutually beneficial outcomes. Coast to Capital will use SEEDA legacy funding to match fund 50% of programmes fee for participants, to support both uptake of programme and quality of delivery.

The programme delivery will go out to bid to ensure we remain impartial, a key requirement however will be for tenderers to demonstrate past experience in running these types.

Annex 1 outlines the delivery of this in greater detail.

Revised Budget

The table below details the headline costs involved in the programme, the funding structure for the peer-to-peer mentoring programme, and the panel is requested to advise on the optimal structure. The finances are as follows:

| Funding structure 1 | | |
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| Item | Detail | Cost |
| Stakeholder Drinks Reception | Total Cost for 2 events. Venue and refreshment cost. | £4,500 |
| | Cost per attendee, estimated 150 | £30 |
| Growth Business Dinner | Total Cost for 4 Dinners. Venue, speaker and meals. | £6,500 |
| | Cost per dinner | £1,625 |
| | Cost per attendee | £81.25 |
| Cohort programme | Cohort Delivery Cost, 24 meetings. 6 months, 4 meetings per month, 10 businesses per group including venue, facilitation and refreshments | £36,000 |
| | Cohort Cost Per Meeting | £1,500 |
| | Income Per Participant £100 X 6 | £600 |
| | Total Cohort Participant Income (£100 X 40) X 6 | £24,000 |
| | Cost per participant to Coast to Capital £100 X 6 | £600 |
| | Total Cost to Coast to Capital | £24,000 |

| | | |
|-------------------------------------|--|----------------|
| | Total Cohort Income | £48,000 |
| Coast to Capital project management | 9 months project management from Growth Champion Manager from = £11,880 based on 1.5 days per week | £11,880 |

Core outputs and outcomes

Outputs

- 2 stakeholder receptions
 - o 150 stakeholders engaged by early November 2018
- 4 business engagement dinners
 - o 80 high growth businesses engaged by early December 2018
- 4 cohorts of between 8 – 12 business owners signed onto a 6 month programme leading to increased turnover, international trade activity and employment growth.
 - o 40 Scale Up businesses committed to the programme by early December 2018
 - o Minimum of 90% attendance across all cohorts

Outcomes

The overarching aim of the programme is to impact 40 businesses to declare accelerated growth in any of the following; sales, employment and exporting. The resulting factor of this growth will be the creation of success stories, creating published content for the success of the programme and to engage further businesses and promote the work being done by stakeholders promoting economic growth.

To successfully detail the outcomes of the programme, outcomes have been grouped into four key parties:

Outcomes for stakeholders

- Identification and opportunity to engage with businesses
- Commitment to the economic development of the area
- Engagement with business community
- Opportunity to tell stories
- Support economic development

Outcomes for business

- Funded Support
- Recognition to barriers and provision of solutions
- Access to likeminded business community
- Accelerated growth
- Intensive support programme that is not time demanding
- Access to solution providers
- Involvement in wider business community

Outcomes for Coast to Capital

- Pipeline of high quality businesses for the Coast to Capital Growth Hub
- Strategic partnerships with private sector

- Taking leadership in the business community
- Delivery on Strategic Economic Plan priority
- Opportunity to tell stories

Outcomes for potential sponsors

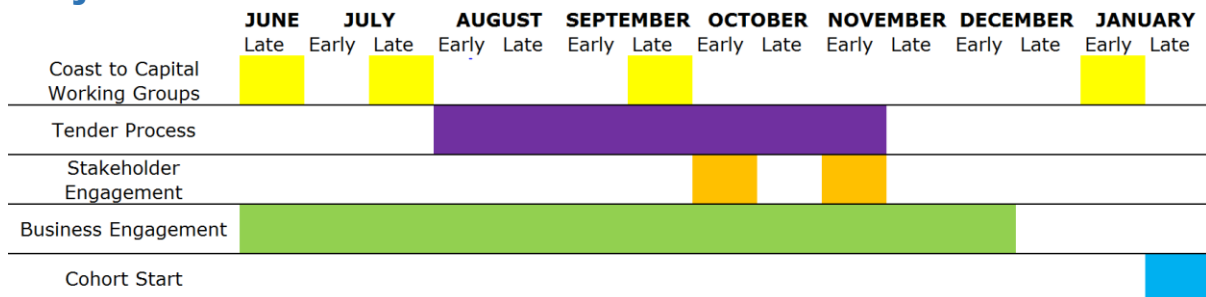
- Positive scale up ecosystem among stakeholders
- Pipeline of high quality and lucrative leads
- Strategic partnerships with private sector

Risks

While comprehensively addressed in the earlier proposal, there are three primary risks that must be considered throughout to mitigate detrimental impacts.

