# SCOTLAND CAN DO BECOMING A WORLD LEADING ENTREPRENEURIAL AND INNOVATIVE NATION

Click on a box to view details.... Why is entrepreneurship and innovation important? **Ministerial Foreword** Scotland's entrepreneurial and innovative spirit An Introduction to the Framework What is entrepreneurship and innovation? Our aim What Happens Now? **Understanding** To grow our economy and address social · A snapshot of our our challenges challenges by making Scotland a world leading entrepreneurial ecosystem entrepreneurial and innovative nation · Good practice to note Conclusion **Our Values and Approach** Our themes for action • Working together to create a · What matters to us in promoting Capable CAN DO nation entrepreneurship and innovation? Ambitious · Getting in touch with us How does that affect our methodology? Networked Demand and Opportunities **Channelling Change** · How do we drive the Framework forward?





#### MINISTERIAL FOREWORD

by John Swinney MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth



John Swinney MSP

Scotland has always been a **CAN DO** nation and we can be proud of the impact that our people have made, and continue to make, on the shape of the modern world. Today a new spirit of entrepreneurship can be seen throughout Scotland and there is a real desire to effect positive change across all parts of our economy. Often this is through taking a distinctly Scotlish approach in recognising the social as well as economic benefits of entrepreneurship and innovation and by working together creatively across the public, private, and third sectors. There is a clear recognition that if we are to **achieve sustainable economic growth**, and **create opportunities for everyone** to flourish, then we must work together to accelerate entrepreneurship and innovation across Scotland.

This framework highlights the importance and ambition we attach to entrepreneurship and innovation, the values that will inform our work and our future priorities for action. Our commitment was shown in the 2014-15 draft Budget which highlighted additional funding for innovative measures to encourage a new age of entrepreneurship across Scotland.

Just as importantly this framework asks what **you** can do – as an individual, an entrepreneur or an innovative business – to help create the types of businesses that will have the biggest positive impact on Scotland and on the world.

Our vision is of Scotland as **a world-leading entrepreneurial and innovative nation** – **a CAN DO place for business**. We invite all of our enterprising citizens, businesses and organisations to join with us, in a Team Scotland effort, to make that vision a reality.





# INTRODUCTION

The purpose of this framework is to set out our vision and ambitions for **becoming a world-leading entrepreneurial and innovative nation** – a **CAN DO** place for business.

#### Our **ambition** is to achieve:

- an increase in entrepreneurship and innovation activity from individuals and businesses in Scotland resulting in more businesses being formed and new products and services from existing businesses;
- more people from all walks of life with the ambition and skills to create, lead and grow successful businesses;
- an education system with entrepreneurship and innovation at its core, seizing the opportunities presented by Curriculum for Excellence, college reform and the world-leading strength of our universities;
- more of our knowledge and intellectual capital being commercialised and greatly increased collaboration between business and the academic sector; and
- a greater focus on, and share of, global markets as our business leaders grow in confidence and expand their horizons internationally.

This framework will contribute to the following **National Outcomes** in Scotland's Performance Framework:<sup>1</sup>

- We live in a Scotland that is the most attractive place for doing business in Europe.
- We realise our full economic potential with more and better employment opportunities for our people.
- We are better educated, more skilled and more successful, renowned for our research and innovation.

**1** <u>See Scotland Performs at: http://www.scotland.gov.uk/About/Performance/scotPerforms</u>





There are three specific National Indicators that will help us to measure performance towards making Scotland a world-leading entrepreneurial and innovative nation:

- Increase the number of businesses.<sup>2</sup>
- Increase research and development spending.<sup>3</sup>
- Improve knowledge exchange from university research.⁴

The document sets out:

- What is entrepreneurship and innovation?
- Why are entrepreneurship and innovation important?
- 2 <u>See chart at:</u> <u>http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/</u> businesses#chart
- **3** See chart at: <a href="http://www.scotland.gov.uk/About/Performance/scotPerforms/">http://www.scotland.gov.uk/About/Performance/scotPerforms/</a> indicator/research
- **4** See chart at: <a href="http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/knowledge">http://www.scotland.gov.uk/About/Performance/scotPerforms/indicator/knowledge</a>

- Our values and approach.
- **Scotland's entrepreneurial and innovative spirit.**
- Understanding our challenges.
- Priorities moving forward.
- Channelling change and next steps.

This framework has evolved from on-going discussions with a wide range of stakeholders across Scotland, including workshops held in May and June 2013. It is also published in a printable format..





#### What is entrepreneurship and innovation?

"Innovation and technological change of a nation came from the entrepreneurs, or wild spirits." (Joseph Schumpeter, 1939)

It is important to define what we mean by entrepreneurship and innovation.

- **Entrepreneurship** is a mindset seeking new opportunities which can be turned into sustained business growth. Entrepreneurs are those who seek to generate value through the creation or expansion of economic activity by identifying and exploiting new products, processes or markets.
- **Innovation** is the process by which ideas can be turned into new or significantly improved products, services or business processes. While products and services vary widely the innovation process requires creativity and connectivity between customers, suppliers, financiers and other partners.

To succeed businesses need both these elements: entrepreneurs who can identify real market opportunities and the innovative skills to translate a good idea into a marketable product.

Government's role is to provide the supportive environment in which such businesses can succeed and accelerate growth in our economy.

All business development and business start-up is important to our economy. The focus of this entrepreneurship and innovation framework, however, is on those businesses and business ideas which have the **greatest potential for growth**, **internationalisation and economic benefit**.





#### Why is entrepreneurship and innovation important?

"Entrepreneurship is the engine fuelling innovative employment generation and economic growth. Only by creating an environment where entrepreneurship can prosper and where entrepreneurs can try new ideas and empower others can we ensure that many of the world's problems will not go unaddressed." (Klaus Schwab, Chair World Economic Forum 2009).

Entrepreneurship and innovation are important because of the contribution they can make to securing the Government's purpose of **creating sustainable economic growth**. This is through:

- improving Scotland's competitiveness through businesses which have the **greatest potential** for growth, internationalisation and economic benefit, including through the creation of jobs; and
- finding solutions to society's most difficult problems and so creating a more equitable and sustainable future;

As the **Government Economic Strategy** states: "Scotland is a country rich in economic potential. Our people are creative, ambitious and resilient and we are home to world class entrepreneurs, scientists and engineers. It is vital we harvest the opportunity that this provides."<sup>5</sup>

Entrepreneurship and innovation are also key elements of the European Union's Europe 2020 aim of **smart**, **sustainable and inclusive growth**. The resources available through the European programmes from 2014-20, including the Horizon 2020 programme, can potentially accelerate Scotland's ambition to be a world-leading entrepreneurial and innovative nation. So too can our continued membership of the EU's **Smart Specialisation Platform**<sup>6</sup>, which promotes a focus on those areas within a region or country that provide unique competitive advantage.

Innovation is seen as the engine of long term economic development and has underpinned much of the UK's productivity growth. As Nesta highlighted in its recent publication *Plan I The Case for Innovation-led Growth*, "63% of productivity growth in the last decade came either directly or indirectly from innovation". <sup>7</sup> Investment in innovation is a prominent feature in the strategies of many successful small economies, including Finland<sup>8</sup> and Denmark<sup>9</sup>.

<sup>&</sup>lt;sup>8</sup> http://www.tem.fi/en/innovations/innovation policy





<sup>&</sup>lt;sup>5</sup> Government Economic Strategy, September 2011.

<sup>6</sup> http://s3platform.jrc.ec.europa.eu/home;jsessionid=2yGySgKWpn38KmPnQcF6TBvkBDJSTysGkxSvs900S325vGx5nMLm!-248139239!1377864406873

http://www.nesta.org.uk/library/documents/Planlwebv3.pdf

It is also crucial to consider that **demand from consumers**, whether individuals, businesses or the public sector, is the most important factor in the success or failure of businesses. Innovation and entrepreneurship can help stimulate that demand and generate market opportunities for new products and services, leading to economic growth.

<sup>9</sup> http://fivu.dk/en/newsroom/issues/innovation-strategy





#### Scotland's entrepreneurial and innovative spirit

We are a nation rightly proud of our **rich heritage** of entrepreneurs, innovators and creative people. Indeed, some have even argued that "Scots invented the modern world". <sup>10</sup> From inventing the television, the telephone and radar to discovering penicillin and developing beta-blockers, our past achievements as a nation are significant and varied. Today, cutting-edge work such as the technology of 'tractor-beams' presently being led by St. Andrew's University, the development of the next generation of prosthetic limbs by Touch Bionics (see <u>case study</u>) and ADL's world leading hybrid buses (see <u>case study</u>), shows that the **CAN DO** spirit is alive and well in Scotland.

Alongside our nation's inventiveness we celebrate the great men and women whose **entrepreneurial spirits** have created jobs and growth, both at home and abroad. From Sir Thomas Lipton and Andrew Carnegie in the nineteenth century to Lord Haughey, Sir Tom Hunter and Ann Gloag OBE, who are working with us on the EDGE fund judging panel. Scotland's entrepreneurs are renowned not just for their business success but also their philanthropic endeavours.

We maintain a strong network of **higher education institutions**, five of which rank in the global top 200 universities<sup>11</sup>, and there is a real focus on business across our further and higher education sectors – ensuring that while we rightly celebrate our past and current successes we also pave the way for future ones.

Shown clockwise from top left, members of the Entrepreneurial Exchange Hall of Fame Charan Gill MBE, Duncan Bannatyne, Lord Willie Haughey OBE and Ann Gloag OBE. Reproduced with kind permission of The Entrepreneurial Exchange - © broad daylight

<sup>11</sup> http://www.timeshighereducation.co.uk/world-university-rankings/2013-14/world-ranking





<sup>&</sup>lt;sup>10</sup> Arthur Herman (2001)

There are a number of positive signs emerging which indicate that Scotland is already moving forward in achieving greater entrepreneurship and innovation:

- The Global Entrepreneurship Monitor (2013) noted that in 2012 the rate of Total Early-Stage Entrepreneurial Activity (TEA)<sup>12</sup> in Scotland was 6.9 per cent compared to 6.2 per cent in 2011. Over the last three years, Scotland's TEA rate has moved from being in the fourth quartile amongst 20 innovation driven nations to the second quartile. 13
- Scotland is in the top quartile of OECD countries for research and development spend by the higher education sector  $(2011)^{14}$ .
- Scotland has been recognised as the best place in the UK to start a life science business for the second year in a row <sup>15</sup>.
- We are securing more money and participating in more projects in the EU's flagship Research and Innovation Programme, Framework Programme 7 – than at any time in our history.
- A comprehensive and aligned ecosystem of support for entrepreneurship and innovation has developed with considerable renewed enthusiasm across the public, private and third sectors.

All signs that point to a new entrepreneurial and innovative spirit alive in Scotland.

http://www.strath.ac.uk/huntercentre/research/gem/
http://www.scotland.gov.uk/Topics/Statistics/Browse/Business/RD/GERDreport
http://mobiuslifesciences.com/news/2012/12/findings-of-the-2012-uk-life-science-start-up-report-realignment-/





<sup>&</sup>lt;sup>12</sup> The percentage of the adult working age population that are actively trying to start a business, or that own and manage businesses that are less than three and a half vears old.

#### **Understanding our challenges**

Despite our strong track record of entrepreneurship and innovation, and many great entrepreneurial individuals and innovative companies, Scotland faces a number of challenges. Innovation in Scotland has been characterised as a conundrum - a high performing academic sector but lagging business innovation performance in relation to research and development.

During the past two years we have been developing our understanding of this. A review of **Scotland's Innovation System** undertaken by the European Commission helped to crystallise the key strategic challenges requiring attention and to highlight where changes are required to improve economic growth.<sup>16</sup> This includes developing a multi-annual action plan for prioritising investments and ensuring university spin-off companies make more impact on the Scottish economy. There is also a need to increase the current low numbers of enterprises participating in research and development and innovation activity.

The **Regional Entrepreneurship Acceleration Programme** (**REAP**)<sup>17</sup> is looking at the interaction between innovation and entrepreneurship capacity. The number and scale of Scotland's innovation-based enterprises is an indicator of the strength of innovation and entrepreneurship in the country. These companies have a greater potential to grow, to trade internationally and therefore to contribute more to Scotland's economic development.

