Enterprise and Skills Review

Enterprise and Business Support Project

Phase 2 Supporting Evidence Papers

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ENTERPRISE AND SKILLS REVIEW

ENTERPRISE AND BUSINESS SUPPORT PROJECT

PHASE 2 SUPPORTING EVIDENCE PAPERS

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ENTERPRISE AND SKILLS REVIEW
SUMMARY OF PHASE 1 CALL FOR EVIDENCE WITH REFERENCE TO THE
THEMES OF BUSINESS SUPPORT, INNOVATION AND INTERNATIONAL

Introduction

1.   This document is a summary of key themes surfaced during the Phase 1 Call for Evidence of the Enterprise and Skills Review relating to Business Support, Innovation and Internationalisation. Respondents included individuals, individual businesses, organisations representing collective business interests, and universities and colleges. It should be noted that the scope of the Call for Evidence covered Scottish Enterprise, Highlands and Islands Enterprise, Scottish Development International, Skills Development Scotland and the Scottish Funding Council. It did not cover Business Gateway.

Enterprise and Business Support

2.   A significant number of respondents described the current support landscape as being too cluttered. A closely related observation was that there was inadequate alignment between the policies and operations of the different agencies. Respondents frequently stated that - from the perspective of the user - it was difficult initially to understand how to access support services and identify the correct agency to access them from. This was noted as being particularly acute for start-up and smaller businesses. The current support system was often referred to as favouring existing, high-performing Scottish businesses and those businesses that had been identified as having the potential for significant growth. This was occasionally considered to be detrimental to smaller, micro-businesses and start-ups. This contributed to a narrative that the provision of support was inconsistent.

3.   Many organisations argued for better alignment between the agencies. A common suggestion was for a clearer articulation of national strategy, which was sympathetic to and supported by a network of regional expertise and delivery. Several organisations cited the need for the development of an overarching organisation or strategic board to have overall responsibility for the enterprise agencies.

4.   It was frequently stated that there should be a clearer and simpler pathway for businesses that were new to the enterprise agencies, so they could understand what support was available and from which agency it could be accessed. Respondents saw a need to simplify the process of identifying which enterprise and skills support agency is of most value to a business' needs, along with grant funding applications and requests for skills support. While some considered that understanding the precise source of support was less important than receiving the right support (implying that complexity might be maintained behind the scenes), others considered it valuable to exercise greater transparency in terms of advertising the full suite of support products

available, and making clear at what stage a business would be able to access them. While many responses favoured allocating support services more equitably among smaller businesses, several urged that greater resources be focussed more intensively on a smaller number of high-potential businesses. There was therefore a tension between some respondents in terms of favouring one-to-many or one-to-few services.

5.   Accessing business support services was often criticised as overly bureaucratic, slow and laborious. The 'red-tape' associated with accessing certain services or products was perceived as a major barrier to support for several organisations. This frustration was frequently expressed in relation to accessing grant funding. A small number of organisations indicated that projects and initiatives had failed due to lack of funding caused by bottlenecks in the system. A limited number of respondents also considered that there was an over adherence to following set 'rules', which could prove restrictive if a business did not fit a particular model. One business indicated that the provision of support by an enterprise agency had been delayed due to a failure by the agency to develop tools appropriate to their sector.

6.   While the scope of the Call for Evidence did not include Business Gateway (BG), a small number of respondents answered in relation to their experiences of support from local government. The availability and quality of services delivered by BG was identified by some respondents as inconsistent. One business described it as able to "be either delivered extremely well or more of a tick box exercise with very limited effort or resource to make a difference". Regional variation was a primary concern. A number of respondents expressed frustration both at the administrative burden imposed when applying for BG grant funding, and at delays experienced during initial engagement with the organisation. For example, one firm provided a generally positive account of the advisory support that had been received from BG but noted that the system's drawn out grant funding application process hampered their progress at times. Another questioned the remit of local authorities in economic development in general, and whether this extended beyond simply delivering Business Gateway. Others highlighted the availability of local access to Business Gateway as a positive, with one suggesting moving the provision of support to SMEs exclusively to BG, arguing that this would avoid service duplication with the enterprise agencies.

7.   Praise was regularly given to the account management model, with organisations repeatedly feeding back on it as a strong point of access to the support that they required. The importance of the quality of relationship between a business and the relevant agency account manager emerged as a strong theme. Comments suggested that a business' experience of the enterprise agencies was commonly determined by the perceived proactivity and responsiveness of individual account managers. Those who were cited as possessing a deep understanding of a business and its unique needs were recognised as providing invaluable support. The best account managers were cited as being experienced (often in terms of having spent requisite time in the private sector prior to joining the agency) and / or connected (i.e.

able to swiftly and effectively diagnose, navigate and access the landscape of available support). They were often referred to as an excellent way for businesses to maintain a working relationship with the enterprise agencies in terms of receiving regular advice and support. Account management was frequently described as having had a transformative effect on a customer's journey through the support system. One company noted, "The current systems in place are the best they have been". However, another highlighted the perceived discrepancy between account managed and non-account managed services, describing the support process as being "much more difficult" for businesses that are not account managed.

