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Building thriving scaleup ecosystems.

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June 2024, Liverpool



I am delighted to share with you the highlights from our recent Scale Leaders event, "Building Thriving Scaleup Ecosystems," held in Liverpool in June 2024.

The event brought together a diverse group of leaders determined to explore innovative ways to nurture ecosystem growth. Through sharing best practice, stories, and occasional battle scars, we unpicked challenges, found new opportunities, and celebrated successes.

In this booklet, we've captured the pivotal conversations from the day. We hope these insights provide a deeper understanding of the innovative approaches being used to nurture environments for high-growth businesses.

— **Matt Johnson, Managing Director, Form**

Scale Leaders

Scale Leaders is a programme that unites regional authorities, ecosystem leaders, scaleups, and funders in support of scaleup ecosystems. The programme offers a blend of learning, networking, inspiration, and actionable insights to help leaders navigate challenges and seize opportunities to grow their economies.

Form

We are a proud B Corp dedicated to accelerating high-growth digital, creative, and tech businesses globally. Partnering with cities and regions, we deliver targeted business support for high-growth companies and their leaders, fostering inclusive and sustainable economic growth. Each year, we support hundreds of businesses, providing the tools and insights needed to scale responsibly and sustainably.





Lessons from the regions



Lessons from the regions

High-growth, scaleup businesses are key drivers of economic and social progress. They are engines of innovation and job creation, but don't always get the support they need to thrive.

Dr Jo Leek from the Liverpool City Region Combined Authority, Frances Lasok from the West Midlands Combined Authority, and Tracey Johnson from the South Yorkshire Combined Authority shared the approaches, strategies, and hopes for the future in their areas. Here are five lessons from the regions:

Lesson #1: Support needs to be targeted

"We've learnt that generic business support doesn't work for scaleups. The programmes need to speak to the sectors, clusters or specific challenges within organisations. Peer support from other businesses 'like ours' is also really important".

- Dr Jo Leek

Whether its programmes aimed at specific clusters, funding advice that speaks to the pain points of scaleups or mentoring from those who have been and done it, the panel agreed that the offer needs to be targeted to have impact. Tracey shared the success of the TEAM SY project that accelerated the tech startup and investment ecosystem in South Yorkshire, Jo highlighted the growth of the creative and tech community Gather in the Liverpool City Region, and Frances spoke about the potential of an account management model to offer a single targeted point of contact for businesses looking for support.

Lesson #2: You can't go it alone

“There are levers you can pull at a hyperlocal, regional, and even national level. Try to connect with and work with people who can pull those levers.”

- Tracey Johnson

Collaboration is key, an ecosystem only develops when the public sector, private sector, and funders come together. It can go against the public sector instinct but recognising that growth can't be fostered alone is important. Success for the panel has come from partnerships – they've brought new ideas, funding channels, expertise, and just a foot in the door to talk to the right people. And when you've played your part, make sure you know when to get out of the way and allow scaleups to take the lead.

Lesson #3: The funding and political challenges are real and diverse

“West Midlands is post-industrial, polycentric, there are challenges and opportunities that come with the region, it's important to acknowledge the landscape.”

- Frances Lasok

Every region is different, but there are shared challenges that we must acknowledge. The change in funding models as we've moved from ERDF funding to devolved spending like shared-prosperity funding has impacted support for businesses.

For the West Midlands they are hoping single settlement funding will allow for a longer-term strategy. In South Yorkshire they've had to be 'creative' and look at using funds from different pots to maintain their programmes, and in the Liverpool City Region they've weathered the storm of a tricky overlap between ERDF and UKSPF.

Lesson #4: Showing impact is vital

“Show the impact of the programmes you’ve delivered, build an evidence base and shout about the good news stories in your scaleups.”

- Dr Jo Leek

Outcomes and metrics are key to engaging all parts of the scaleup ecosystem. But it needs to go beyond simple data that counts the things we've done and tell a story of the impact of those things – as a successful scaleup can be hard to quantify.

Tracey pointed to work that Data City in Leeds are doing to reprofile what that looks like and to Deal Room as a great platform for understanding scaleups in your region and to measure and showcase your entire ecosystem.

Lesson #5: We need to work together

“Without a national direction for scaleup support we need to work together, not compete.”

- Tracey Johnson

With the perennial 'London question', no overarching UK scaleup strategy, and an uncertain funding landscape, the panel agreed that we need to learn from other regions and scaleup successes. Sharing what's worked – and what hasn't, and not viewing others as competitors, even when there is competition for funding.

Case study: Riihimäki



Case study: Riihimäki

Teemu Seppala is the Innovation Director for the city of Riihimäki. He shared unique insights into scaling businesses in Finland.

Beyond holding pitches in saunas... here are some key takeaways:

1. Find your niche, lean into it and market it. Embedding robotics in Riihimäki from kindergarten to post university education and into the defence industry has helped the city achieve a unique position on a global scale.
2. The ecosystem is king, the dual tech innovation hub, educational institutions, defence garrison, and unique urban structure make the city an interesting and valuable place to invest.
3. Scaleups need to be at the heart of the ecosystem, to have ownership of it, they know what they need. The public sector should be there to offer support, back-up, funding, be a stakeholder and then 'get out of the way'.