Scotland fares well in some areas when compared to other innovation based nations, but the following have been identified by REAP as areas where collective action is required:

- Effective connections.
- Skills for growth including sales and certain technology skills.
- An increased role for universities within the entrepreneurship ecosystem.
- Promoting entrepreneurial role models.
- Securing appropriate finance is a key challenge for many growing businesses.

http://reap.mit.edu/



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<sup>&</sup>lt;sup>16</sup> "A Smart, Sustainable nation?" Review of research and innovation policy in Scotland – Reid, 2012.

#### Our values and approach

Today in Scotland it is right that all of our people should have the opportunity to benefit from sustainable economic growth. In driving forward entrepreneurship and innovation, we believe that:

- The **ambition**, **drive and leadership of individuals** is crucial and must be nurtured and developed within school and beyond. An entrepreneurial mindset can be learned and a culture that supports it created.
- Entrepreneurial and innovative companies are found **across all business sectors**. While many innovations are technology-based, other forms of innovation can equally provide a competitive advantage it is the potential to create value and accelerate growth that is important.
- A range of business models are important, including employee ownership, co-operatives and social enterprises.
- There should be greater inclusion and involvement in entrepreneurship and innovation across society.
- Internal entrepreneurship and innovation intrapreneurship is crucial to companies wishing to keep their competitive
  edge in a global market.
- **Design, design-thinking** and **creativity** are part of an innovative approach.
- Increasing collaboration within and beyond Scotland, and involving the public, private and third sectors working together, is key to success.
- The public sector has an important role in creating a supportive business environment for entrepreneurship and innovation; in being a role model for innovation; through novel approaches to procurement; and in seeking to stimulate both innovation and market demand.
- **Constitutional change** in Scotland could provide a range of policy and financial levers to further promote entrepreneurship and innovation in Scotland.





#### Conclusion

This document sets out the importance the Scottish Government places on entrepreneurship and innovation as a key way of accelerating sustainable economic growth. It has also highlighted the areas we consider are future priorities for action to make Scotland a CAN DO place – a world leading entrepreneurial and innovative nation.

In moving forward, working together will be key and we welcome any comments on this framework. In particular, we welcome your views on what **you can do** to increase Scotland's competitiveness and economic growth through increased entrepreneurship and innovation. How can we work with **you** to achieve a better Scotland – to make Scotland a CAN DO nation.

Please contact us at: CANDO@scotland.gsi.gov.uk

#scotlandcando





## **Priorities moving forward**

In order to grow our economy and address key social issues by making Scotland a **world-leading entrepreneurial and innovative nation** we need to take action to develop our strengths and address the challenges we face.

We need a **collective approach** that brings companies, universities, public agencies and customers together to exploit more of the opportunities that drive growth and increase exports.

We consider there are **four main themes to transform Scotland's performance** as an entrepreneurial and innovative nation. These themes have been generated by assessing existing evidence and analysis and through discussions with stakeholders across the public, private and third sectors. They will guide how "Team Scotland" moves forward and will be the focus of our key priorities over the next three years.

Click on a theme below to learn more....





# Scotland CAN DO



Capable



**Ambitious** 



Networked



Demand and Opportunities





#### **CAPABLE**

• Our entrepreneurs and innovators have the support, skills, and finance to start and develop growth enterprises.

In order to innovate and grow, businesses need to have the right team in place with the necessary leadership and technical skills to create new products and services. They need to have access to the right kind of business support as well as the opportunities of the digital economy and appropriate, affordable finance. A supportive regulatory regime that reduces the burden of bureaucracy on our entrepreneurs and innovators is also required. The Scottish Business Resilience Centre<sup>18</sup> can help our businesses to safeguard their assets.

There is already a range of **business support** for entrepreneurs and innovators with growth potential across Scotland and we will continue to work to ensure this is aligned and focused on the needs of business.

We will continue to **invest** in those companies with the greatest potential for growth, internationalisation and economic benefit through schemes such as SMART:Scotland; R&D Grant for Business; Proof of Concept and Knowledge Transfer Grant; Smart Exporter; and the Entrepreneurial Development Programme. See the Business Portal<sup>19</sup> for full details of current schemes and support.

The next programme of European Structural and Investment (ESI) Funds 2014-2020 will also support entrepreneurship and growth through an increased focus on business competitiveness and innovation. The funds will focus on the key drivers of growth through offering business advice, support and leadership development which bridges current services and makes it easier to start and grow a businesses in Scotland. Additional innovation support will better link academia to business and commercialisation by helping businesses to develop new globally competitive products, services and processes. Overall, the support from the ESI funds will help to identify the next set of high growth companies, in particular focusing on those which could achieve growth in the next five years and helping those companies achieve and sustain that growth.

http://www.business.scotland.gov.uk/





http://www.sbcc.org.uk/

# Supporting Growth



**NB:** the above is an indication of some of the key agencies and resources available to support business growth and ambition in Scotland. It is not intended to be exhaustive.





Our entrepreneurs and innovators need access to the right **skills and training** for themselves and their employees that will help them to develop and grow their enterprises. The industry led Skills Investment Plans, delivered through Skills Development Scotland (SDS), provide a framework for businesses and employers to articulate the right skills needed to support the development of Scotland's growth sectors. SDS's web service for individuals, My World of Work<sup>20</sup>, is currently developing a suite of new content on enterprise and entrepreneurship due for launch early 2014. Using a range of tools, features and case studies, the content will introduce enterprise skills and their relevance to career development; and help individuals consider entrepreneurship as a potential career path.

Our colleges and universities are crucial to ensure our businesses have access to a supply of **entrepreneurial and innovative graduates** equipped with the skills, training and appetite to join growing businesses. The Scottish Funding Council engages with colleges and universities to highlight the need for applied learning and understanding of business needs. The WildHearts Foundation<sup>21</sup> has been promoting "entrepreneurial apprentices" who will be placed with high growth potential businesses.

The **digital economy** is key to much entrepreneurial activity and innovation and to support our businesses to work in the digital economy we are investing in infrastructure that will allow super-fast broadband rollout across Scotland. The Step Change Programme<sup>22</sup> is putting in place infrastructure that will have the capacity to deliver next generation broadband to at least 85 per cent of premises by 2015/16 and 95 per cent by 2017/18. There will also be a new Digital Scotland Economy Partnership with our public and private sector partners, to ensure that all of Scotland's businesses can benefit from the digital age.

A particular challenge for any entrepreneurial and innovative businesses is **securing finance** for growth, particularly in the current economic context. We will therefore continue to work with the banks to improve the supply of finance to new and growing ventures and with Scotland's vibrant Business Angel community.

Scottish Enterprise will provide advisory services for companies seeking to access finance, including through the finance hub of the Scottish Business Portal<sup>23</sup> and a team of investment readiness specialists. The Scottish Investment Bank<sup>24</sup> will continue to work with our most entrepreneurial and innovative companies to ensure they have debt and equity financial solutions. We are also

http://www.scottish-enterprise.com/fund-your-business/scottish-investment-bank.aspx





<sup>&</sup>lt;sup>20</sup> http://www.myworldofwork.co.uk

http://www.wildheartsinaction.org/

http://www.scotland.gov.uk/Topics/Economy/digital/action/Makingprogress

http://www.business.scotland.gov.uk/Funding

investigating the potential of non-bank finance such as peer-to-peer lending and crowd funding, including funding a Saltire Fellowship to investigate the US experience.

A key opportunity for Scotland is to help unleash the growth potential in our **established middle sized companies**, many of which are family businesses with proud heritages. The Scottish Government will therefore work with the Federation of Small Businesses, Scottish Chambers of Commerce and our enterprise agencies to develop the entrepreneurial and innovative capability of Scotland's established businesses.

#### **Priorities moving forward:**

- Providing aligned and focused business support to improve entrepreneurial and innovative capabilities.
- Having a range of public sector investment support available.
- Focusing on the skills businesses need to innovative and grow.
- Supporting entrepreneurs and innovative businesses to work in the digital economy.
- Working to secure greater access to finance.
- Working with our established middle-sized companies to support growth potential.







# **AMBITIOUS**

• Scotland is a nation that values and celebrates entrepreneurship and innovation.

We need to ensure that entrepreneurship and innovation is embedded across Scottish society and that Scotland is truly seen as a **CAN DO** place. Within a global marketplace where competitive advantage is realised through innovative products, processes and business models, fostering an **entrepreneurial and ambitious culture** is essential. Scotland needs more people with an entrepreneurial mindset and ambition, with a greater appetite for risk and reward, people who can create new products and services and grow companies of international scale.

Our **education** system is key to realising our ambition. Through **Curriculum for Excellence**, teachers and others who support young people's learning are able to inspire and unleash the potential of our next generation of innovators and entrepreneurs. Curriculum for Excellence's framework for learning and teaching has enterprise as one of five cross-cutting themes which underpin learning across the whole curriculum. Our former enterprise in education strategy, Determined to Succeed, was embedded within Curriculum for Excellence from April 2011. The Scottish Councils' Enterprise in Education Network (SCEEN) meets regularly to share intelligence and best practice across the country in enterprise and entrepreneurial activity in schools and other settings.

• The Scottish Government will be facilitating collaborative work between Education Scotland, the Association of Directors of Education in Scotland, Micro Tyco, the Social Enterprise Academy, Young Enterprise Scotland, The Prince's Trust and other partners to create further accessible resources for schools and pupils.

Entrepreneurship and innovation also needs to be further promoted across **Scotland's colleges and universities**, including as exciting career options available for talented individuals. Scotland's new regional college structure presents an exciting opportunity to do this and will be an integral part of increasing entrepreneurship and innovation across Scotland. The Independent Commission





for Developing Scotland's Young Workforce,<sup>25</sup> chaired by Sir Ian Wood, will also be examining the potential for increasing entrepreneurship as it concludes its work.

There is widespread agreement around the importance of **role models** in developing an entrepreneurial and innovative culture. We are currently supporting the 1001 Enterprising Scots<sup>26</sup> project to develop a repository of video resources featuring a wide range of Scots talking about their business. This will be freely available and searchable allowing experiences of entrepreneurship and innovation to be shared. Further promotion of role models will be vital in raising levels of ambition.

A key principle we value is to promote inclusiveness in entrepreneurship and innovation, working with key business, social and third sector organisations to ensure **all members of society in Scotland** are able to realise their potential to be entrepreneurs and innovators. This includes working with the Enterprise Research Centre at Strathclyde University<sup>27</sup> in order to better understand how black and ethnic minority entrepreneurs can be better supported and celebrated and also to promote entrepreneurship by women.

VisitScotland has been promoting entrepreneurial ambition through its Thistle Awards<sup>28</sup> which feature a category of "Tourism Entrepreneur". Over 100 entries were received demonstrating the entrepreneurial energy in the sector.

WildHearts and their partners are working towards the establishment of a significant annual prize for ready-to-market business ideas that will offer a positive outcome for 'global good'. In supporting this and facilitating its delivery we will demonstrate our national values towards 'business for good' and inspire all of Scotland's people and the wider world towards values-based-business.

Our **town centres** can be at the heart of enterprise and community as identified in the National Review of Town Centres External Advisory Report<sup>29</sup>.

The Scottish Government, Scotpreneur, the Scottish Business Resilience Centre and other partners will deliver a competition that enables the key actors within our town centres to enhance and develop their local entrepreneurial ecosystems. By supporting the

http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/town-centres/review





http://www.scotland.gov.uk/Topics/Education/edandtrainingforyoungple/commissiondevelopingscotlandsyoungworkforce/interimreport

http://www.scotpreneur.org.uk/

http://www.strath.ac.uk/press/newsreleases/2012/headline\_674776\_en.html

http://blog.visitscotland.org/scottish-thistle-awards-open-for-2013/

development of these 'living labs' we will ensure that our town centres are equipped to support the economic and social aspirations of their communities.

## **Priorities moving forward:**

- Through Curriculum for Excellence supporting teachers and schools to inspire the next generation of entrepreneurs and innovators.
- Promoting entrepreneurship and innovation across our colleges and universities.
- Promoting a series of inspirational entrepreneurial and innovative role models.
- Deliver a series of projects to realise the potential for a wider range of people across Scottish society to engage in entrepreneurship and innovation.
- Support the ambition for our town centres to be at the heart of enterprise and community in Scotland.







# **NETWORKED**

• Our entrepreneurs and innovators can network and work together to help fulfil their ambitions.

Supporting businesses which have the greatest potential for growth, internationalisation and economic benefit requires a linking together of the people, ideas, experience, technology, finance and production networks needed to successfully develop new ideas and methods and then bringing them to scale and market. We also need to improve creation and exploitation of knowledge across the innovation system, including thorough encouraging more collaborations between businesses and between businesses and academia.