8.   Where mentioned, businesses broadly expressed satisfaction with the networking opportunities provided by the enterprise agencies. However, a small number of respondents indicated that these could be improved. This included a specific suggestion that the network of account managed businesses should be better utilised, for example via organised introduction sessions. A networking forum or online listing of companies, contacts and services was also mooted as potentially beneficial. It was suggested that establishing a peer to peer mentoring service for businesses might be useful, as several organisations expressed frustration at not being able to learn from others' mistakes. Respondents frequently requested that individuals with relevant industry experience be recruited into the enterprise agencies.

9.   While respondents acknowledged the challenges of the existing system, a large number still praised the enterprise agencies for adding significant value to their businesses. The value of the service was regularly described as "terrific", "very good" or "excellent", and many businesses credited their success to enterprise agency support. Frequently, the value of the service was recognised because accessing support required a negligible financial investment on the part of the business. Indeed, many businesses noted that the only significant investment was in business time. Several respondents indicated that any changes or improvements to the existing system should be incremental. One stated, "The last thing we need right now is a major overhaul".

10.   Confusion was expressed regarding the enterprise agencies' defined performance measurement. Respondents variously suggested this could be gauged via economic measures such as growth in GDP; growth in Gross Value Added; job creation and reduced unemployment; foreign investment into Scotland; or export growth. A minority of respondents suggested less 'hard' measures, such as more positive feedback being provided in regard to businesses' experience of the agencies; or by measuring the success of agency-engaged businesses compared with counterparts that did not seek support. One university argued that there was currently too great a focus on agency activity as a measure of success in itself.

Innovation

11.   The subject of innovation was raised by a number of respondents. Submissions from universities and colleges in particular tended to discuss the theme at greater length. Organisations had mixed satisfaction in terms of the level of support for innovation currently offered. Several organisations referred to specific support products which effectively encouraged innovation. The Scottish EDGE Awards; the Knowledge Transfer Partnership scheme; the Royal Society of Edinburgh Enterprise Fellowship scheme; Scottish Enterprise's High Growth Spinout Programme (SE HGSP); the Scottish Funding Council's Innovation Voucher scheme; the Scottish Crucible; the Interface Knowledge Connection; and the CONVERGE Challenge were all highlighted as being especially valuable by different respondents. A minority of respondents described their innovation support as having been excellent. The Innovation Centres were also commonly identified as value adding, including the suggestion that more of these should be developed and introduced to different regions.

12.   However, current innovation support was also frequently challenged as insufficient. Inadequate or inflexible funding support was a common frustration, with delays to projects cited as businesses waited on the provision of innovation grant funding. One company described the value of an innovation grant being diminished due to an enterprise agency's insistence on regular progress reporting to determine how the grant was being deployed. Organisations also suggested that the enterprise agencies lacked entrepreneurial leadership capacity to drive forward the innovation agenda. Further criticism was leveraged that the enterprise agencies did not have sufficiently agile mechanisms in place to support emergent sectors.

13.   Various recommendations were proposed to potentially improve the position of Scotland's innovation landscape. Several organisations suggested that this could be partly achieved via the enterprise agencies performing more of a 'match making' service to connect high potential Scottish start-ups with global angel investors, or by facilitating access to transformational global business leaders. A more strategic approach to enterprise support across Scotland was highlighted as necessary by various organisations. One firm also urged closer alignment between the Scottish Investment Bank and the agencies, specifically so that a business can be given written support in advance of the actual provision of funding to help endorse its feasibility to other potential investors. A university stated that greater funding support should be provided for businesses in the £1m - £3m range to de-risk innovative technologies. Further investment into private sector accelerators was stressed more widely, including a call for the creation of more business accelerators aimed at fostering high growth start-ups.

International

14.   A common theme among responses was that both Scottish Government and the enterprise agencies could do more to promote both foreign investment into Scotland and the international expansion of Scottish businesses. The Scottish Government was repeatedly encouraged to look outwards in order to capture methods of best practice used in other countries. Ireland's economic development plans as well as Belgium's current approach were cited as examples of an efficient way to explore international potential. It was suggested that the agencies lack adequate export support for service orientated businesses, with too heavy an emphasis placed on the export of products. Some responses also suggested that the agencies lacked capacity for internationalisation. One company, while praising international development support, recommended that the role of account manager should merge with the role of international expert to ensure that businesses and organisations are fully exploiting international markets. Some respondents also addressed a culture in Scotland which militated against international expansion. An international expert in entrepreneurship was critical of the overly "homogeneous" perspective in Scotland which inhibited the ability to compete globally. This feedback was not in isolation. Other organisations believed that current attitudes in Scotland can be too insular and that there is a misplaced focus on internal trade which can be detrimental to international ambitions.

15.   However, many responses were highly positive about the international support currently being provided by the enterprise agencies. This included some that credited the agencies with enabling their organisation to successfully re-orientate towards international markets. For example, one business stressed that the support they had received from an agency had enabled them to research new export markets and, as a result, they now export to Europe and North America. International Trade Missions provided via Scottish Development International were praised as helping to identify global markets for Scottish businesses and their products. The enterprise agencies were also identified as having a strong ability to help businesses understand international markets, including through the provision of relevant language support and local labour market expertise. One company operating in the oil and gas sector spoke of "volumes" of "good news stories" with respect to an agency's assistance in developing access to the markets of ASEAN countries.

16.   Against this, the current uncertain global climate was considered by some to be of concern. There was feedback that Brexit and other world developments had caused businesses to focus on internal markets rather than risk international expansion.

