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For immediate Release

The Scale-Up Institute launches to help boost UK economy

- World's first organisation dedicated to 'Scale-ups', based in UK
- Reid Hoffman, co-founder of LinkedIn, gives inaugural Scale-Up Lecture
- The Scale-Up Institute builds on the Scale-Up Report, written by Sherry Coutu in 2014

London, UK, 16 June 2015 - The world's first organisation devoted to encouraging the growth of 'Scale-ups' is to be set up in the UK, as announced today by serial entrepreneurs Reid Hoffman and Sherry Coutu CBE.

The Scale-Up Institute will unite industry and the public sector in a collaborative partnership to help increase the proportion of Scale-up Businesses across the whole of the UK.

The creation of the Scale-Up Institute was marked today by the inaugural Scale-Up Lecture at the Royal Society in London. This first annual lecture was delivered by Reid Hoffman, co-founder of LinkedIn and investor with Greylock Partners, who will become a Trustee of the Institute. Reid has played an integral role in scaling many of today's leading consumer technology businesses and has long advocated for the importance of scale-ups, noting "*first mover advantage doesn't go to the first company that launches; it goes to the first company that scales.*"

The Scale-Up Institute will build on the recommendations of the Scale-Up Report, written by Coutu in 2014. The report called for greater government and private sector emphasis on policies and practices directed towards businesses growing by over twenty percent per year, because policies and practices focused on scale-ups have the greatest potential to create jobs and grow the UK economy. In the Report, analysis by Deloitte showed the potential for £225 billion of additional Gross Value Add and 150,000 net jobs created by 2034 on a net basis; on a gross basis, analysis by Nesta shows an additional boost of £92 billion per annum attributable to addressing the productivity gap, should the recommendations be implemented.

The Scale-Up Report has galvanised many new initiatives such as the Scale-Up Group, who will be a partner with the Scale-Up Institute on its work with technology companies. The Scale-Up Institute will embrace partnerships like this across industries, working at a national, regional and local level to harness existing support and catalyse additional scale up activities.

Sherry Coutu, who will be the Scale-Up Institute's Executive Chair, says:

"I am humbled by the support that has gathered behind scale-ups and excited by the opportunity to make the UK not only the best place on the planet to start a business, but also the best place to grow it into a substantial one.

The Scale-Up Institute will collaborate with others to shape and energise the UK scale-up ecosystem, close the gaps that have been identified, and be the coordinating force to

encourage and target support to scale-ups at a national and local level and subsequently report on it. We will work with others collaboratively to make sure that all scaling business leaders understand what is available to them and we will direct our activities to monitor and track results. Our aim is to bring about and report on the increase in the proportion of scale-ups in the UK and the economic growth we will enjoy as a result."

The Scale-Up Institute will be a not-for-profit membership organisation, working with its Partners and Members so that each region and city has the resources they need to support the development of their scaling businesses. It will seek to help others build leadership capacity, skills and support for their export, finance and infrastructure needs, and promote the 'scale up message' nationally and locally.

The Institute plans to be fully operational in September, and already has partnership and member support from Google, Business Growth Fund, London Stock Exchange Group, Smith & Williamson, the Enterprise Research Centre, GP Bullhound, private equity investors, leading universities, the creative, life science and technology industries, the leading bank founders of Better Business Finance, advisory firms, research companies, science park associations, local enterprise partnerships, research councils and a number of industry sector associations. New partners continue to join and a full list of partners will be announced in September.

Stephen Welton, CEO of Business Growth Fund, says:

"I want all businesses with big ambitions to have the opportunity to realise their full potential; to attract the talent, skills and investment needed to become the big businesses of tomorrow. The Scale-Up Institute will play a leading role in raising awareness of these businesses and the entrepreneurs behind them, and helping to close the scale up gap. BGF is delighted to be a founding member."

Xavier Rolet, CEO of London Stock Exchange Group, says:

"The UK is already one of the best places in the world to start a business, and the launch of the new Scale-Up Institute today is an exciting new initiative. Growth businesses, looking to scale, are the job creators, the innovators and the economic powerhouses of tomorrow. Anything we can do as a business community to support these dynamic and vital organisations should be warmly welcomed."

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Notes to Editors:

The Scale-Up Report

Creation of the Scale-Up Institute builds on the recommendations of the Scale-Up Report (<http://scaleupreport.org>) written by Coutu in 2014.

The Report found that a small group of rapidly expanding 'scale-up' companies create a significant proportion of the UK's economic growth; however, the UK lags behind the US and other leading economies in the relative proportion of these vital scale up companies. If this 'Scale-Up Gap' could be closed, the reward for the UK would be huge:

- In the short-term, RBS analysis suggests an additional 238,000 jobs and £38 billion additional turnover is possible within three years of reversing the scale-up gap.
- In the medium-term, Nesta research shows a possible boost of £96 billion per annum is possible.
- Long-term analysis by Deloitte shows a potential of £225 billion additional GVA and 150,000 net jobs by 2034.
- Increased productivity in all sectors of the economy (productivity gap is currently costing the UK £92 Billion per annum)
- Thousands of knock-on opportunities for firms in the UK supply chain

The Report called for greater government and private sector emphasis on those businesses growing by over twenty percent year-on-year as companies with the greatest potential to create jobs and grow the UK economy. It identified that most scale ups and growing companies face similar issues and needs across capital, management, skills and organisational processes: It recommended 6 key areas to work on to close the scale-up gap namely:

1. The Evidence Gap: public and private sector organisations identify, target and evaluate their support to scale-up companies.
2. The Skills Gap: improve the ecosystem so scale-ups can find employees to hire who have the skills they need
3. The Leadership Capacity gap: building leadership capability
4. The Export Gap: accessing customers in other markets / home market
5. The Finance Gap: accessing the right combination of finance
6. The Infrastructure Gap: navigating infrastructure

The Scale-Up Report's Twelve recommendations

Across the six key areas, The Scale-Up Report identifies twelve specific recommendations which the Scale-Up Institute will be tasked with implementing in order to close the gap.