The network between business and academia is crucial. There is a need to support and promote the benefits of **knowledge exchange** collaborations between businesses, universities and colleges that deliver a positive economic impact.

The Scottish Funding Council<sup>30</sup>, working with Scotland's universities and enterprise agencies, have launched **Innovation Scotland** - a shared strategy to increase the simplicity of, and improve the effectiveness of, the support for business growth through innovation arising from collaboration with universities.



The Innovation Scotland transformation agenda will be driven by a high profile **Innovation Scotland Forum** to ensure that opportunities to better support innovation and entrepreneurialism are identified and that effective action to stimulate business demand for innovation is taken. Examples of the Innovation Scotland strategy in action already include the enhanced work of **Interface** and the ongoing creation of Scotland's **Innovation Centres.** These demand-led centres will stimulate economic growth through the innovation arising from businesses and universities working together.

<sup>30</sup> http://www.sfc.ac.uk/



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Accessing European research and development funding is a key way business and universities and colleges can work together. To support this the Scottish Funding Council has launched a new £400,000 funding scheme to help at least 80 Scottish businesses break into the European research market. The Horizon 2020 SME Engagement Scheme intends to support businesses to explore Horizon 2020 European research funding opportunities with the assistance of Scottish universities. The new voucher scheme provides up to £5,000 of support for each project.

**Mentoring** is seen as an essential way for entrepreneurs and innovative businesses to network with, gain insight from and develop opportunities with more experienced business leaders. The profile and understanding of mentoring needs to be raised to ensure entrepreneurs and innovators are better able to access and take advantage of the practice.

The Scottish Government will develop a comprehensive understanding of the mentoring landscape. Following this we will facilitate key partners to develop and promote a joined-up service that better allows mentors to offer their skills and that enhances the offer to potential mentees.

#### **Priorities moving forward:**

- Ensure better collaboration and knowledge exchange between businesses and between business and universities and colleges.
- Implement Innovation Scotland and Innovation Centres to support greater business and academic collaboration.
- Support businesses to access European research and development funds, particularly Horizon 2020.
- Support and develop the opportunities for mentoring for our entrepreneurs and innovative companies.







# **DEMAND AND OPPORTUNITIES**

• Stimulating demand and market opportunities to accelerate the development of new products and services.

Entrepreneurship and innovation exists where there is customer demand and market opportunities. We need an increased focus on creating consumer demand for new projects and services through innovation and encouraging entrepreneurship. We need to ensure Scottish companies are able to access market opportunities that present themselves, particularly exporting and internationalisation, including having the skills related to marketing and selling.

**Customers** can be instrumental in driving entrepreneurship and innovation. These can be individual consumers or public or private organisations. A key way to influence this is to use innovative procurement to drive innovation and public service design and delivery. This could include pre-commercial procurement and setting challenges and competitions. European Regional Development Funding has also been allocated to support a pilot programme to establish a Procurement Facilitator Programme. The programme will focus on pre-commercial procurement, looking to capture public sector needs, stimulate awareness and understanding within the business community of the opportunities available and aid skills and capacity transfer.

Industry Leadership Groups (ILGs) could have a key role in advising on ways to develop demand through innovation. Key to this will be the cross-cutting Technology Advisory Group<sup>31</sup>, which brings together industry and public agencies, and has the vision "to unleash the inherent innovation and business potential that exists within the Scottish Technology and Engineering Sector".

Government can also play a direct role in stimulating innovation, and, using a challenge-based approach, can work together with industry and other partners to come up with solutions to real life public sector issues. The Scottish Government is now using this model to take forward innovation in health in a way that supports the development of innovative products for the Scottish market and beyond.

<sup>&</sup>lt;sup>31</sup> http://www.scottish-enterprise.com/your-sector/technology/strategy.aspx



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NHS Scotland has a Vision for 2020<sup>32</sup> that everyone will be able to live longer healthier lives at home, or in a homely setting. A key component of this is to move the focus of care and support away from the hospital to the communities and homes where people live. This vision is about transformational change, not incremental improvement. To make this happen, innovative models of care and different ways of working must be created and adopted.

The Scottish Collaborative Innovation Partnership Process (SCIPP)<sup>33</sup> is looking to address the NHS Scotland 2020 challenge by promoting radical thinking on extending and improving quality care outside the hospital. The best ideas that emerge from the process will, under sponsorship from the Scottish Government, be developed, supported and scaled through appropriate support mechanisms including NHS procurement, NHS planning, partnership working and the Technology Strategy Board's Small Business Research Initiative programme.

A key way of generating new demand and opportunities is to support the conversion of science and technology ideas into **new products and services** which have the potential to significantly impact on our economy.

The Scottish Science Advisory Council report, 'Making the most of our Scientific Excellence'<sup>34</sup> (2013) concludes a two-year period of work on this topic. Key recommendations in the report include, amongst others:

- that commercial skills should be embedded in all Science, Technology, Engineering and Mathematics (STEM) degree courses:
- the establishment of an annual 'entrepreneurship' summer school;
- that consideration be given to setting up a 'payroll support' scheme to encourage post-graduate employment in Scottish SMEs:
- encouraging the creation of one or more generic graduate training scheme(s) matched to the needs of companies, including small and start-up companies, that do not have in-house schemes;
- that a target 10 per cent of public procurement (health service, local authority) be spent on innovative services and products from SMEs and that the procurement process be redesigned to allow (and even encourage) a higher level of risk in taking on new products and services; and

http://www.scottishscience.org.uk/sites/default/files/article-attachments/Final%20SSAC%20Innovation%20report%20-%20FEB%2013 0.pdf





<sup>32</sup> http://www.scot.nhs.uk/introduction.aspx

For details and application form, see the Scottish Government website at:

http://www.scotland.gov.uk/Topics/Health/Quality-Improvement-Performance/Innovation-Health

The Technology Strategy Board<sup>35</sup> (TSB) has contributed to a number of recent innovation initiatives in Scotland focused on stimulating demand and creating opportunities. The TSB will be a key partner in developing this further.

Exploratory work will also be undertaken as part of Scotland's membership of the Smart Specialisation Platform, to learn from international good practice in areas such as demand driven innovation policies, tools to enhance service led innovation and opportunities to engage more SMEs in innovation.

The impact of strong sales and marketing skills on the growth of businesses is clear. Public, private and third sector partners will therefore work in collaboration to develop and facilitate the skill-sets of sales and marketing engagement and promote the value of these skills.

Being able to export and access new international markets is a key part of entrepreneurship and innovation. When companies start to export, or reach into new markets, they will need to innovate to address customer needs. For firms of all sizes there is a strong positive association between innovation, exporting and productivity and growth – innovation and exporting work jointly to improve business performance.

Analysis shows that companies that received both innovation support and internationalisation support report bigger impacts than those that just received just one of these.<sup>36</sup> Furthermore, SMEs which have a track record of innovation are more likely to export, more likely to export successfully, and more likely to generate growth from exporting than non-innovating firms. 37

Scottish Development International<sup>38</sup> is committed to supporting and working with any Scottish business that wants to trade internationally including the Smart Exporter programme<sup>39</sup> which supports companies exporting for the first time.

The GlobalScot<sup>40</sup> network also offers significant opportunity to help businesses access experienced individuals who can help them to reach new customers and understand the dynamics in new markets and we will explore this further. The Power of Youth<sup>41</sup>

<sup>41</sup> http://power-of-youth.org/





https://www.innovateuk.org/
 http://www.evaluationsonline.org.uk/evaluations/Browse.do?ui=browse&action=show&id=395&taxonomy=ENT
 http://enterpriseresearch.ac.uk/default/assets//File/ERC%20White%20Paper%20No 5%20Executive%20Summary.pdf

http://www.sdi.co.uk/

Go to: http://www.sdi.co.uk/export-from-scotland/export-training.aspx

<sup>40</sup> https://www.sdi.co.uk/globalscot.aspx

initiative has also been developing its network and capabilities through support from the Scottish Government and the Royal Bank of Scotland in order to create opportunities for growing Scottish companies of international scope.

## **Priorities moving forward:**

- A greater focus on how customers, public and private, can influence entrepreneurship and innovation, including through innovative procurement.
- Working with the Scottish Science Advisory Council to ensure Scotland's scientific excellence can fully drive innovation opportunities.
- Work with the Technology Strategy Board to identify opportunities where Scottish organisations can collaborate or compete for funding.
- Assessing the potential for additional support for sales and marketing skills.
- Continued focus on exports and support for entrepreneurial and innovative business to internationalise.







## **Channelling Change**

Our success in driving these priorities forward for Scotland and making Scotland a world-leading entrepreneurial and innovative nation will depend on how our public, private, and third sectors **work together**.

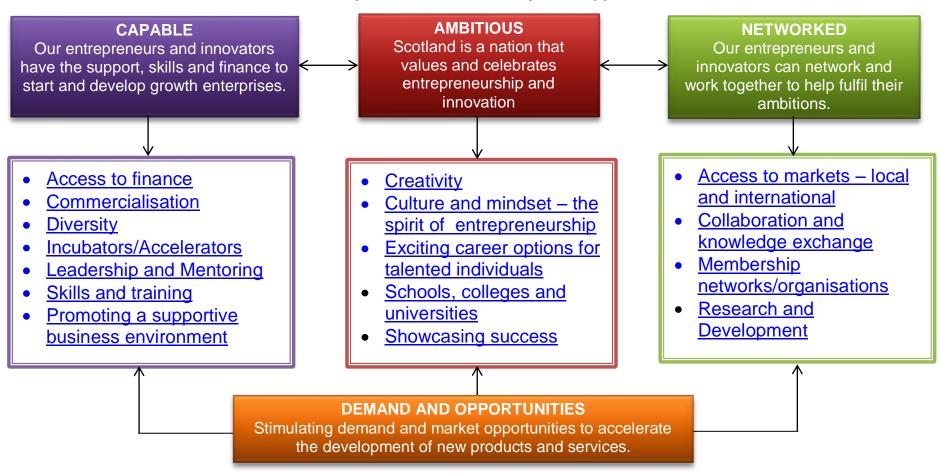
#### Next steps include:

- Preparing a **Team Scotland action plan** to further develop the priorities in this framework over the period 2014/15 and 2015/16 involving public, private and third sectors including identification of available resources.
- Producing a communications plan to support implementation of the priorities contained in this framework and the Team Scotland action plan. This will include working with partners to develop an all-Scotland calendar of events and communication opportunities over the next three years.
- Arranging annual **Ministerial Entrepreneurship and Innovation Summits** in 2014, 2015 and 2016 that will bring together all partners to review progress, implementation of actions and the outcomes being achieved.
- Involving the Industry Leadership Groups (ILGs) in monitoring and challenging the progress made in promoting entrepreneurship and innovation within their sectors.
- Providing regular on-line updates of case studies and good practice examples.
- Developing a **performance monitoring tool** which will help to align activities across Team Scotland to achieve the greatest impact. This will include benchmarking where we are now in relation to entrepreneurship and innovation performance.





# WHAT HAPPENS NOW: A snapshot of current activity and support



**Note:** this is not intended to be an authoritative or exhaustive list but will be developed into a living document which can be quickly and easily updated. These updates can be sent to <a href="mailto:CANDO@scotland.gsi.gov.uk">CANDO@scotland.gsi.gov.uk</a>.





#### **CULTURE AND MINDSET – THE SPIRIT OF ENTREPRENEURSHIP**

The **Scottish EDGE** (see <u>case study</u>) is a fund which aims to support and encourage entrepreneurial activity among young companies in Scotland. The fund is for ambitious entrepreneurs who wish to grow their business. The companies which demonstrate the most potential could win awards of up to £50,000.

Over the next three years, *RBS Inspiring Enterprise* will encourage more people in more communities to explore enterprise, build their skills and start up in business. There are three strands to this activity: Inspiring Youth Enterprise, Inspiring Women in Enterprise and Inspiring Social Enterprise.

Sponsored by HRH The Prince of Wales, *Scottish Business in the Community (SBiC)* provides opportunities for organisations of all sizes and sectors to improve their Triple Bottom Line of; Society, the Environment and the Economy. Through their extensive range of projects and programmes, themed events and training and advisory services they provide the practical solutions necessary to embed sustainable and responsible business practices into the core of your organisation.

**Shell LiveWIRE** helps 16-30 year olds start and develop their own business. Support includes a combined an online support service and awards programme for young entrepreneurs in the UK.