Digital

17.   A number of respondents requested the creation of a business database so companies do not have to expend time repeatedly submitting duplicate information for separate applications. This request was closely related to the recommendation that a

digital portal be created as a single point of entry for businesses trying to access support services. A suggestion from one business organisation included the development of a new (or more accessible) 'hub' for information, which would act as a single access point guiding businesses to the relevant agency. A similar focus was shared by many of the submissions, where the desire for ease of digital access was stressed.

Women and Enterprise

18.   A small number of respondents raised the specific issue of encouraging greater uptake of enterprise activities among women. One included recommendations to mainstream a gender-appropriate approach into all enterprise and growth policies. Another spoke positively about Muslim and BME women's experiences of Skills Development Scotland. However, this response also noted that a lack of childcare support prohibits many women from attending appointments provided by the enterprise agencies. It suggested that services from these organisations could be better marketed to women, and that facilitators/mentors could be used to encourage more women to believe that 'self-generated income' was sustainable.

Scale Up

19.   While scale up was not often referenced explicitly, when it was mentioned individual businesses expressed broad satisfaction with the support offered. For example, the responsiveness and speed of scaling account managers was praised. However, some universities or university representatives offered a more measured response. One considered that there is currently too narrow a focus on existing companies of scale or those that fit a particular mould of projected growth trajectory. Given the predominance of micro and small companies in Scotland that have limited organisational capacity and levels of investment into research and development, it was felt this might limit the effectiveness of support. One organisation suggested that the agencies should ensure they are sufficiently 'joined up' with other organisations operating in this ecosystem, while another respondent argued that the role of the agencies should be in facilitating this strong ecosystem. A further respondent acknowledged that while the current system of business plan competitions, knowledge transfer vouchers and enterprise competitions are useful; they do not lead to adequate company scale up. They concluded that Scotland therefore requires more investment in Innovation Centres for scale up to be globally impactful. For another, the talent pipeline provided by the Saltire Scholar and Fellowship programmes was highlighted as important for scale up.

ENTERPRISE AND SKILLS REVIEW
PAPER BY WOMEN'S ENTERPRISE SCOTLAND (WES) FOR THE ENTERPRISE AND BUSINESS SUPPORT PROJECT

> "The moral case for greater gender equity is clear, and so is the economic case. As countries around the world seek to grow their economies and reduce inequality, tapping into the huge potential of women can be a **game changer**."
> *Christine Lagarde, IMF, International Women's Day, March 2017*

Changing the Game: The Leaky Gender Pipeline
Women Specific Business Support Interventions

Introduction

The four key pillars of the Scottish Government's economic growth strategy are Investment, Innovation, Internationalisation and Inclusive Growth. In this paper, whilst we will touch on all these pillars, our focus is on achieving overall economic growth for Scotland with regard to **gender**, presenting proposals for consideration to ensure that:

Every woman in Scotland, no matter where she lives, no matter her background, socio-economic status, age or ethnicity, will be able to start up and grow a business, supported by the highest quality gender-aware business support.

This goal does not necessitate a radical change in policy and procedure. It simply requires an understanding that many female-led businesses have an alternative growth trajectory and face different business challenges. Significant economic gains can be made by aligning business support to the needs of women-led businesses at all stages of the user journey.

A vibrant and inclusive economy requires all shapes and sizes of businesses. Many women want to grow their businesses, many do not, many are unable to. The ecosystem must collaborate to provide the right level and amount of non-judgemental user-centric support - based on what the female user chooses to do with her business - at the right point in time.

Studies continue to show that women led businesses are projecting growth and aspire to scale up[1]. By providing a supportive, encouraging environment much earlier in the business creation process, and maintaining that consistency of gender-aware support throughout the user journey, we will remove many of the barriers hindering growth. In this way we will enable women to start up businesses at the same rate as men, unlocking the trapped economic potential of women in business, and contributing an additional **£7.6 billion** minimum to the Scottish economy.

In this paper we outline the **Strategic Framework on Women's Enterprise in Scotland, Ecosystem Partnerships, the five-step female business owner journey** (highlighting gender issues at each stage), and present **proposed interventions** that will plug the leaks in the existing business support pipeline. Whilst we believe these proposals will have significant positive short-term impact, it must be noted that real change will be achieved only through sustained long term activity until such time as cultures, mindsets and behaviours associated with economic development and business support are truly gender-aware.

Strategic Framework on Women's Enterprise in Scotland

The **Strategic Framework on Women's Enterprise in Scotland** underpins everything we do to strengthen the Scottish economy through facilitation of women's enterprise. This framework is the first of its kind in Europe and now being adopted globally as a model of best practice[2].

The Strategic Framework and Action Plan, currently being refreshed and to be relaunched in summer 2017, delivers economic capability in the key areas of measurement, mentoring and networking, role models, growth and finance, gender-aware support and best practice for women in enterprise. Informed by research studies and feedback from women-led businesses themselves.

Women's Enterprise Scotland (WES) provides the gender expertise to lead and manage the implementation of this framework, with **delivery of the actions through the Ecosystem Partnerships**. It is anticipated that framework partners will be held accountable for performance of gender-aware business support to the Strategic Board that will hold Scotland's enterprise and skills agencies to account. This is expected to be in place by September 2017, led by an independent chair and with Ministerial membership.