- **Tender Process Management**
 - o Risk: Ensuring a transparent process that draws out quality candidates that can deliver on the ambition of this programme.
 - o Mitigation: A published and promoted tender that has board member support which leverages LEP engagement with the business support community to attract quality bids.
- **Engagement with business and stakeholder community**
 - o Risk: Stakeholder reluctance to support the programme and work collaboratively to form the eco-system that provides a depth of service required by this programme.
 - o Mitigation: Leveraging the LEPs strong engagement credentials and work already done with stakeholders to support business.
- **Cohort Delivery**
 - o Risk: Failing to recruit quality candidates and a failure to generate the required income
 - o Mitigation: Contingency has been allowed for in the programme timeline which can be extended to allow more time for recruitment, additionally businesses have already been contacted and have expressed a willingness to join, this will also mitigate insufficient income.

Project Timeline



The above timeline has been carefully considered to address a number of operational and sessional impacts on programme delivery. Addressed later in detail, due the size of the contract a full tender process is required therefore ample time has been allocated for this. Additionally, due to seasonal effects on business engagement, the delivery of the first cohort has been pushed to January 2018.

In addition to the tender documents being produced, Coast to Capital will also be constructing the necessary front end documents such as sign-up process, a resource pool that can be accessed prior to cohort and branding.

Tender Process

As stated, the delivery of the cohorts will be outsourced to a successful tenderer, the contact will be worth £48,000 for six month delivery. Due to the size of the contract, the LEP must comply with the commitment to purchase process which stipulates the contact procurement procedure. Contracts between £25,000 to OJEU require a fully transparent tender process and at least one Board member involved in the decision to award the contract.

The expected tender process timeline is as follows:

- August 2018: preparing tender document, recruiting a board member and publicising the contract
- September 2018: tender process opens
- October 2018: tender submission review, successful tenderers invited to panel.
- November 2018: contract awarded.

Annex 1: Engagement Event details

i) Stakeholder receptions

A stakeholder event is critical to programme engagement and developing the eco-system, a collaborative culture among peers that shares knowledge and insight to positively influence growth business culture and support. Therefore we propose a stakeholder reception that seeks to inform, influence and initiate the programme.

While the depth of knowledge and resource is core to the eco-system, this engagement event would also be a lead generating exercise. This introduction of the programme offers a credible solution to a gap in service provision for this economically significant group of businesses, which supports the work of stakeholders offering support to the business community.

A diverse range of stakeholders will be engaged through this event including but not limited to chambers, universities and private sector businesses. Since the last panel various organisations have pledged support for the programme, such as Grant Thornton.

Typically, Coast to Capital's stakeholders have certain commonalities in their purpose, either to support economic development of the area or to support

businesses. Regardless of their motive to doing so, there are benefits for all in all for their involvement for this, for example:

A chamber recommends a company for the programme, providing value for their client in offering funded high growth support and the chamber a credible referral where there is currently a gap in service provision. As a result of their successful referral, the company would experience a high quality, dedicated and part funded escalator programme which offers both value to them and to the quality of chamber referral. Additionally, the success story content would be published and serve as highly valuable marketing content for the chamber.

Example Programme:

Date: October 10th

Location: Canon UK Offices

- 17:00 – Guest arrival, registration with refreshments and canapés on arrival
- 17:20 – Bob Pickles, Head of Corporate & Government Affairs welcomes attendees and confirms support for Coast to Capital and strategic priorities outlined in the Strategic Economic Plan
- 17:30 – Jonathan Sharrock, CEO of Coast to Capital or Tim Wates welcome attendees, launch the programme and explain the strategic priority of it in the context of the Strategic Economic Plan.
- 17:50 – Irene Graham, CEO of the Scale Up Institute deliveries speech on the economic importance of scale ups and their support needs.
- 18:10 – Short video recording from Dan Eisenberg, scale up expert and deliverer of the Scalarator NEO programme.
- 18:20 – Question and answers
- 18:35 – Networking
- 19:15 – Event finishes

ii) Business dinners

The difficulty of engaging with businesses of this value and growth is well documented, therefore we will have to do something more valuable, more intriguing and guaranteed to deliver value. Therefore, we propose selective dinners at intimate locations such as Goodwood House, a tried and tested method confirmed by stakeholders as an effective way to engage.