The **Saltire Foundation** aims to find, fuel and spark the next generation of business leaders in Scotland. Its programmes strive to help develop young people into potential business leaders.

Run by Iain Scott of Scotpreneur, **1001 Enterprising Scots** (see <u>case study</u>) is a collection of online stories of real young entrepreneurs sharing the ups and downs of their enterprise journey. The aim is to encourage and inspire young Scots who are interested in starting their own business.

Supported by software developed in Scotland, the *Global Management Challenge* is the largest Strategic Management Simulation Competition in the world. We aim to run it in Scotland next year.

See also: Exciting Career Opportunities; Schools, colleges, and universities





#### **EXCITING CAREER OPTIONS FOR TALENTED INDIVIDUALS**

All-age careers advice is delivered by **Skills Development Scotland (SDS)**. The Career Management Skills Framework for SDS (June 2012) acknowledges the need for individuals to be 'creative and enterprising' in the way they approach their career development.

The SDS-hosted web service *My World of Work* includes advice on exploring your business ideas.

*Our Skillsforce* is a website hosted by Skills Development Scotland that seeks to make it easier for employers of all kinds to access information on recruitment and workforce development.

**employersandyoungpeople.org** is a website to encourage and facilitate a range of positive engagement by employers with children and young people in Scotland.

The **Youth Employment Scotland** fund (see <u>case study</u>) and **SME Growth Programme** (see <u>case study</u>) are creating opportunities for employment in Scotland's SMEs.

The *Environmental Placement Programme (EPP)*, supported by SG, places students with Scottish businesses to undertake projects with an environmental focus.

The *TalentScotland Graduate Placement Programme* (see <u>case study</u>) – *now known as ScotGrad* - offers graduates of Scottish Higher Education Institutions the opportunity to work on a short-term project with an established business or social enterprise. Participating businesses are dynamic, growth-oriented and located across Scotland, within the private and voluntary sectors. Projects last from three months to one year and must be quantifiable and measureable.

Supported by SG and EU funding, *Adopt an Intern* is one of the very few organisations to offer structured placement opportunities that provide graduates with paid internships in cross-sector organisations throughout Scotland.

*Third Sector Internships Scotland (TSIS)* helps students to find paid work experience in the Third Sector. TSIS is being delivered by Queen Margaret University, The Open University in Scotland and the Scottish Council for Voluntary Organisations, with support from universities across Scotland. To encourage third sector organisations to experiment with an internship model, TSIS pays full salary costs for the first intern; 50% for the second intern; and 25% for the third.





The Scottish Chambers' **Graduate Recruitment Incentive** offers £3000 to businesses with fewer than 100 employees to recruit a graduate under the age of 25.

*ICAN* is an initiative by Firstport to show starting a social enterprise is a viable career option for young people.

A number of *fellowship programmes* are available to develop people's leadership and business potential in the early stages of their career. This includes *Scottish Enterprise Fellowships* which help researchers, post-graduate and recent graduates who have a business idea launch their own business and get established. The programme also provides applicants with business training and access to mentors, business experts and professional advisers.

**Knowledge Transfer Partnerships** (KTP) provides academics with the unique opportunity to apply research to business projects. Through KTP, academics can develop business relevant teaching and research; apply knowledge and expertise to important organisational problems; and identify new research themes and undergraduate/postgraduate projects.

Supported by software developed in Scotland, the *Global Management Challenge* is the largest Strategic Management Simulation Competition in the world. We aim to run it in Scotland next year.

See also: Schools, colleges, and universities





#### SCHOOLS, COLLEGES AND UNIVERSITIES

Alongside Global Citizenship, Enterprise in Education is one of two themes across learning highlighted within the *Curriculum for Excellence (CfE)*. Enterprise in Education has two aspects: Enterprising Teaching and Learning, which is broadly about preparing young people for the world of work, and Entrepreneurial Learning, which is about hands-on participation in enterprising activities.

**Micro-Tyco** (see <u>case study</u>) is a concept from the Scottish charity WildHearts that aims to ignite of the spirit of enterprise in leading companies, universities, secondary schools, primary schools and pre-five establishments. Micro-Tyco runs every February and November. Teams choose which month they want to participate in and 'apply' to WildHearts for 'seed capital'; a micro-loan of £1. Once the clock starts they have one month to turn it into as much money as possible.

With the support of Scottish Government, the **Social Enterprise Academy** (see <u>case study</u>) has been working with young people in schools since 2007 and has a proven track record on delivering learning that is relevant, engaging, creative, inspirational and contextualised for young people. In effect learning that changes lives. Since the start of the Social Enterprise in Education Awards programme SEA supported over 500 primary, secondary and additional learning needs schools to establish successful, viable and actively-trading social enterprises all being run by pupils, with turnovers of up to £50,000 per annum.

The **Scottish Institute for Enterprise (SIE)** (see <u>case study</u>) is charged with stimulating an entrepreneurial culture amongst university students and with facilitating & supporting the emergence of student/graduate-led entrepreneurial ventures. Each campus has 2 or 3 Student Interns who promote SIE and their own University's enterprise services, and also run their own local events, competitions, and enterprise society. They are managed directly by SIE Intern Coordinators who work closely with local Enterprise Champions to ensure there are lots of useful enterprise events and activities on campus. SIE is now beginning to work with colleges too.

Run by SIE, with support from Scottish Government, the **Young Innovators Challenge** (see <u>case study</u>) is a competition aimed at finding Scotland's innovators of tomorrow. Here students aged 18 - 24 in their final year of training, further and higher education are tasked with finding a business solution to real life industry challenges.

**Stow College** (see <u>case study</u>) is the only Scottish member of **The Gazelle Colleges Group**, an alliance of 19 UK colleges committed to transforming the curriculum to encourage an entrepreneurial mindset in their students. The college also hosts Scotland's first **Peter Jones Enterprise Academy (PJEA)**. Set-up by Dragon's Den star Peter Jones CBE, PJEA offers further education courses in enterprise and entrepreneurship where students set up and run their own businesses.





Being piloted at City of Glasgow College over the next year, *Bridge2Business* is a brand new interactive and engaging programme from Young Enterprise Scotland. Drawing on the gaps highlighted in the Carnegie UK Trusts' 'Enterprising Minds' report of spring 2012, the aim is to *inspire*, *connect* and *support* college students into business.

As well as investing in research projects the **UK Research Councils** also support the training and career development of researchers and work with them to inspire young people.

The **Saltire Foundation's** Undergraduate Internship Programme offers Scotland's talented students the chance to experience life in some of the world's top companies. Additionally it's Fellowship Programme, helps build entrepreneurial-driven executives.

The *Royal Society of Edinburgh* hosts events for Young People in schools and universities. Events include Science Masterclasses with hands-on experiments, to engaging speakers visiting schools, to thought-provoking and challenging discussion forums, all of which help inspire and motivate students.

See also: <u>Culture and Mindset</u>; <u>Exciting career options</u>





#### SHOWCASING SUCCESS

**Scottish EDGE fund awards** held for each round of bidding. Two have been held to date with a third planned for December 2013.

Entrepreneurial-Spark Hatchery Hits The Street entrepreneurial awards ceremony, to be hosted 10th January 2014.

*Micro-Tyco* competitions held every February and November

The Entrepreneurial Exchange Entrepreneur of the Year awards

Scottish Business Awards

Scottish Business in the Community Awards

Prince's Trust Youth Business Scotland 'Young Entrepreneur of the Year' awards

Ernst and Young Entrepreneur of the Year Scotland

The Junior Chamber International (JCI) Scotland Creative Young Entrepreneur Award

Shell LiveWIRE Grand Ideas and Young Entrepreneur of the Year Awards

Events such as **Scotland's Technology Showcase** provide opportunity for innovative companies to showcase their products to an international audience. The event also provides a chance for companies to network and hear from leading businesses.

A number of awards ceremonies are held in Scotland which recognise innovation. These provide a platform to celebrate success and the benefits to be gained through adopting innovative business practices. Examples include: the *Knowledge Transfer Partnerships Scotland Awards*, *Interface Excellence Awards*, *Government Opportunities (GO) Excellence in Public Procurement Awards Scotland*, *Scottish Enterprise's Life Sciences Awards*, the tourism sector's *Scottish Thistle Awards* and *Scotland Food & Drink Excellence Awards*.





#### **COMMERCIALISATION**

**Scottish Enterprise (SE)** has a bank of intellectual property (IP) resulting from its large scale R&D programmes, which it is looking for license partners to take on and commercialise. In addition, its **Proof of Concept** programme supports the precommercialisation of leading-edge technologies emerging from Scotland's universities, research institutes and NHS Boards. It helps researchers to export their ideas and inventions from the lab to the global marketplace. See case study on <u>Blackford Analysis</u>.

The Marine Renewables Commercialisation Fund (MRCF) is a Scottish Government fund administered by the Carbon Trust. Its goal is to help commercialise the marine energy industry in Scotland. £18m million in funding is available to provide capital support for projects that will accelerate the deployment of commercial-scale wave and tidal stream energy arrays in Scottish waters. The MRCF funding will be distributed before the end of the comprehensive spending review period in March 2015.

Based in the Lighthouse in Glasgow, *MAKLAB* (see <u>case study</u>) is Scotland's first open access digital fabrication studio. One main goal of MAKLab is to reduce the inherent costs associated with prototyping and manufacturing. The expense of setting up a new business for anyone is inherently expensive and high in risk. MAKLab offers this equipment to them at low cost but also supports them with an established network of advice, previous experience and potential opportunities.

**Shell's GameChanger** programme invests in novel, early stage ideas that help address a demand or significant problem in the energy industry and have the potential to change the game. Ideas can range from new oil exploration techniques to improved production tools, or even new forms of energy. The programme helps progress initial ideas to a "proof of concept" stage.

#### See also:

- Morphsuits case study for advice to budding entrepreneurs on getting their ideas off the ground.
- Scottish Science Advisory Council (SSAC) recommendations
- Research and development
- Collaboration and knowledge exchange





#### **CREATIVITY**

*Micro-Tyco* (see <u>case study</u>) is a concept from the Scottish charity WildHearts that aims to ignite of the spirit of enterprise in leading companies, universities, secondary schools, primary schools and pre-five establishments. Micro-Tyco runs every February and November. Teams choose which month they want to participate in and 'apply' to WildHearts for 'seed capital'; a micro-loan of £1. Once the clock starts they have one month to turn it into as much money as possible. At the end of the month the team with the most money wins. There is only one rule: transactions must be legal.

**Bad Idea** is inspiring entrepreneurial spirit through the celebration of creativity and innovation in young people. Everyone has ideas - there's no such thing as a Bad Idea! This is why Bloom VC are supporting young people on their first entrepreneurial journey. Each project owner is between 13-17 and seeks to raise money through crowdfunding to research or start a business. They each have 30 days to reach their target, with the projects closing at an Awards Ceremony when the top ideas are showcased.

The *Cultural Enterprise Office (CEO)* is Scotland's specialist business support and development service for creative and cultural businesses and individuals. Its range of business support services help creative micro-businesses based in Scotland build the skills and knowledge they need to clarify their creative ideas and turn them into flourishing enterprises.

The *Creative Clyde* project (see <u>case study</u>) seeks to build on Glasgow's growing status as a hub for the digital and creative industries, delivering new jobs and economic growth for the city.

Run by SIE, with support from Scottish Government, the **Young Innovators Challenge** (see <u>case study</u>) is a competition aimed at finding Scotland's innovators of tomorrow. Here students aged 18 - 24 in their final year of training, further and higher education are tasked with finding a business solution to real life industry challenges.

**Starter for 6** is Scotland's premier start-up and investment programme for creative industry entrepreneurs. The programme offers creative entrepreneurs the opportunity to learn business skills, progress a creative idea into an emerging business and pitch for up to £10,000 investment over an intensive five month period. The **Cultural Enterprise Office** is delivering Starter for 6 programme in 2013 with funding provided by the Creative Scotland Innovation Fund (via the Scottish Government) since 2010, using a tried and tested model that has supported participants for the past six years.





The Junior Chamber International (JCI) Scotland *Creative Young Entrepreneur Award* is an award which was designed specifically to recognize outstanding young entrepreneurs. The award recognises, honours and celebrates exceptional young entrepreneurs and the role of creativity in their success.

International Creative Entrepreneurs (ICE) offers an intensive, fully funded programme that includes a three month placement overseas, one-to-one mentoring and action learning sessions for five of Scotland's creative leaders entrepreneurs. ICE1 and 2 are funded as part of Creative Scotland's Creative Futures Programme and delivered by NT Creative Arts Ltd.