Collection and analysis of gender-disaggregated data is crucial to both the short and long-term success of the framework implementation. Key measurements for women in enterprise need to be redefined to include less focus on turnover and investment raised, and more consideration given to profitability, sustainability, entrepreneurial mindset, confidence, well-being and societal impact as measures of inclusive growth. This accords with emerging global best practice in national economic measurement[3].

Ecosystem Partnerships

Ecosystem Partnerships include Scottish Enterprise, HIE, Business Gateway, Innovation Centres, Enterprise Hubs, E-Spark, CDS, Chambers of Commerce, Investing Women, Networking Groups (such as ASB and BWS), Associations, private companies e.g. RBS.
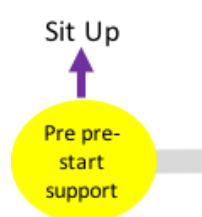
Significant cultural change will only be effected through expert collaboration with partners, all working together in the true spirit of partnership towards a common goal.

Women Business Owners' Journey (See Appendix 1)

There are five key stages in the journey of a female business owner:
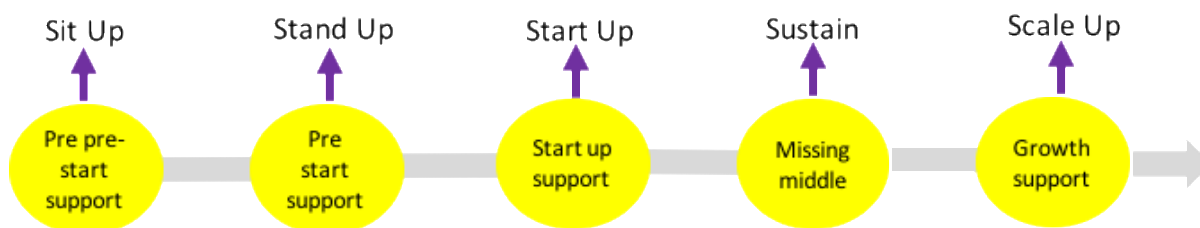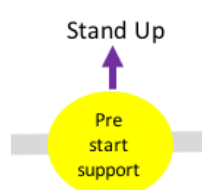
1. Sit Up (Pre Pre-Start Support)

A vibrant economy requires potential business owners to come forward. While some pre-start support is available via Business Gateway (BG), many women are holding back. The formal business environment represented by BG can feel intimidating and this, coupled with a lack of knowledge about the business start-up process, can deter women from taking action. Research[4] on the experiences of women who have come forward and started up a business in Scotland, points to a structural lack of understanding of the challenges faced by women and a desire for:

"Advisors who aren't using behaviour or language that belittles women seeking support."

Earlier stage intervention can begin to address this barrier – supportive, encouraging, friendly, helpful, local support - allowing women time and space to think through their ideas and aspirations, build their confidence to believe their business is possible and talk it through with a trusted adviser who does not pre-judge anything nor has a visible need to "*tick boxes*". At this stage concerns over confidence, ability, work-life balance, childcare, etc. can start to be gently considered and tackled, along with a basic introduction to business skills and supportive networks. Provision of non-judgemental women-specific support is vital at this early stage to optimise the existing business support framework and return on investment.

An example of successful pre pre-start up business support for women is the business creation course run for military wives in Midlothian. At the start of the project participants were only comfortable with speaking their name and 57% said they lacked the confidence to start a business. By the end of the 10 week 1.5 hour workshop course, 100% of participants said they had the confidence to start a business, 100% had identified a clear business idea and 76% had started up a business.

2. Stand Up (Pre Start Support)

With the boost gained from pre pre-start support and equipped with increased confidence and basic business skills, women move onto the second stage of the journey. Undertaking more research, testing and validating their idea, reaching out more and gradually building their own supportive networks and business acumen.

At this stage they benefit from support in navigating the broader ecosystem, thinking about planning the next stage, low-cost/no-cost research, micro-grants, listening to and learning from peers, being encouraged by relevant role models, again all done in a non-judgemental manner which builds mutual trust and confidence.

3. Start Up
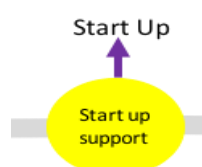
At this stage women transition into more traditional mainstream support. Their confidence has grown, backed up by a level of demonstrable business skills, their networks have evolved, they are surrounded by other females setting up businesses, and they feel equipped and excited about forming their own business, ready to undertake more in depth business planning and more action, secure in

their new level of skills and support.

It is a crucial transition point – research[5] points to the existence of structural discrimination and women believe the current system does not understand their business support needs.

> *"*You know the cliché I am so very tired of "fail fast". Just aaargh ….we do it in a different way.*"*

The ability to access gender-aware business support is key to success, particularly with evolving their business plan. Having time to think things through, properly assess the risks ahead and being comfortable to ask questions without *"feeling stupid"* all strengthen confidence. This phase is typically a longer incubation and analysis stage for women. Understanding and catering for the needs of women led businesses at this point will reduce current pipeline leakage and produce more robust, sustainable businesses.