These recommendations will be driven forward by the Scale-Up Institute with stakeholders across the whole ecosystem and consist of:

1. National data sets should be made available so that local public and private organisations can identify, target and evaluate their support to scale-up companies, and evaluate their impact on UK economic growth.

2. Publicly funded organisations such as Local Enterprise Partnerships and cities seeking public funding should review and report on the extent to which the top 50 scale-ups in their areas are increasing their turnover and job growth from year to year with the objective of increasing the proportion of scale-ups with more than 250 employees by three per cent by 2025.
3. 50% of public funding and promotion currently reserved for 'entrepreneurship' should be directed towards collaborative initiatives based on track-record
4. A Minister should be made responsible for reversing the scale-up gap by 2025 with cross-departmental resources allocated, independent bodies named to monitor and a task-force appointed to deliver a scale-up report to the Prime Minister every November for the next five years.
5. The Department of Education and LEPs should ensure that students at schools, colleges and universities come into contact with the top 50 scale-up business-leaders within 20 miles of their establishment
6. Local city / cluster/ ecosystem leaders should work with existing private collaborative initiatives to promote the top 50 scale-up companies in their jurisdiction to adults for the next phase of their careers.
7. A 'Scale-Up Visa' should be made available from Local Enterprise Partnerships to the top local scale-up companies so they can recruit staff from overseas within two weeks of applying. These foreign workers help expand the distribution of local scale-up companies' existing products to foreign markets and help local scale-ups introduce new products and services.
8. Local Enterprise Partnerships, universities and the private sector should work together to ensure effective learning programmes are available in their areas aimed at leadership development of scale-ups.
9. The government should draw attention to scale-up companies and their leaders so that it is easier for them to act as role models to others and to find customers, partners and investors, both at home and overseas:
 - UK Trade and Investment should ensure that scale-up companies are well represented on international trade missions, and publish details annually.
 - Central and local government should publicly report on the level of procurement they source from scale-up companies and their funding should be reviewed in terms of the amount of procurement they do with scale-ups.
10. The impact of regulation 'cycle time' on rapidly growing companies should be a major consideration for regulators and agencies. Agencies that interact frequently with scale-ups, like the border authority, listing authority and HMRC should report on their efficiency in relation to regulatory peers in other countries.
11. Government and industry must ensure that progress in closing the finance-gap is maintained and review and report on the extent to which scale-ups, in particular, are supported
12. Government and industry must ensure that progress in infrastructure areas is maintained and review and report on the extent to which scale-ups, in particular, are catered for.

About Sherry Coutu CBE

Sherry is an Entrepreneur, Non-Exec Director, Investor and Advisor to Companies, Universities and Charities. She possesses a deep understanding of the dynamics of both b2b and b2c businesses, portfolio management and macro-economics.

She currently chairs Founders4Schools and is a non-executive director of the London Stock Exchange Group plc, Zoopla plc, Cambridge University (Finance Board), Cambridge Assessment, Cambridge University Press, Raspberry Pi and Artfinder. She also serves as an advisor to LinkedIn, Harvard Business School European Council and is a former Trustee of Nesta.

As an angel investor, she works with entrepreneurs to solve problems that she feels matter and specialises in consumer internet, information services and education. She has made angel investments in more than 50 companies and holds investments in 5 venture capital firms. She was voted by TechCrunch as the best CEO mentor / advisor in Europe in Nov 2010. In May 2011, she was voted by Wired magazine as one of the top 25 'most influential people in the wired world', and one of the top ten most influential investors and women.

As an entrepreneur, Sherry has founded a number of businesses and charities. The first business (acquired by Euromoney plc) has operations in more than 70 countries. The second, which she was CEO and chairman for was responsible for the first e-commerce transaction in the financial services industry in Oct 1995 and was the most over-subscribed IPO on the main market when it was floated in February 2000 (on London and Nasdaq).

Philanthropically, she supports the Prince's Trust, the Crick Institute and SVC2UK. Sherry has an MBA from Harvard, an MSc Economics (with distinction) from the London School of Economics, and a BA (Hons with distinction) from the University of British Columbia, Canada. She was awarded Commander of the Order of the British Empire (CBE) for services to entrepreneurship in the New Year's Honours List 2013 by Her Majesty the Queen.

About Reid Hoffman

An accomplished entrepreneur, executive, and investor, Reid Hoffman has played an integral role in building many of today's leading consumer technology businesses. In 2003 he co-founded LinkedIn, the world's largest professional networking service. In 2009 he joined Greylock Partners. His venture and angel investments include Airbnb, Facebook, Flickr, Mozilla, and Zynga. He serves on a number of not-for-profit boards, including Kiva, Endeavor, and DoSomething. He is co-author of two books: the New York Times bestsellers *The Start-Up of You* and *The Alliance*. He is an Aspen Institute Crown Fellow, a Marshall Scholar at Oxford, and a graduate of Stanford University.