The Shell LiveWIRE Grand Ideas Awards aim to support UK early trading and start-up businesses (within their first six months of trading) that have the most creative business ideas. Up to six awards of £1,000 will be awarded every month.

The *Creating Cultures of Innovation* programme is a project delivered by the Glasgow School of Art (GSA) in partnership with the Institute of Directors (IoD), and the University of Glasgow Business School (UGBS). The project explores the use of design thinking to improve the effective use of skills in the workforce to enhance performance, innovation and economic productivity in business.

The Glasgow School of Art's *Institute of Design Innovation works* with organisations to showcase how design skills and creative thinking can be embedded in the culture of companies to propel them forward especially in areas such as product and market development.

The world's attention will be on **Scotland in 2014** - the year we host the Ryder cup, the Commonwealth Games and our second Year of Homecoming. A programme of events will celebrate the very best of Scotland's assets, from fine food and drink to stunning natural scenery. Make the most of upcoming opportunities by taking inspiration from tourism businesses who are already ahead of the game. See our VisitScotland nominated <u>case studies</u>.





#### DIVERSITY

## **Gender**

The Scottish Government has been promoting women's enterprise through a series of workshops chaired by Prof. Sara Carter, Head of the Hunter Centre at Strathclyde University, & Jackie Brierton, Director of *Women's Enterprise Scotland (WES)*. WES is a community interest company that focuses on the contribution women's enterprise makes to the Scottish economy.

**Enterprising Women** is a national (UK) community of over 45,000 women from all sectors and backgrounds, who benefit from a wide range of business and peer support, from high quality training, growth programmes and local networking events to mentoring and practical advice from business women who've been there, who are there, and who are getting there!

The **Aspire Fund** is a £25 million investment fund for women-led businesses, which is jointly funded by the Government and private sector. The Fund is aimed at high-growth businesses seeking an investment of between £100,000 and £2 million to help finance growth. The maximum investment in a funding round by the Aspire Investment Fund is £1 million.

*Investing Women* is a women's business angel network designed to unlock funding for young Scottish companies.

## <u>Age</u>

The Prince's Trust Youth Business Scotland (YBS) (see <u>case study</u>) leads Scotland in the promotion and support of selfemployment and business creation amongst young people, thus contributing to the economic development and community regeneration of the country's regions in line with the policy of the Scottish Government.

**Young Enterprise Scotland (YES)** runs training programmes and provides practical opportunities for young people aged 5 to 25 to get involved with business and enterprise. Through its work in primary and secondary schools, colleges, prisons, secure and residential units and with community groups, YES strives to inspire and prepare all young people to learn and succeed through enterprise.

You Only Live Once (YOU-OLO) (see <u>case study</u>) is a team of young entrepreneurs keen to assist the next generation of young entrepreneurs. They aim to do this by matching ideas to mentors, crowd funding the initial startup capital and retailing their products on their site, at the same time offering a 'money supermarket' service to new business startups.





**Power of Youth** (see <u>case study</u>) is a growing community of highly successful entrepreneurs who believe business should be at the heart of building a better, more just and sustainable world. It is in the process of delivering a 12 month legacy programme in Scotland, supported by the Scotlish Government and the Royal Bank of Scotland.

**entrepreneur me** is working with young people encouraging entrepreneurship, Positive Attitudes and Ambition. It has a variety of resources and workshops that are delivered nationally through its offices in Airdrie, Belfast and Yorkshire.

The Prince's Initiative for Mature Enterprise (PRIME) (see <u>case study</u>) is the only national organisation dedicated to providing everyone over 50, who is unemployed or under threat of redundancy, with the support to achieve financial, social and personal fulfilment through sustainable self-employment.

Glasgow's **Youth Enterprise Zone** initiative aims to make it easier for young people to set up and grow their own businesses. The offer includes hothouse incubator space as well as training, advice and support and funding.

## **Ethnicity**

Based in Govan in Glasgow, *Radiant & Brighter* (see <u>case study</u>) provides support, help and guidance on all aspects of business start-up as well as employability and language training. While they have particular expertise in supporting immigrants, they will provide help to anyone who needs it.

With the aid of two specialist advisers from an ethnic background, *Business Gateway* can offer tailored advice to people of BME background wishing to start up their own business.

See also: **Exciting career options** 





### **INCUBATORS/ACCELERATORS**

Entrepreneurial Spark (E-Spark) (see case study) is a business accelerator or Hatchery where start-up and early stage businesses are hot-housed, nurtured and enabled in an intensive five month business accelerator programme. They offer start-up support, business mentoring, workshops, office space, IT and facilities all completely free in a collaborative environment for like-minded entrepreneurs to test their ideas, network and ideally grow. Located across three Hatcheries in Glasgow, Edinburgh and West Coast, E-Spark welcomes applicants from idea, early stage businesses and to those who have been trading up to five years and/or have a £1 million turnover. Their vision is to create a business start-up renaissance in and from Scotland.

**Digital Enterprise Glasgow (DEG)** is a business incubation facility designed to provide intensive and sustainable business development support and above all, a nurturing environment to help accelerate entrepreneurial activity through a cluster of rent-free incubation hubs located in the City of Glasgow. Currently there are six locations.

**Fashion Foundry** is a new business incubator and talent hub for fashion and textile designers in Scotland. Focusing on the luxury market, Fashion Foundry offers 18 months business incubator support which will accelerate ten of the country's most promising designers, giving them the confidence and skills to maximise their creative and business potential. This will be complemented by a series of industry events open to the wider fashion community, fostering a specialist network for the sector in Scotland.

Innovation Centres Scotland Ltd (ICS) is a provider of incubation services and support for early stage, growing businesses in Scotland. It's facilities include Hillington Park Innovation Centre and Alba Innovation Centre. Owned by Lanarkshire Enterprise Services, ICS also operates Scotland-wide sector focused initiatives on behalf of Scottish Enterprise such as Wellness and Health Innovation and Interactive Scotland as well as a range of consultancy projects for the private sector.

Hillington Park Innovation Centre is one of the fastest-growing technology incubators of its kind in Europe. Based in a top-class facility near Glasgow Airport. Hillington was recognised in 2010 for its excellent incubation facilities by achieving leading edge status in the UKBI Inspire accreditation scheme.

**The Alba Innovation Centre** (see <u>case study</u>) was developed by Scottish Enterprise and West Lothian Council specifically for early stage innovative technology businesses with great ambitions to grow. Further to this, Scottish Enterprise has also developed the **Alba Incubation Service** to further enhance their assistance to young, growing technology businesses throughout Scotland.





**TechCube** (see <u>case study</u>) is a is a world class space for technology startups in Edinburgh. It provides affordable office space, services and community support for companies trying to tackle big problems. Situated two minutes' walk from the University of Edinburgh and directly adjacent to the Meadows, TechCube is at the heart of Edinburgh's rapidly developing startup scene.

**The Centre for Health Science** is the only incubator building in the Highlands and Islands of Scotland dedicated to health and life science businesses. Designed to create a climate that stimulates commercialisation opportunities leading to new products and services, the centre brings together expertise in health related research, education, training and patient care in an innovative and collaborative environment. The adjacent new **Inverness Campus** development will include business incubation units

In Glasgow, the **Youth Enterprise Zone** initiative offers young entrepreneurs the use of a desk, phone, computer, printer, scanner and copier as well as fully equipped meeting and conference rooms to use at their convenience. Unfurnished workshop units are also available.

Accelerator/Incubator support also available at various *colleges and universities*, including:

- University of Abertay Dundee White Space
- University of Dundee Dundee University Incubator (DUI)
- University of Edinburgh The Edinburgh Technology Transfer Centre
- Edinburgh Napier University The Moffat Centre at Craiglockhart and Bright Red Ventures at Merchiston
- University of Glasgow Technology Incubator Hub (part of Digital Enterprise Glasgow)
- University of Stirling Student Enterprise Business Incubators
- University of Strathclyde Strathclyde University Incubator Limited (part of Digital Enterprise Glasgow)
- Fife College business incubator for creative industries
- Cardonald College Creative Cardonald (part of Digital Enterprise Glasgow)
- City of Glasgow College Incubator (part of Digital Enterprise Glasgow)
- Elmwood College (SRUC) Rural Business Centre
- Stow College iStart@STOW (part of Digital Enterprise Glasgow)

Run by Firstport, *Ditto* gives you a business model that's been tried before, works well and will profit you and the community you want to help. It's as simple as that. You become a social entrepreneur and your business becomes a social enterprise.





#### LEADERSHIP AND MENTORING

**Business Mentoring Scotland** is a free Scottish Chambers of Commerce service run in partnership with Scottish Enterprise. Aimed at decision makers in businesses that want help to grow, the mentoring programme can be tailor made to suit growth potential and time constraints. Inverness Chamber of Commerce runs the service for the Highlands and Islands.

**Prince's Trust Youth Business Scotland** (see <u>case study</u>) has a bank of volunteers (around 750) who give their time and expertise to mentor young entrepreneurs both in the initial stages when the business idea is being considered and as mentors in the aftercare/monitoring process.

**Entrepreneurial-Spark** is proud of the extensive and growing mentor network wrapped around its Chiclet companies. They have hatcheries in Glasgow, Ayrshire and Edinburgh, and are looking for mentors to cover these locations

The **Saltire Fellowship** has been developed by the Saltire Foundation, which was set up with support from Scottish Enterprise and the influential International Advisory Board. It aims to identify individuals who can make a difference to Scotland's economic future and provide them with invaluable opportunities to work with some of the world's key business players. Each of the Fellows will attend an initial 16 week placement at Babson, before undertaking placements within both large blue-chip organisations overseas and small high-growth entrepreneurial ventures in Scotland.

Our *Enterprise Agencies* run a range of events and workshops to develop leadership skills in Scottish businesses. This includes: the *Rural Leadership Programme*, addressing the specific challenges of operating a successful rural business; the *Leadership Lab*, which provides information and advice from Scottish Enterprise and Scottish businesses; and Highlands and Islands *Leadership for Growth* and *MIT Entrepreneurship Development* programmes.

**YOU-OLO.com** (see <u>case study</u>) offers a global platform for 16-24 year olds in Scotland to take those very early entrepreneurial steps. We will encourage 16-24 year olds to take action on their idea by posting it onto our website. YOU-OLO.com will then match the idea to a mentor, encourage them to crowd fund their initial start-up capital and to use this to sell their first items on our online shop.

See also: Membership Networks/Organisations; Collaboration and knowledge exchange





#### RESEARCH AND DEVELOPMENT

Scotland's Enterprise Agencies provide a range of assistance to support research and experimental development. This includes **SMART: SCOTLAND** (see case study on <u>Insignia Techologies</u>) and **R&D** grants (see case study on <u>Alexander Dennis Ltd</u>). Scottish Enterprise's **Innovation Support Service** also provides advice to companies undertaking innovative projects.

Sector specific funding is also available through SE such as *Tourism Innovation in Action* and the *Food Health Innovation Service* (see <u>case study</u>).

The Scottish Funding Council's *Innovation Vouchers* (see <u>case study – Munepene</u>) help companies develop new products, services and processes through collaborative working with Scotland's Higher Education Institutes.

A range of support for R&D is available from the *Technology Strategy Board*. Additionally *R&D tax credits* may help companies reduce their tax bill by providing a taxable credit on the amount of their qualifying R&D expenditure.

**Innovation Centres** including those established by the Scottish Funding Council, the Technology Strategy Board's Catapult Centres, ITREZ and Fraunhofer all aim to bring together academia and industry in innovation and R&D projects. See case studies on the <u>Alba Innovation Centre</u> and <u>TechCube</u>.

A number of European funding opportunities are also available including the *Eurostars* Programme. Eurostars aims to stimulate R&D performing SMEs to lead international collaborative research and innovation projects by easing access to support and funding. It specifically targets the development of new products, processes and services and the access to transnational and international markets.

The **Food and Health Innovation Service** provides a range of practical support to help businesses realise growth opportunities in the healthy food and drink products marketplace – estimated to be worth £20 billion in the UK and more than £300 billion globally. The project provides specialist support to Scottish Food and Drink companies, covering the whole process of innovation.

See also: Collaboration and knowledge exchange; case study on Touch Bionics





#### SKILLS AND TRAINING

Highlands and Islands Enterprise (HIE) can provide access for account managed clients to a number of innovative and world class entrepreneurship support programmes, training courses and activities. This includes the MIT Entrepreneurship Development Programme (EDP) held onsite at the Massachusetts Institute of Technology (MIT) in Boston.