> *"*That one size fits all, I do generally think my contact with advisory services has been incredibly positive and helpful but other parts have been really offensive.*"*

4. Sustain (Missing Middle)
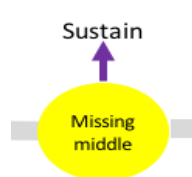
This "missing middle" is a critical phase for women-led business as the "leaky gender pipeline" problems really become evident at this stage of the user journey – referred to as the "Missing Middle". Women can start up and grow their businesses to say £100k t/o, but after this growth tends to slow. Many women are happy to remain at this stage, **and should not be judged for doing so**, if that fits their work-life balance and aspirations.

However, many women do wish to grow their businesses, but at this point they can stall, stifled by numerous barriers, including but not limited to, lack of appropriate mentors and role models, lack of capital, a hierarchy of support available, inappropriate attitudes to sustainable growth, sectoral discrimination and emotional issues such as mindset, confidence, imposter syndrome and leadership skills.

Research[6] shows that many women feel business support services are not equally open to all, and that if you are not in a particular sector, advisers can be somewhat dismissive.

> *"*We are so lucky in Scotland, we have so many avenues open to us, but it feels like they are not equally open*"*

> *"*It's about accessing the right services at the right time and having the proper support for your business, and people having the interest. I do feel sometimes when you access services if they are not sufficiently interested in what you're doing, if they think that's not going to be massive…*"*

At this stage it is essential that consistent and sustained gender-appropriate support is given to women, with a strong focus on leadership skills, helping them to build balanced formal fiduciary boards and being comfortable with the financial and

emotional implications of business investment, including raising substantive growth capital. The vast majority of equity investments are still made by men. Women need intensive, tailored, gender-appropriate support in navigating this often aggressive, confrontational and male dominated environment, to release the full economic potential of their businesses and their own business aspirations.

5. Scale Up
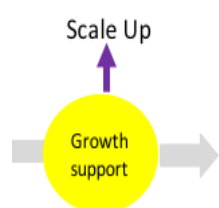
As women-led businesses move into the scale-up phase, they may look to internationalise, creating a need for more international support and mentors/advisers with international and growth experience. Women may have cultural issues to overcome in different countries and need gender-aware support in developing and embedding their leadership skills in an international context.

Innovation and internationalisation are critical components for business growth. Access to those areas of business support are a prerequisite to optimise the economic growth potential of women-led businesses. Without a gender-aware and informed business ecosystem, women are 20% less likely than men to win endorsement for their ideas, inhibiting economic growth[7.] Currently mainstream access to internationalisation and innovation support is restricted and a broader access is recommended to produce a greater economic return. Innovation led activity in Scotland is majority male, yet studies show that greater gender diversity helps to unearth novel solutions and powers radical innovation[8]. Greater innovation access by women will facilitate an economic ripple effect beyond the women in business sector and boost Scotland plc.

It is important to note here that women tend to want to grow their businesses much more sustainably than men: this may mean that their growth trajectory is varied and slower, but it is likely to be more profitable in the longer term[9].

Key Elements of Proposed Interventions

Proposed gender-sensitive interventions might include the following (see model in Appendix 1)

1.   Digital Portal

A single digital access point, the first point of contact for women thinking about setting up a business, and behind which all Ecosystem Partners line up. Simple, efficient, effective with gender balanced content, female-friendly messaging, images, tone and language. This may be facilitated initially through a woman-friendly access point on proposed main ecosystem portal, complemented by a gender review of existing digital content. However, it may in time require a complementary portal to be developed for female businesses. In either scenario, the access point refers onto the proposed National Business Women's Centre for 1-1 support and relevant signposting.

Rationale: current websites and digital support are transactional in design and can be off-putting to women at an early stage of idea development and confidence. And they tend to start with the need for a business plan.

2.   Women's Business Centres: National and Satellites

Providing a national centre of expertise, complemented by satellites in both urban and rural communities across Scotland. Referrals through Digital Portal for an initial one-on-one discussion (in person/video/telephone) with an expert in gender-aware business support. Initial assessment made on type, tone and level of support required, agreed with the user. User ID/Passport agreed. Digital "Buddy" appointed for 6-12 months to help user navigate through the ecosystem and signpost/introduce to relevant gender-trained business support in agencies, etc.

National Women's Business Centre located in central belt. Essential to have a bricks and mortar presence, complementing the digital portal. Providing an enabling, supportive environment and focal point for meetings, training, one-on-one surgeries, drop-in sessions, and digital facilities to provide mainstream gender-aware support to users and agencies and ecosystem organisations throughout Scotland.

Five regional Women's Business Centres in strategic geographical locations, co-located in existing premises such as Innovation Centres, Enterprise Hubs, etc. to leverage existing ecosystem assets. Can be supported by a partnership of Women's Business Centre staff and gender trained staff from agencies. Centres important in aiding development of local community peer to peer networking, mentors and board members.

National Women's Business Centre leads on assessment of initial user requirements, appointing Buddys, gender training of business advisers and appointment/training of local gender business support "Ambassadors".

Rationale: the lack of a focal point for women's enterprise in Scotland has contributed to the slow progress and relatively low numbers of women business owners. A 'bricks and mortar' centre and regional satellites will act as beacons for women across Scotland – in addition to providing expertise and guidance for mainstream ecosystem organisations. The National Women's Business Centre will also provide Scotland with an international centre of excellence which other countries will want to emulate and establish a legacy for future generations.

3.   Business Adviser Gender Training

All business advisers to be gender trained to be fit for purpose (aware of specific challenges faced by women led businesses, how best to address and support) and meet a professional gender-aware standard.