Identifying potential attendees will be done through three strategies:

- Analysing a list provided by the Scale up Institute detailing 226 ideal companies within the area that would suit the desired business type.
- Utilising stakeholder networks by providing ideal candidates for the dinners that have already been engaged.

- Working internally with the Growth Hub and software investments such as Beauhurst which offer an additional 100+ companies that would be quantitatively viable for the cohort programme.

Once identified companies have been refined to a list of 160 ideal candidates, 40 invitations per dinner will be personally sent either from the LEP CEO or through stakeholders with a relationship on behalf of LEP CEO. Stakeholders will be essential to invitations due the leverage of either a warm lead or a personal invite from someone the business has previously engaged with.

At the dinner, there will be a professional facilitator experienced in stimulating conversation and engaging discussion centred on a discussion point. The central focus will generate themes that support the programme that can be outlined by a team member during a break in the dinner.

Example dinner plan:

Date: October 17th

Location: Goodwood House, Chichester

- 18:30 - Guest Arrival with aperitif, allowing time for introductions and networking
- 19:00 - Jonathan Sharrock, CEO of Coast to Capital or Tim Wates, Coast to Capital Chairman welcome attendees detailing the economic impact their businesses has on our area
- 19:10 – Dinner starts with a facilitated discussion through around a central theme that engages and provokes discussion, such as *is the business environment in this area supportive to business growth?*
- 19:45 – After main course, a personalised video recorded speech from the CEO of the Scale Up institute. Facilitated discussion ensues after speech and during meal.
- 20:15 – After dessert, Coast to Capital CEO launches the programme outline the benefits, programme and support that cohorts will delivery.
- 20:30 – Closing remarks and cohort expression of interests.

iii) Cohort programme

The delivery of the scale up cohorts will be delivered a successful tenderer, which among other requirements will demonstrate experience in running similar programmes. As mentioned, the programme will consist of groups of 8 – 12 carefully constructed through consideration of various sectorial, behavioural and objective related factors; it is widely acknowledged the detrimental affect a poorly constructed cohort has on successful outcomes.

The programme while delivered externally will be managed and governed by the LEP, tracking contractually agreed performance against quantitative and qualitative metrics.

The below examples are guides to a potential session, a fully detailed programme outline has not been included to ensure a fair tender process.

Example Session:

Date: January 19th

Location: Grant Thornton, Crawley

Agenda

- 16:00 Arrival and welcomes
- 16:10 Overview of the programme by the facilitator
- 16:25 Round table introductions and facilitated discussion on “What challenges and barriers to growth that the region has failed to address”
- 16:40 Introduction to the topic and expert speaker who will encourage discussion and provide support and solutions - an interactive session.
- 19:40 Next steps and actions for the next session
- 20:00 Session end

Example Programme

- Session 1 – Recruiting and retaining talent
- Session 2 – Leadership
- Session 3 – Sales and customers
- Session 4 – Raising finance
- Session 5 – Capacity for scaling
- Session 6 – Reprise and next steps

Annex 2: Considerations on the wider business community

While this programme is unapologetic in its exclusion of the majority of the Coast to Capital stock, it is of course vital that there is support provision for the businesses in the Coast to Capital area. To address each business stage and the support available, only SMEs are considered:

- **Pre-start and Start-ups:** Currently they are being referred to the Governments National Support Helpline for Business, a service the Growth Hub team have worked with to update their database on relevant, active and local support initiatives to ensure quality and accuracy of service. Additionally, the ERDF programme delivered by the University of Chichester will provide funding for a greater level of support for start-ups in the area.
- **Established businesses:** the Coast to Capital Growth Hub can offer support to established businesses, if the business has no growth potential (assessed through business diagnostic) they will be given light touch support and referred as appropriate.
- **Growth businesses:** the Growth Hub provides growth businesses in the area with dedicated account management over an extended period of time to support growth ambitions. While an ambiguously defined grouping, the Growth Hub uses these broad defining factors:

- Businesses with the leadership and vision to strongly grow their businesses through innovation and productivity improvements or
- Businesses with the leadership and vision to strongly grow their businesses through international trade or
- Typically businesses with growth opportunities that have the potential to grow by 20% per annum or 50% over 3 years from a base of £200,000
- Very high growth early stage businesses with funding in place to support their ambitions – including those with Business Angel or crowd funding.

Further, the growth companies of today, will become the pipeline of high growth companies for the programme in the future.

- **High Growth Businesses:** supported through the Escalator Programme.