**Scottish Enterprise (SE)** holds workshops throughout Scotland offering hints, tips and expert advice on how businesses can improve their performance through efficiency savings, sustainable environmental policies and embracing the low carbon economy. This is in addition to a range of events and workshops aimed at developing leadership skills in Scottish businesses

**Business Gateway** offers a range of workshops and events throughout the country on all aspects of starting and growing a business, including sales and marketing.

The **Social Enterprise Academy** (see <u>case study</u>) tailors learning and development for people working in, or towards, a leadership role in the social economy. It is able to deliver courses to the public, private, as well as the social economy sector.

Delivered by Skills Development Scotland, *Flexible Training Opportunities (FTOs)* is financial assistance available to small businesses in Scotland for employee training to increase productivity.

Edinburgh's *Road to Investment* workshops give participants the skills and confidence to engage with business angels.

Supported by software developed in Scotland, the *Global Management Challenge* is the largest Strategic Management Simulation Competition in the world. We aim to run it in Scotland next year.

See also Schools, colleges, and universities; Exciting career options; Diversity; Leadership and mentoring





### **ACCESS TO FINANCE**

Beyond the banking sector, a wide range of initiatives and resources are available to help businesses start up and grow. Some of the key ones are highlighted below:

# **General**

The Finance Hub (finance.scotland.gov.uk) is the place where businesses in Scotland can find up-to-date details of the range of financial support available.

**Young Company Finance Scotland** tracks and reports on early stage high growth companies in Scotland. Its Guide to Finance for Young Companies in Scotland brings together directories of funders and advisers with articles giving guidance to young companies preparing to raise finance.

A *guide to Government financial assistance for businesses* has been published by the Scottish Parliament Information Centre. The guide outlines financial assistance available to new and existing businesses in Scotland as at October 2013.

Through **Scottish Enterprise** and **Highlands and Islands Enterprise**, a wide range of funding is available to Scottish businesses, particularly in the following sectors: Construction, Energy, Food and drink, Forest and timber industries, Life sciences, Technology.

Through *Princes Trust Youth Business Scotland (YBS)* (see <u>case study</u>), professional business and financial support is available for young people to start-up and continue in business. Support includes: low interest loans; general grants and pre-start test marketing grants; pre-start training and advice; access to a business adviser for up to two years; book-keeping training/systems; opportunities to attend exhibitions; and PR/networking opportunities.

A programme of funding is available from the *Technology Strategy Board (TSB)* which supports innovative business ideas. The TSB also has an advisory role and identifies sectors which would benefit from innovation.

**Enterprise Europe Scotland (EES)** offers support and advice to businesses across Scotland and help them make the most of the opportunities in the European Union.





In September 2012 the UK Government announced that it would create a *Business Bank* to support finance for small and medium sized businesses. The bank will be fully operational in Autumn 2014.

## <u>Grant</u>

The **Scottish EDGE** (see <u>case study</u>) is a fund which aims to support and encourage entrepreneurial activity among young companies in Scotland. The fund is for ambitious entrepreneurs who wish to grow their business. The companies which demonstrate the most potential could win awards of up to £50,000.

Scottish Enterprise offers **Research and Development** (**R&D**) **Grants** at up to 35% of eligible project costs. These can provide assistance to support:

- Industrial research
  - Critical investigation of obtaining knowledge and skills to develop new products, processes or services, or introduce a significant improvement to existing ones.
- Experimental development
  - Acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills to produce plans and arrangements or designs for new, altered or significantly improved products, processes or services.

**SMART: SCOTLAND** provides discretionary grants to Small to Medium-sized Enterprises (SMEs) based in Scotland. The grant helps businesses undertake technical feasibility studies (up to 75% eligible project costs) and research and development projects (up to 35% eligible project costs) with a commercial endpoint. See case study on <a href="Insignia Technologies">Insignia Technologies</a>.

**Regional Selective Assistance (RSA)** encourages businesses to undertake investment that will directly result in the creation or safeguarding of jobs in Scotland. Both indigenous and foreign companies can apply with the resulting impact on employment helping to ensure Scotland's economy remains globally competitive. RSA is a discretionary grant scheme, with the amount offered dependent on various criteria. There are three tiers of assisted areas in Scotland reflecting different maximum levels of grant assistance potentially available. This ranges from 10% to 35% of eligible project costs.

Through the *DWP Youth Contract*, recruiters can claim wage incentives up to £2,275 if employing an 18 to 24 year old through Jobcentre Plus or from the Work Programme.





**Fund 101** offers non-repayable micro-credit capital grants to help UK-based entrepreneurs turn an idea into a new business and to enable existing small businesses to purchase equipment to help take their enterprise to the next level.

Delivered by Skills Development Scotland, *Flexible Training Opportunities (FTOs)* is financial assistance available to small businesses in Scotland for employee training to increase productivity.

**Firstport** (see <u>case study</u>) runs a joint awards programme with Scotland UnLtd to provide funds to over 100 social enterprise start-ups each year. The programme is focused on delivering real social or environmental benefits to people and communities.

Local initiatives include:

- Aberdeen City and Shire First Employee Grant
- Commonwealth Jobs Fund (Glasgow)

### Debt

The **Scottish Loan Fund (SLF)** provides mezzanine loans ranging from £250,000 to £5 million to qualifying Scottish businesses on a wholly commercial basis. The SLF is focused on established businesses that have growth potential or are engaged in exporting outwith Scotland

The *Enterprise Finance Guarantee (EFG)* is a UK Government loan guarantee scheme designed to facilitate additional lending to viable SMEs lacking the security or proven track record for a commercial loan.

**DSL Business Finance** provides business start-up and growth loans for small businesses and social enterprises across Scotland that can't access funding from banks and other traditional sources.

The *Funding for Lending scheme* allows banks and building societies to borrow from the Bank of England at cheaper than market rates for up to four years. This helps them to increase lending to businesses by lowering interest rates and increasing access to credit. Some banks may offer specific business loans and mortgages linked to the scheme, such as fee-free, or lower loan-to-value products, whereas others may reduce interest rates or change the terms and conditions on existing products.

Set up as an alternative to bank lending, the *Business Cash Advance (BCA)* scheme offers financial support to UK-based SME owners who require funds quickly in order to expand their operations.





Offered by DWP, the **New Enterprise Allowance (NEA)** offers financial and advisory assistance to help unemployed people start a business in Great Britain.

**UK Export Finance** provides finance and insurance to deal with the cash flow problems and risks of non-payment that exporters face when extending credit to purchasers of their credit in foreign countries.

The **Business Finance Partnership** is investing £1.2 billion in increasing lending to small and medium sized businesses from sources other than banks. This money is being matched with at least an equal amount from private sector investors and will be invested on fully commercial terms.

A range of *local funds* are available, including:

- East of Scotland Investment Fund
- Edinburgh Small Business Loan Fund
- East Lothian Interest-free Loan Scheme
- Glasgow Small Business Loan Fund
- Opportunity Fund and Community Enterprise Loan Fund (both via Highland Opportunity)
- Small Business Finance (Dundee) Limited Loan
- South of Scotland Loan Scheme
- Youth Jobs Fund (South Lanarkshire)
- West of Scotland Loan Fund

## **Equity**

Established by the Scottish Government in 2010, *The Scottish Investment Bank (SIB)* (see <u>case study</u>) has a Scotland-wide remit to help both early stage and established SMEs with growth and export potential gain access to growth capital. It offers a range of investment funds, designed to help Scottish businesses at different stages of growth. See <u>diagram</u> for details. The *Enterprise Capital Funds (ECF)* programme is intended to address a long term structural weakness in the provision of risk capital for SMEs in the UK. There is now a portfolio of 12 active funds with commitments totalling nearly £400m.

The **Aspire Fund** is a £25 million investment fund for women-led businesses, which is jointly funded by the UK Government and private sector. The Fund is aimed at high-growth businesses seeking an investment of between £100,000 and £2 million.





The £100m **Angel CoFund** makes investments alongside business angels in to small and medium sized businesses (SMEs) from across the UK. The CoFund is able to make initial equity investments of between £100K and £1M in to SMEs alongside strong syndicates of business angels.

The **UK Innovation Investment Fund (UKIIF)** is a venture capital fund of funds that aims to drive economic growth and create highly skilled jobs by investing in innovative businesses where there are significant growth opportunities.

**LINC Scotland** is the national association for business angels in Scotland, with an investor network of individuals, groups, syndicates and private offices. There are currently 19 active business angel syndicates in Scotland.

**Investing Women** is a women's business angel network designed to unlock funding for young Scottish companies.

Backed by five of the UK's main banking groups, the **Business Growth Fund (BGF)** is an independent company with up to £2.5bn with which to make long-term equity investments. Its mission is to unlock the potential of fast-growing UK businesses that need long-term capital to drive their future success. An example is Morphsuits (see <u>case study</u>).

The **Reward Capital Investment Fund** is a fund to provide finance to firms that may be finding it difficult to source finance from the traditional clearing banks and finance houses.

**Highland Venture Capital** was formed in 2006 with the aim of of providing a source of equity finance for growing or new-start businesses. Its investment criteria are:

- Companies requiring £75k or greater.
- A preference for companies operating in the Highlands
- A preference for companies wanting to supply their goods and services beyond the Highlands

See also: Research and Development: Collaboration and knowledge exchange





### ACCESS TO MARKETS - LOCAL AND INTERNATIONAL

**GlobalScot** is a network of international business people that has helped hundreds of Scottish businesses to access new markets and expand internationally. Made up of leading Scottish business people and experts with an affinity for Scotland, this worldwide network of contacts are not only outstanding in their field, but driven to ensure Scottish companies develop, expand and thrive locally in an ever-competitive international market.

**Scottish Development International (SDI)** offers a range of tailored services to help Scottish companies to export successfully. Whether its finding your key global markets or adding experts to help with the development of your international strategy, SDI will put you in touch with the right people to help get you started.

**Scottish Enterprise** offers free support and guidance to develop your international trade ambitions. It also offers advice and support to help businesses break into new sectors and markets at home.

Through its strong partnership with Scottish Development International (SDI), *Highlands and Islands Enterprise (HIE)* provides a range of support to businesses trading overseas, enabling access to new markets and increasing the proportion of sales generated from outwith the region. This includes Smart Exporter - an international trade skills programme offering you free or subsidised support to expand your exporting knowledge, whether you're a company or individual based in Scotland.

The NHSScotland and industry has developed the *Health Innovation Partnerships* which have already generated greater interaction between industry and the NHSScotland in terms of identifying its needs and potential markets for locally developed products. See <u>Statement of Intent for Innovation in Health</u>.

The *Offshore Wind Future Development project* aims to help companies to take a strategic approach to diversification into the offshore wind market and to develop new products and processes to secure new business. Scottish Enterprise has delivered supply chain intelligence to a total of 1,200 companies and has just completed a joint project with The Crown Estate to produce "A guide to UK Offshore Wind Operations and Maintenance" which was launched on 12th June.

See also case study on Lead Market Approach – Caledonian Maritime Assets





#### COLLABORATION AND KNOWLEDGE EXCHANGE

The **Business Transformation Fund** was set up with Caledonian University to encourage SMEs to work more collaboratively with the university. It provides access to specialist expertise and skills residing in the university's seven academic schools, including:

- Consultancy from seven academic schools
- A piece of applied or contract research
- Access to test facilities or equipment and associated expertise

Sponsored by the European Commission, the **Seventh Framework Programme for Research and Technological Development (FP7)** provides an effective way of enhancing the commercial success of your business. All projects are collaborative, encouraging European organisations to share their resources and expertise to make technological advances, with a time to market of five or more years. The technical aspects of the projects demand that innovation is significantly in advance of state of the art.

The Scottish Funding Council's *Innovation Centres* will be sustainable communities of universities, businesses and others around sectors of importance to the Scottish economy. These Centres will provide solutions to demand-led problems facing industry in Scotland by supporting innovation for future growth. The IC programme represents a novel approach to linking indigenous and international businesses with Scottish universities on a national scale. It will also greatly enhance the industry relevance of the learner experience. The first three innovation centres were launched in April 2013 and will be in Stratified Medicine (see <a href="case-study">case-study</a>), Sensors and Imaging Systems and Digital Health.

The Technology Strategy Board's *Catapult Centres* are helping to drive business and academic collaboration on innovative products and services in areas such as High Value Manufacturing, Cell Therapy, Offshore Renewable Energy (see <u>case study</u>), Satellite Applications, Connected Digital Economy, Future Cities and Transport Systems.