Rationale: it is critical to help business advisers better tailor provision of their advice to the end-user in order to overcome issues such as discrimination and gendered stereotyping towards female-led businesses.

4.   Ecosystem Partnerships

Buddys signposted/introduced to relevant partners in the ecosystem as outlined previously, including but not limited to Scottish Enterprise, HIE, Business Gateway, Innovation Centres, Enterprise Hubs, E-Spark, CDS, Chambers of Commerce, Investing Women, Networking Groups (such as ASB and BWS) and Associations.

Buddys on hand to assist with early stage meetings ensuring women receive gender-aware, needs-based support – maximising motivation, confidence and business potential.

Rationale: in order to fundamentally change the culture and practice of enterprise support in Scotland, current ecosystem partners will need to transform quickly, and genuine partnership working and 'buddying' will help this to be achieved.

5.   Strategic Framework on Women's Enterprise in Scotland

It is important to re-emphasise that the proposed interventions above (Digital Portal, Women's Business Centres, Business Adviser Gender Training and Ecosystem Partnerships) are underpinned by the **Strategic Framework on Women's Enterprise in Scotland**. Women's Enterprise Scotland (WES) provides the gender-specific expertise but delivery of the actions is through the ecosystem partnerships.

The above proposed structure will support women-led businesses through the five step journey, delivering gender-aware, emotionally intelligent led interventions at every step. Based on the fundamental business principle that it is more cost-efficient to retain and grow existing businesses, rather than constantly replenish due to user attrition, this model will plug the gaps in the leaky gender business support pipeline.
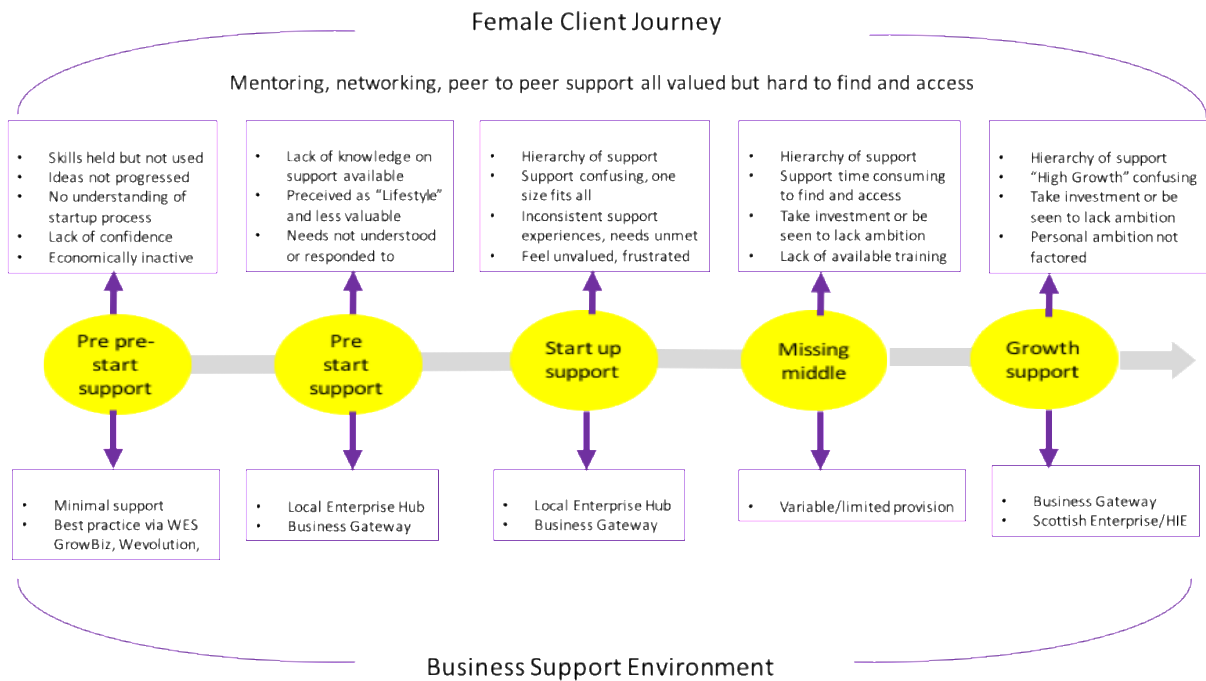
Running your own business, be it a microbusiness or a global growth business, will be a realistic and achievable option for any woman in Scotland. Women-led businesses who do want to scale, will not be left to flounder in the Missing Middle, but enabled to achieve their full economic potential.

