

A Nation with Ambition: a high tech, low carbon, inclusive economy.

Discussion Paper – *Building a Backbone to support Enterprise, Entrepreneurship, and Innovation*

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Overview

BACKGROUND

A core objective of the Enterprise and Skills Review has been to make a step change in support to help us progress towards our ambition of Scotland ranking among the top quartile of OECD countries in terms of productivity, equality, wellbeing, and sustainability. Scotland is a country rich with global potential, and embedding an entrepreneurial mindset is one of the keys to unlocking this. Entrepreneurship, particularly when combined with market orientated innovation, is known to create companies capable of capturing substantial value and delivering significant economic benefit.

In 2013 a group of Scottish and international entrepreneurs convened 300 of the leading players and influencers of Scotland's entrepreneurial support ecosystem. This resulted in a call for the following three main outputs:

1. A commitment to a common long term strategy (20 years +) (a shared statement of intent) for the entire ecosystem to rally behind
2. A movement towards an entrepreneur-led ecosystem with Government and Corporates playing supporting roles
3. Regular activities/forums where the 'entire stack' was welcomed to the table to work collaboration to improve all the different parts of the ecosystem. (Practice the culture change by which systems change happens)

In 2014 the **Regional Entrepreneurship Acceleration Programme (REAP)** report's key recommendation was for a 'Backbone' organisation to be formed to foster innovation-driven entrepreneurship in Scotland through stakeholder collaboration and engagement. The identified recommended principles of operation aligned clearly with those previously identified by the ecosystem:

- Private funded, non-profit
- Government endorsed but private sector led
- Stakeholder representative leadership group
- Major currency is work-in-kind
- Initially supported by HIE/SE but transitioning to self-sustainability within two years
- Network of stakeholder groups collaborating to promote conditions for IDE (Innovation Driven Enterprise) growth in Scotland
- Ambitious – seeks to have significant impact

In the same year as the MIT REAP report publication **Scotland CAN DO** was launched by the Scottish Government as the ecosystem's shared statement of intent towards becoming a world-leading entrepreneurial and innovative nation. The creation of the identity and its framework was led by the Scottish Government and co-created with a broad range of members from Scotland's Entrepreneurial support ecosystem.

The role of the Backbone will be to work across all stakeholders in Scotland's entrepreneurial ecosystem to ensure ongoing alignment of vision, delivery of mutually reinforcing actions, continuous communications, and an agreed monitoring framework. In so doing, it will unlock collective impact.

VISION, PRIORITIES AND AREAS FOR ACTION

The agreed vision is to be:

A world leading entrepreneurial and innovative society

The agreed priorities are:

- To ensure the ongoing alignment of the vision;
- To ensure the delivery of mutually reinforcing actions;
- To ensure continuous communications; and
- To implement an agreed monitoring framework.

The REAP report also identified five areas which currently constrain the ecosystem. If Scotland's performance in building innovation driven enterprises is to be enhanced, these five areas should be explored as part of backbone and wider activity:

1. Actions to improve networking linkages between innovation capacity and entrepreneurial capacity to improve the rate of creation or transformation of growth businesses.
2. Actions to improve skills for growth through provision of internationally excellent education in entrepreneurship and management.
3. Actions to improve access to growth finance through private initiatives in the finance sector and enhancement of management capability in companies.
4. Actions to leverage the role of our universities to improve entrepreneurship and management education and build links with alumni to foster mentoring, support and development of Scotland's ambitious entrepreneurs.
5. Actions to promote innovation-driven entrepreneurship to individuals of all ages as a worthy and rewarding career choice through a positive communication strategy and extensive use of role models.

BENEFITS – WHY DO IT?

- Leaders of innovation-driven enterprises are able to share experiences and learning, and accelerate growth as they interact with, and feed off, a much more effective and capable entrepreneurial community.
- Reduced friction in the system, i.e. through reduced duplication and making greater use of private and third sector resources, there will be an improved and leaner use of public resources.
- Identifying and filling gaps in support for those scaling.
- Improved and more coherent supply side offering to IDEs.

- Increased profile and reputation of entrepreneurship and innovation domestically, encouraging more people from a broader cross-section of society to get involved.
- Increased reputation of Scotland internationally, highlighting our commitment to entrepreneurship and innovation, and ability to effectively support enterprise at all levels.
- Showcasing a model of engagement for other policy areas to follow as appropriate.

Possible Questions

- What might Scotland look and feel like in 10 years if we were to become a world class entrepreneurial and innovative society?
- What are the barriers to us achieving this goal in both the short term (say 2 years) and long term (say 10 years)? How do we address these barriers?
- Who are the key stakeholders to be involved in the Entrepreneurial Movement? How might we best engage them?
- Which parts of the entrepreneurial ecosystem might be left out or not get the support they need? How do we address this?
- Could the activities of the Backbone be disproportionately beneficial to any particular group, for example new or established enterprises? How might this be minimized?
- What examples can we learn from internationally? Who might we partner with?
- What is the role of Government in the Entrepreneurial Movement?
- How might Government itself model an entrepreneurial mindset and set an example?
- Different organisations within the entrepreneurial ecosystem may operate very different cultures. What action might be taken to bridge these differences to foster productive engagement and partnership between stakeholders?
- Once operational, how should the Backbone prioritise its stated objectives?
- How could the CAN DO brand help the Backbone meet its objectives?
- How might businesses which do not consider themselves innovative or high-growth benefit from the establishment of the Backbone?