Business Gateway provides advice on *Joint Ventures and Partnerships* which can help businesses with access to new markets and expertise.

**Enterprise Europe Network** provides information on doing business, finding collaborative partners and increasing businesses competitiveness in Europe.





Our *Enterprise Agencies* provide advice and events on the benefits to be realised through business to business collaborative working. This includes their *Work Together and Grow* workshops and the *Collaboration Prize*, designed to encourage businesses, sole traders and partnerships to strengthen their business through a consortium co-operative business model.

**Co-operative Development Scotland** (see <u>case study</u>) also offers support and advice to help establish a consortium co-operative.

The *Technology Strategy Board* offers a number of collaborative funding programmes including Knowledge Transfer Partnerships, Innovation Vouchers and Collaborative research and development project funding.

**Knowledge Transfer Networks** are a Technology Strategy Board tool which bring people together to stimulate innovation in a specific field of technology or business application. Members include businesses, research organisations, universities, government and finance organisations. There are currently 15 KTNs which offer information on reports, newsletters, webinars/e-training, funding opportunities, policy and regulation. Opportunities to network with other businesses and academics through targeted events, meetings and Special Interest Groups are also organised by the KTN.

A number of knowledge exchange programs are also funded through **SEEKIT.** This includes 2kt and the Innovation Portal.

**Knowledge Transfer Partnerships (KTP)** offer businesses the opportunity to work in partnership with an academic institution to obtain knowledge and expertise to which they currently have no access, to address their business challenges and embed sustainable innovation. The knowledge sought is embedded into the company through a project or projects undertaken by a recently qualified person (known as the KTP associate) recruited specifically to work on that project.

ITREZ brings business and academia together to work collaboratively on the development of the offshore renewables sector.

The new *Fraunhofer Centre for Applied Photonics*, which will be a hub for industry-driven laser research and technology for a variety of sectors including healthcare, security, energy and transport.

**Easy Access IP** (Intellectual Property) allows university-generated IP to be released to companies for free, using quick and simple agreements. It is designed to increase the engagement between universities and industry, and accelerate the transfer of university knowledge and expertise to commercial partners who can develop it.





The **Scottish Funding Council's** knowledge transfer funding stream recognises the need for all universities to have dedicated knowledge exchange staff to allow for planning of projects and to work with businesses. **Knowledge Transfer Grants (KTGs)** are a key part of this. In addition: **2KT** provides businesses with a range of support and services to facilitate research, development and innovation drawing on the expertise of eight of the universities.

*Interface* (see <u>case study</u>) is the knowledge connection broker for businesses – nationally and internationally – wishing to connect to Scottish universities. The *Innovation Vouchers* it administers are helping SMEs, particularly micro and small enterprises, to engage with the academic base in Scotland.

The **Scottish Collaborative Innovation Partnership Process (SCIPP)** aims to bring together the ideas and people to address the NHS 2020 Challenge with some radical thinking. See <u>case study</u> or further details.

See also: Commercialisation; Research and development





#### MEMBERSHIP NETWORKS/ORGANISATIONS

The *Entrepreneurial Exchange* is Scotland's leading organisation for ambitious growth oriented entrepreneurs. Established in 1995 with 50 founder members, The Exchange now has some 400 members heading-up companies with a collective turnover of over £14 billion and employing 150,000 people. By providing opportunities to meet like-minded people and share experiences of growing a business, it inspires, informs, connects and supports entrepreneurs to realise their full potential.

**WeDO Scotland** members meet regularly, share knowledge and ideas without fear of losing business or innovation.

The **Association of Scottish Businesswomen (ASB)** offers access to networking, knowledge and mentoring opportunities across Scotland. Members come from every sector, age group, and level of experience and responsibility.

As the umbrella organisation for Scotland's 26 local Chambers of Commerce, the **Scottish Chambers of Commerce (SCC)** is dedicated to promoting and protecting the interests of its member companies and to helping them rise to the challenge, seize the opportunity and succeed in the marketplace. Membership is open to any firm or company irrespective of size.

The **Federation of Small Businesses** (**FSB**) in Scotland campaigns for a better social, political and economic environment in which to work, learn and do business. With a strong grassroots structure, regular members' meetings and dedicated Scottish staff to deal with Scottish institutions, media and politicians, the FSB in Scotland is widely recognised as one of the most influential business organisations in Scotland. See <u>case study</u> on the FSB Real Life Entrepreneurs campaign.

**Bounce** was founded in January 2013 by eight Edinburgh business owners who had been meeting regularly, acting as non-executive directors to each other's businesses. Its aim is to establish a number of boards made up of business owners that can act as non-executive directors to each other's businesses. This way each business can benefit from the varied skills and knowledge of up to 11 non-execs.

**LINC Scotland** is the national association for business angels in Scotland, with an investor network of individuals, groups, syndicates and private offices. There are currently 19 active business angel syndicates in Scotland.

*Investing Women* is a women's business angel network designed to unlock funding for young Scottish companies.





#### PROMOTING A SUPPORTIVE BUSINESS ENVIRONMENT

**The Business Portal (business.scotland.gov.uk)** has been launched as the place where businesses in Scotland can find support and information. It pulls together information from a variety of public sector organisations delivering services to Scottish businesses.

Our two enterprise agencies, **Scottish Enterprise** and **Highlands and Islands Enterprise** (see case studies on <u>Sitekit Solutions</u> and <u>HW Energy</u>) provide a range of support to businesses to help them fulfil their ambitions.

**Business Gateway** offers a wide range of professional resources and support to businesses across Scotland. These include:

- A comprehensive website bgateway.com full of information to help businesses of all kinds. It includes advice on important issues such as details on legislation affecting your business sector, marketing on a budget, starting a business and employment.
- **Business information** a dedicated team providing information and support on all aspects of starting or growing a business. Types of information offered include:
  - Market research reports
  - Tailored company lists
  - · Demographics and statistics
  - International market reports
  - Commercial property searches
- A network of offices across Scotland offering support and information to businesses at any stage. Each office also has strong partnerships with a wide variety of professional organisations.
- Free practical workshops and events throughout Scotland.
- A Business Enquiry Service which is available Monday to Friday from 8am to 6pm. As well as answering queries it can help with finding workshops in your local area, provide information about what support is available and put you in touch with your local office.
- A network of experienced **Business Advisers to** help you grow and develop your business.
- Access to social media networks on Facebook, Google+, Twitter and LinkedIn.

See case studies on the BG supported businesses Hebridean Sea Salt and Safetray





Through *Princes Trust Youth Business Scotland (YBS)* (see <u>case study</u>), professional business and financial support is available for young people to start-up and continue in business. Support includes: low interest loans; general grants and pre-start test marketing grants; pre-start training and advice; access to a business adviser for up to two years; book-keeping training/systems; opportunities to attend exhibitions; and PR/networking opportunities.

The *Technology Strategy Board* is the UK's innovation agency, offering support and funding to help business develop new products and services - and bring them closer to market.

The **Co-operative Enterprise Hub** aims to expand the co-operative economy in the UK by creating strong, ethically-led businesses with a deep sense of social responsibility. It offers a package of advice, training and finance to help new and existing co-operatives become more sustainable businesses.

Part of Scottish Enterprise, *Co-operative Development Scotland (CDS)* (see <u>case study</u>) supports company growth in Scotland through collaborative and employee ownership business models. It offers advice to help you choose the best co-operative business model for your organisation. It will also guide you through the process, including access to funding and legal models.

*Firstport* (see <u>case study</u>) supports individuals with great business ideas that benefit people, communities and the environment. Through business support, resources, training and funding, we can help you turn your idea into a thriving social enterprise.

**CEIS** provide a range of independent and professional business support services and business finance solutions for social and community enterprises. This includes managing loan funds, issuing development grants, supporting women in business and providing enterprise support.

Set up as a not-for-profit social enterprise, *The Melting Pot* (see <u>case study</u>) aims to stimulate and support social innovation by bringing together a mix of people, services, strategies and ideas.

Just Enterprise is a Scottish Government financed business support programme which has been specifically developed to promote the growth of the Enterprising Third Sector in Scotland. Its aim is to help increase levels of revenue and employment within the sector and to raise its profile throughout the country. Launched in June 2011, the programme is delivered by a consortium of agencies specialising in business support and learning and development services for Enterprising Third Sector Organisations and social enterprise start-ups in Scotland.





The *Cultural Enterprise Office (CEO)* is Scotland's specialist business support and development service for creative and cultural businesses and individuals. Its range of business support services help creative micro-businesses based in Scotland build the skills and knowledge they need to clarify their creative ideas and turn them into flourishing enterprises.

**GrowBiz** operates in the rural economies of Eastern and Highland Perthshire and provides free community-based coaching, training and support to individuals, community organisations and social enterprises - with the purpose of helping people to develop their ideas, skills, self-belief and confidence.

Bright Idea Scotland provides support for individuals and businesses with innovative ideas for new products and services.

**Encompass** can help Scottish SMEs to identify the barriers to innovation in business and suggest ways to overcome them. It can also provide advice on how you could implement and accelerate innovation for future business growth.

**Resource Efficient Scotland** is the Scottish Government funded programme that helps businesses and the public and third sectors save money by using resources more efficiently.

Claymore Business Services Ltd (CBS) offers business support to companies large and small who know what they want from business and know their business in depth, but recognise they need a little support to realise their business goals and objectives.

The **LESL Enterprise Challenge** competition (see <u>case study</u>), run by, is aimed at entrepreneurs with a business plan already at an advanced stage and ready to build a viable business quickly and effectively.

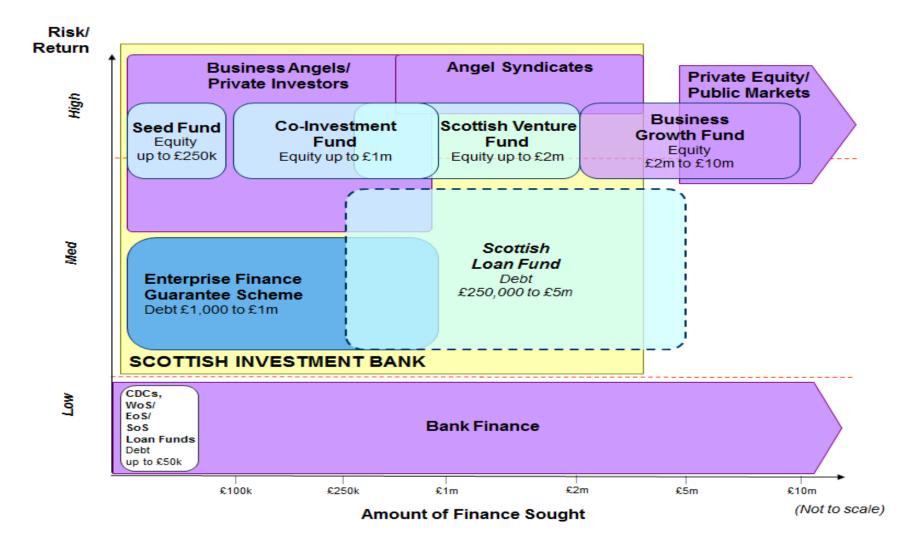
At a local level, services like *Jobs and Business Glasgow* (see <u>case study</u>) or *Joined Up for Business in Edinburgh* are making it easier for new and established entrepreneurs to access support and build effective, profitable businesses.

See also: <u>Diversity</u>; <u>Exciting career opportunities</u>; <u>Commercialisation</u>; <u>Incubators/Accelerators</u>; <u>Leadership and mentoring</u>; <u>Skills and training</u>





# Scottish Investment Bank - diagram







# Case study: Radiant and Brighter

radiant & brighter

Radiant and Brighter was set up to support ethnic minorities and the indigenous community where appropriate to build a career for life. Particular emphasis is placed on business start-up by supporting clients to use their passion, personal talents and previously acquired skills.

The organisation was set up by a couple who could not find employment for themselves, after being unemployed for five years due to immigration controls. The five year unemployment gap caused a lack of interest for employers to consider them for employment. This experience resulted in the realisation that many immigrants and ethnic minorities in Glasgow experience the same challenge.

Long term unemployment periods in this particular community, together with the difference in legal systems (between their country of origin and The UK) often results in lack of information and confidence to start or grow businesses in Glasgow. This lack of confidence and necessary information to discourages entrepreneurship.