Women's Enterprise Scotland
March 2017

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Appendix 1

Female Client Journey

Mentoring, networking, peer to peer support all valued but hard to find and access

Pre pre-start support	Pre start support	Start up support	Missing middle	Growth support
• Skills held but not used • Ideas not progressed • No understanding of startup process • Lack of confidence • Economically inactive	• Lack of knowledge on support available • Preceived as "Lifestyle" and less valuable • Needs not understood or responded to	• Hierarchy of support • Support confusing, one size fits all • Inconsistent support experiences, needs unmet • Feel unvalued, frustrated	• Hierarchy of support • Support time consuming to find and access • Take investment or be seen to lack ambition • Lack of available training	• Hierarchy of support • "High Growth" confusing • Take investment or be seen to lack ambition • Personal ambition not factored
• Minimal support • Best practice via WES GrowBiz, Wevolution,	• Local Enterprise Hub • Business Gateway	• Local Enterprise Hub • Business Gateway	• Variable/limited provision	• Business Gateway • Scottish Enterprise/HIE

Business Support Environment

Strengthening the Scottish economy through facilitating women's enterprise

Strategic location bases across Scotland eg Inverness, Aberdeen, Dundee, Edinburgh, Glasgow, Dumfries

Single digital access point

Leverage existing ecosystem assets and expertise eg Innovation centres, enterprise hubs, local networks, business associations

Digital Portal

Women's Business Centres   Ecosystem Partnerships

Measurement   Mentoring & Networking   Role Models   Growth & Finance   Gender-aware Support & Best Practice

Adapt business pipeline to better serve women led businesses. Maximise investment made via targeted women specific interventions

Emotionally intelligent led interventions from start to end

Pre pre-start support	Pre start support	Start up support	Missing middle	Growth support
Idea creation Market research Testing concept Viability	Market research Testing concept Viability	Business formation Business Planning	Missing middle	Business review Innovation, Investment Internationalisation Inclusive Growth

Underpinned by the Strategic Framework on Women's Enterprise in Scotland – action plan, partner engagement, delivery, measurement

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ENTERPRISE AND SKILLS REVIEW
ENTERPRISE AND BUSINESS SUPPORT – SCOPING DOCUMENT FOR SCOTLAND CAN DO SCALE

The Need

Under the Scottish Government's (SG) Programme for Government and the Enterprise and Skills Review, there is an intent to stimulate more businesses in Scotland to realise their growth ambitions and scale-up, and thereby create significant economic growth, jobs and wealth across Scotland. Specifically, within the SG's Innovation Action Plan there is the objective:

> "to increase our ability to scale up innovative companies with rapid growth potential, by drawing together existing high growth initiatives into a collaborative ScaleUp programme."

The critical importance of ScaleUps to Scotland's economy are further summarised in the MIT REAP Scotland Report[1] and Sherry Coutu's ScaleUp Report[2] and elsewhere as part of the broader support for business growth. Both the REAP Scotland and Coutu Reports identify target areas they believe will make the greatest impact.

The Challenge

- How can Scotland create significantly more companies who have the ambition and potential to scale up to T/O £50-£100m+, significantly increasing their impact on the Scottish economy?
- How can we get better, more globally comparable data on Scotland's performance in ScaleUps which informs support provision to raise Scotland's profile as a global location to anchor companies? e.g. Barclays Entrepreneurship Index has Scotland as the worst performing region in the UK[3].
- How can the wider ecosystem in Scotland effectively engage with these ambitious high potential companies at the earliest opportunity and thereafter to ensure they get the right support at the right time to accelerate their growth?
- Currently, although there is already a wide range of tailored support on offer in Scotland, there is an opportunity to join this up more effectively and to ensure this is presented in a manner that is more streamlined, coherent, accessible and collectively focused on this key group of businesses - and a willingness to do so.
- The Programme for Government makes clear Ministerial expectations that the 'collaborative and expanded' scale work must be bridged into the start-up world to provide a 'conveyor' of ambition and support.

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[1] MIT REAP (Regional Entrepreneurship Acceleration Programme), Increasing Innovation-driven Entrepreneurship in Scotland through Collective Impact, 2014, http://www.hie.co.uk/business-support/entrepreneurship/mit-reap/.
[2] Sherry Coutu, The Scale Up Report on Economic Growth, November 2014, http://www.scaleupreport.org/scaleup-report.pdf,
[3] Barclays Entrepreneurs Index 2016/17 vol 8

Our Objective

To accelerate ambitious business growth and the economic impacts on GDP, jobs and tax revenue by:

- Building momentum behind a joined up and inclusive ScaleUp movement in Scotland to raise awareness, connectivity and ambition ('Scotland CAN DO Scale').
- Collaborating to tidy up the "supply side", i.e. have a clear joined-up offer for companies on a scale-up journey ensuring the customer is at the heart of all thinking, and embed continuous improvement to develop jointly the service offering, maximising resources and expertise across the ecosystem.
- Collaborating to identify and activate the "demand side", i.e. to find ScaleUp leaders and companies to give them a smooth and rapid path through the system of support available.
- Collaborating to establish common measurement across what we do.