What do scaleups need to succeed? The lowdown from Liverpool City Region



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Scaleup leaders Raina Heverin from SupplyWell, Paul Myers, from Farm Urban, and Kylie Reid from hi-impact gave us their views:

Q: What do you need from the ecosystem to support your access to markets?

Raina: Get to know your high growth businesses, cultivate those relationships. Become advocates and amplify the work that your scaleups are doing, shout about them!

Paul: Do business with your scaleups, encourage collaborations, opening doors is great but the public and private sector doing business with them, really backs them.

Kylie: Try and keep the ecosystem collaborative and keep business local. Share the offer of your scaleups, use them, connect them with service providers.

Q: What has been your biggest challenge in the past 12 months?

Raina: Raising money, we've had a real journey and closing investment in our region was a challenge - we had to secure it from an investor elsewhere in the end. Everything around leading a growing business as well really - if you're not from an entrepreneurial background it's hard, we've been lucky that we've had access to great mentorship through Form's Gather programme, but without that, it would have been a struggle.

Paul: People not getting to 'no'... or 'yes' quicker. We had a bit of a rollercoaster with the promise of some large contracts that equity investment was resting on and they didn't come through. In the end it was the right direction for our business to go in, but the months of indecision did really affect us. Give scaleups an answer, and then they can move forward.

Kylie: We had to make some difficult decisions around people and culture. I'd say navigating that with the help of experts who have been there and done the same in business and make you realise it's a normal challenge has been invaluable.



Q: What does the future hold for your businesses?

Paul: In our ecosystem it's new locations, we're opening in Scotland, Manchester and London in the next 12-18 months. There are huge opportunities to scale with new regional partners.

Raina: When we started we were Liverpool City Region focused but our future vision was always to expand UK wide and we've now got some large contracts with multi-academy trusts that are taking us all over the country. We can start to make a real 'profit for a purpose' impact and want to support education beyond Liverpool.

Kylie: We're really excited to be launching our Brilliant Festival, to share our knowledge with the sector and really position ourselves as thought leaders. We want it to bring educators and industry together to enhance learning and better equip the future workforce.

Q: What's the least helpful business support you've received?

Kylie: It's not helpful when it's too generalised. Support needs to be sector specific, as it means people can really relate to your challenges like culture, mindset and talent.

Paul: You need people who have been there and done it and built businesses. There's so much poor quality support out there and it's just really a waste of time and money - when you're a scaleup your time is so valuable. You need someone who really cares about your business and your success, not someone who is just there to get paid.

Raina: Access to the right support programmes has been transformational for us. When someone has walked in your shoes it makes all the difference. It can be emotional and want people who can empathise and relate to what you're going through.

The AI interlude: scaleup friend or foe?



The AI interlude: scaleup friend or foe?

Former Director of Product for BBC iPlayer & BBC Sounds Dan Taylor-Watt gave a whistlestop tour through some of the apps and tools that are changing and disrupting the way we work and live at warp-speed.

But far from being "in the doomsday camp" he encouraged leaders to see AI as "an infinite intern" with the potential to make operating a business more efficient.

With the right mindset scaleups can use AI to "do more and grow".

Dan's key AI considerations.

- It won't change overnight.
- All disciplines can benefit, not just creatives and product people.
- Having time and space to play with it and work it out, is worth the investment.
- Use a mapping exercise to sit down and think about areas AI could make you more efficient.
- Think what would you do if you had infinite numbers of people in any role.
- Technology will move on, how likely is it that technology will make your plans with AI redundant?
- Think about if there is an opportunity to use AI for good.
- Share with others what works and what doesn't in your ecosystem.



Closing Considerations

Attendees reflected on the challenges/opportunities of supporting high growth businesses.

#01

We've got less resources, so we need to get creative to find solutions.

- "There's never enough resources, capacity, people. The only way is to get task forces together of people who are really passionate about getting on and doing it to help scaleups to thrive."
- "Think big – could we pool money and risk appetite outside of London?!"
- "We need to normalise failing well. In Denmark they have a red alert service that fast-tracks the closure of businesses to get the talent back into the labour market."

#02

We need to deliver the right programmes that help businesses to scale.

- "Can be a bit of a chicken and egg, do you do a needs analysis first, to find out what people need, or do you go for it, and get it to market, and then get feedback and adjust?"
- "We need to engage with delivery partners early and always have the impact of the support you're designing front of mind."

#03

We need community and collaboration.

- "How can we get leadership and consensus across the UK? The UK market is quite small compared to the global market, how can we avoid it being a scrap for resources, funding, support – and have a broader vision?"
- "The public sector underestimates the role they can play in making connections between scaleups and access to market. When you're on the outside it's really hard to get a way in. Can we consider things like 'meet the buyer' events again? And the internal procurement journey?"



Stay involved

Stay connected with us and keep an eye out for more ways to get involved.

If you would like to play a part, join the community or explore how we can help grow your ecosystem, please reach out to Darren.

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Form is on a mission to leave people and places better than when it found them. We are committed to equity, diversity and inclusion in our team and encourage all organisations we partner with to impact people, profit and the planet positively.