Collaboration in Scale Up means an inclusive partnership across all the public, private and third sector, working together with a shared vision, clear roles and responsibilities that are defined to help achieve the shared goals, value-add and clarity about each organisation's contribution.
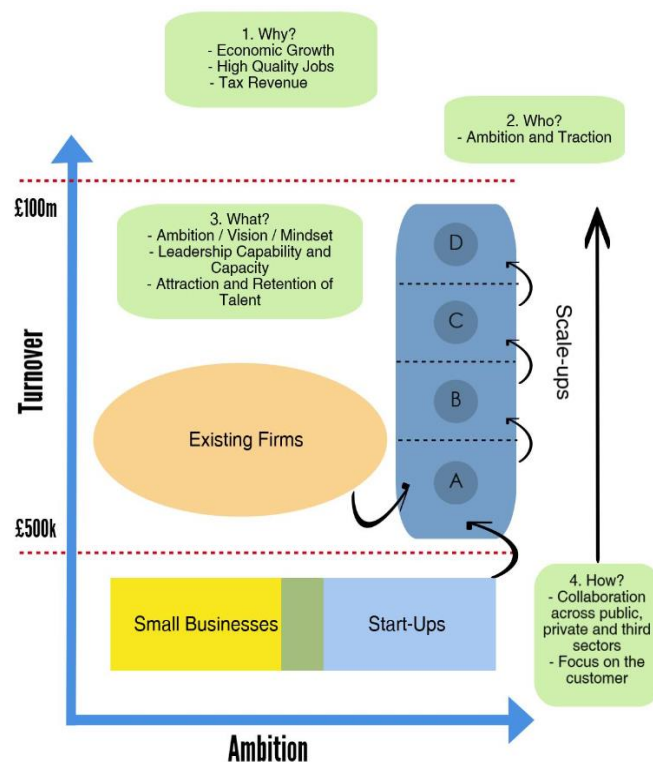
The Customer

The target customers are entrepreneurs/business leaders who exhibit the following characteristics:

- Have the ambition to grow significantly and with pace; and
- Are innovation driven and have an international mindset.

And can demonstrate through their firms:

- The potential to grow substantially relative to their base and a stretch aspiration for turnover of at least £50-100m;
- Evidence of customer traction in their market and the potential for global reach;
- The ability to raise funds beyond the seed stage (if relevant);
- The existence of a commercially focussed executive team / board;
- At the outset, normally, turnover of >£500k and a staff of >5 employees, i.e. they have the resources to hand to turn their ambition and market traction into reality.

Key Areas of Focus

Tidy up and align the "Supply Side"

a. **Shared Framework and Language –** refine and agree a shared understanding of the customer characteristics and needs at each of the phases of development amongst those servicing high growth businesses, supported by a common language to identify and describe these. Can we create a shared framework for the stages and needs that is used by all and can evolve over time? We should also seek to develop and use a shared diagnostic tool to assess firms in a similar way.

b. **Alignment of Development Programmes –** develop the informal group that has come together of all those offering ScaleUp development programmes including SE, HIE, ES, THF, Strathclyde Business School, ESpark, Codebase, LSE to help prioritise support services on key interventions to help unlock the growth potential.

c. **Alignment of other Interventions** – seek to align other interventions in a similar way to development programmes, e.g. NXDs and Boards, learning journeys/trade visits, mentorship, peer networks, access to finance.

d. **Involve other Stakeholders** – important to engage and involve other stakeholders including banks, advisory community, media.

Stoking and fuelling the "Demand Side"

e. **Identification -** there is poor visibility of who these Scale Up leaders are. Is it possible to create a master list of ScaleUps for communication and tracking?

f. **Communications and Media** – how best to agree, develop and implement a comms plan with key messages to use externally with the business community and media to drive engagement and momentum behind the pan-Scotland multi-organisational Scotland CAN DO Scale movement.

g. **Portal** – potential to create Scotland CAN DO Scale portal, for example under the CanDo banner and linked to the proposed single digital access point for business support that will for example:

- Filter and direct to appropriate place for account management;
- Promote all the programmes available to ScaleUp businesses/entrepreneurs in a consistent and clear way so the entrepreneur/business leader can see the benefits and differences of each programme;
- Enable those who believe they are running a ScaleUp (and meet the characteristics / criteria) to register on the site;
- Identify and celebrate Scotland's ScaleUp firms – perhaps top 100.;
- carry case studies of how the programmes have supported the scale-up / scaling journey;
- potentially offer information and links to access talent, access funding, access networks and other development opportunities.

Note to ensure there is a consistent experience at each stage of the entrepreneurial journey, it is important this portal – like the overall Scotland CAN DO Scale programme - is linked into any national access point for business support and the other relevant stages of a business' development, including pre-

start-up and start up, as well as support for e.g. microbusiness and businesses more generally.

h. **Recognition** – potential to:
  - offer a "Scotland CAN DO Scale" badge of recognition to those meeting the criteria.
  - Publish and celebrate a list of the Top [100] ScaleUps in Scotland [potential opportunity to partner with media, e.g. Insider].
  - Track and publish collective impact on turnover, jobs and profit in ScaleUps.

i. Use behavioural insights (nudge) to increase demand and link to work on raising ambition more generally.

Measuring our progress
  - Engage experts in measurement into the discussion, e.g. Fraser of Allander, GEM, SG/SE/HIE economists, Business Insider etc.
  - Do we use the OECD definition of ScaleUp[4] in measurement for consistency as part of our measures?
  - Measures might include:
    i. the number of scaling businesses per 10,000 population (initially to provide a baseline);
    ii. turnover and jobs growth in this segment;
    iii. the number of enquiries across all partners as an indicator raised awareness and ambition
  - Integrate with the analytical unit being established in support of the Strategic Board to provide a focus for analytical activity across Scotland's enterprise and skills agencies..

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[4] The OECD defines Scale-ups as enterprises with average annualised growth in employees (or in turnover) greater than 20 per cent a year over a three-year period, and with 10 or more employees at the beginning of the observation period. However, conditions across certain areas of Scotland, in particular the Highlands and Islands, mean that for practical support purposes a definition of scale could extend to employing one or more people and average annualised growth greater than 20% per annum over a 3-year period.

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