With the belief that everyone has a talent, a skill or something of interest Radiant and Brighter encourages clients to consider job creation using their strengths. This is done through a twelve week programme that addresses issues and finds solutions through English Language classes, basic IT, group work sessions and person-centred support. Issues addressed include; social issues, cultural differences, causes of unemployment and language barrier.

The twelve week programme is designed to support the immigrant and BME community in Glasgow to build confidence and understand the legal systems governing business start-up, translating legal business language and developing abilities and skills to become successful in business. It also creates awareness for other available support systems /mainstream opportunities in place (which they often are not aware of) such as, the Job Centre, Colleges, Business gateway and Jobs and Business Glasgow.

Radiant and Brighter services are free for the general public and any ethnic minority organisations. Participants will often attend group work sessions to help them build confidence, develop peer support and address issues affecting them. However, participants will also have individual mentorship and support to work through particular issues the individual or group may be facing, which often includes the lack of confidence, isolation, fear and lack of information.





This all round and welcoming approach has been successful in encouraging entrepreneurship within the BME community who often come, and refer others within their community to the organisation. Those that have accessed the service, say they come because they feel they can identify with us, as an organisation set up due to similar experiences. For this particular community, it is important that they feel they can trust you to support and listen to them. This builds their confidence and creates a culture of job creation and entrepreneurship rather than job search.





## **Case Study: Prince's Trust (Youth Business Scotland)**



Youth Business Scotland people aged 18 to 30 years old to start-up and continue in business. By providing essential funding and professional mentoring support, Youth Business Scotland gives vital support to young people interested in entrepreneurship.

The programme gives practical advice on how to start up a business, how to write a business plan, introductory finance training as well as offering loans of up to £5,000 and grants of up to £1,000. Youth Business Scotland works closely with partners across the Enterprise Network in Scotland and facilitates regular Elevator events for young people, offering them a chance to hear from business leaders and an opportunity to sharpen their networking skills.

In addition to helping young people start-up in business, Youth Business Scotland assists entrepreneurs who have previously been supported by The Trust to grow their existing business. The Growth Fund offers development loans of up to £10,000 and Accelerator Loans of up to £25,000 to those seeking to expand their business.

In 2012, The Prince's Trust Scotland and sister charity, The Prince's Scottish Youth Business Trust merged to provide comprehensive support to young people in Scotland. Those aged 26 to 30 must be unemployed or working fewer than 16 hours per week.

### Little Devils Direct

Michael McDonagh, (30) started up in business with Little Devils Direct, just over five years ago. He had a background in banking, but little experience in business other than some trading on eBay. He had been shopping for a pushchair for his nephew, but could not find one of good enough quality at a reasonable price and thought that he could do better than the local retailers he had visited. Thus the idea for Little Devils Direct was born. Five years later Little Devils Direct stocks over 100 products – all their own brand - and is turning over more than £400,000 with a staff of three full-timers, one part-timer and a number of casual staff.

Michael comes from a very disadvantaged background. He is the oldest of 6 brothers who lost their mother when Michael was 14 years old and spent many of his teenage years in care. However, he had a talent in the boxing ring and won many awards including the Scottish Amateur Heavyweight Championship.





When Michael start trading as Little Devils direct he assembled a funding package made up of £6,000 in loan and grant from YBS, £3,000 of his own savings and a Business Gateway start up grant of £1,000. He also eventually secured an overdraft facility from Lloyds bank of £10,000. This was subsequently increased to £15,000. A £25,000 Growth Fund Accelerator Loan from YBS in August 2010 provided him with some much needed working capital.

Michael's ethos is to provide top quality baby and infant products at affordable prices. Every range of products he sells is fully vetted and exceeds British Standards and in the case of the pushchair range in particular has had an input from Michael during the design phase. He regularly visits his suppliers in the Far East to liaise on quality, delivery and price.

Most of LDD's sales are on line, either through its on line shop or through eBay, but Michael in now beginning to supply some retail outlets. However he is restricting this at present until his suppliers can satisfy demand for his products. LDD currently operates from a 7,000 sq. ft. warehouse in the East End of Glasgow.

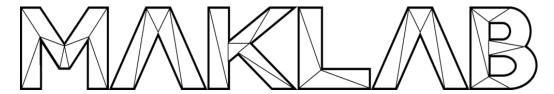
Back to Access to Finance

Back to Diversity





## **Case Study: MAKLAB**



MAKLAB is Scotland's first open access digital fabrication studio. We make some very extraordinary digital fabrication technology accessible to ordinary people, everyone from innovative businesses to individuals with ideas they want to turn into reality.



Whether it is be 3d printing or scanning, laser cutting, cnc milling or digital embroidery - we offer low cost open access to these technologies allowing you to develop what was just an idea into a real object.

We have helped hundreds of people develop ideas from jewellery to advanced open source sensors and electronics, we have been involved with projects with our partners ranging from small boats to the boathouses that they are kept in.

We operate as a not for profit social enterprise, facilitating a community of makers, designers and partners who can help make 'almost' anything. We are based at the Lighthouse, Scotland's Centre for Architecture & Design in Glasgow, easily accessible to the rest of Scotland by train, bus or road.

We can undertake design & commission work but we can also train anyone to operate the equipment yourself and develop your project using these advanced fabrication technologies. We offer regular low cost evening and lunchtime workshops on a range of skills from soldering circuit boards to working on open source electronics, advanced 3d modelling techniques and practical hands-on training on the machines.





We have recently been included in the Scottish Enterprise/Industry led construction innovation centre bid and are part of the BRE's plans to develop the Shawfield area in Glasgow as a centre for innovative construction.

Contact <a href="mailto:bruce@maklab.co.uk">bruce@maklab.co.uk</a> or visit us at: MAKLAB, Level 1 The Lighthouse, 11 Mitchell Lane, Glasgow G1 3NU.





# Case Study: Stow College and the Peter Jones Enterprise Academy



Stow College in Glasgow has been quick to recognise the key role of Further Education within Scotland's Entrepreneurial Ecosystem. The College is currently the only Scottish member of the Gazelle Colleges group: a group of twenty UK colleges committed to improving teaching, learning and assessment through the development of an entrepreneurial based approach, ensuring that students leave college with the attitude, skills and capabilities needed for success in the new worlds of work.

Key elements of Stow's entrepreneurial learning strategy include:

- A network of employers, entrepreneurs and organisations that are actively involved with the College and its learners.
- National enterprise events and challenges that require learners to engage with entrepreneurs and business mentors.
- Learning companies 'real world' environments in which students work and learn through the delivery of real services to real customers.
- iStart@Stow an incubator unit for digital start-ups which encourages learners to connect directly with the business community.

In September 2012, Stow established Scotland's first Peter Jones Enterprise Academy. Backed by the Dragon's Den entrepreneur, PJEA at Stow ostensibly offers learners the opportunity to achieve a BTEC Level 3 Diploma in Enterprise and Entrepreneurship. However the curriculum and format of delivery provides learners with a much greater opportunity for developing the types of *non-technical* skills and attitudes that are essential in today's business world.

The course is business-led and involves partnerships with a range of companies and entrepreneurs, providing leadership and hands-on business experience. Students on the PJEA programme are required to:

- attend 9 to 5, in business attire just as they would be in the workplace.
- undertake a four week work placement
- set up their own business
- set up, or become involved with, a social enterprise







Natalie Morrison and Serign Sanneh are two of the successful students from the first PJEA intake at Stow. Both are delighted to have achieved their Diploma, and both are extremely excited about their own businesses.

Natalie has been successful in securing a place on E-Spark's Business Accelerator Programme. Her company, *You-olo*, is an online platform designed to give 16-24 year olds the confidence, knowledge and support that they need to start their own businesses. She said:

"I applied to PJEA at Stow College in the hope that I could change my career path. And that is exactly what has happened, no looking back now. I can now walk out into the business world with my own network!"

Serign's business has also been accepted on to E-Spark's Accelerator programme. Palm Africa.com is an online directory and marketplace aimed at helping Africans and Caribbeans in the UK to become more enterprising and to help existing businesses to grow. He said:

"Stow College and PJEA presented me with endless opportunities. Without going through the Enterprise & Entrepreneurship course, I wouldn't have had the confidence to even consider applying for such an incredible opportunity as the E-Spark programme. I am still finding opportunities even after successful completion of the course, with various institutions showing interest. For example, I am currently about to engage two leading Scottish universities through the Innovation Voucher scheme to discuss further development of my website."

"Over the next 5 months, I will continue to develop my business. In October 2013 during Black History Month, PalmAfrica.com will be officially launched with various workshops and an entrepreneurship competition launched which will then become an annual event."







## Case Study: TalentScotland Graduate Placement at Stormcats Limited

Stormcats Limited is Scotland's only Glass reinforced plastic (GRP) fibreglass boat builder, established in 1999. The business is based in Lagavulin on the Isle of Islay. In 2009 the business, using its novel GRP technology, diversified into production and fitting fibreglass roofs and other tailor made fibreglass products. Using the existing proprietorial knowledge and skills in the workshop and anticipating that there is a rapidly expanding market for home-grown holidays, the business had developed a prototype for a holiday "pod". This "pod" uses high-quality GRP for the exterior shell and is fitted out within using pine cladding and high-quality fixtures and fittings. All aspects of the "pod" have been designed and made using eco-materials and the "pod" will be powered and water supplied in an eco-friendly way. See <a href="http://storm-pods.co.uk/">http://storm-pods.co.uk/</a> for details.

They employed a graduate through the TalentScotland Graduate Placement Programme from spring 2012 when the concept was yet to be patented and go on the market as it was still in its prototype form. The graduate produced a very in-depth monitored profile of the StormPod project from Stage 1 [concept] all the way through to delivery. This will in turn become a template for all future projects and new product developments for the company.



John Swinney awarding £30,000 to Stormcats Ltd at the Scottish EDGE competition. With Angus Newman and Naal El-Nakla.

Angus Newman, Managing Director at Stormcats Limited commented: "Having a new graduate here has been a very beneficial experience for my company, it has been great to have someone come in with new ideas and eager to work. Naal has brought the knowledge that we needed that can be applied to many areas of the company. His contribution has been a great asset to us, especially with him securing funding for us which has allowed us to grow at a much faster pace. The impact of the placement was greater than anticipated, with greater results achieved. I think the graduate placement programme is a great way for graduates to get a realistic view of the problems and achievements of a small business and it is a mutual benefit to both sides."

Naal El-Nakla, the graduate who worked for Stormcats for 12 months, said:





"The graduate placement programme has been a great opportunity for me to gain valuable work experience. During my year I have been involved in every aspect of the business allowing me to gain experience in many area's which will provide me with a solid platform to launch my career. The highlight of my year here was winning funding from taking part in the Scottish Edge competition which saw us compete against other businesses for government funding, it took three rounds of pitching our business to some of Scotland's leading business figures but in the end I managed to secure £30,000 for my placement company. This was a great experience and provided the experience that I was lacking from my CV."





# Case Study: HIE nominated company - HW Energy

Bruno Berardelli is the Managing Director of HW Energy (HWE), based in Corpach by Fort William. The business is the installation and operation of biomass heating systems within the renewable heating sector.



Bruno's business challenge was growing the business during changing times for his industry. HW Energy's ambition was to be at the forefront of this industry, concentrating initially within Scotland, where they wanted to hold and consolidate their position as market leaders. Their goal was to take advantage of the expanding market for renewable biomass heating and to develop the skills locally to enable them to do so. Bruno felt he needed to develop his own entrepreneurial skills, experience and network to be able to do this effectively and in an accelerated way.

Bruno took part on the Institute of Directors (IOD) Director Development course in 2009 then successfully applied for EDP 2010 which provided him with exactly the challenge and assistance he felt he needed, at exactly the right time. Specifically, Bruno developed the skills and increased confidence to:

- Develop and increase HW Energy's profile as the trusted market leaders
- Increase revenues across all revenue streams and increase turnover to £7 million within 36 months
- Maintain current levels of profitability
- Focus on securing more longer term and consistent revenue generating income streams Successfully grow the domestic side of the business and establish a partner network of at least 10 domestic partner installers throughout Scotland
- Continue to develop the structure and in-house skills and resources to be able to continue to deliver their services in a professional and customer focused manner
- Develop and implement management and business process systems to enable a scalable and efficient operation
- Continue to create direct, high quality employment in the local area and create a stimulating environment for staff
- Investigate ways to expand to the rest of the UK and overseas.
- On return from the MIT EDP course, Bruno encouraged senior members of his staff to participate in the Entrepreneurship workshops led by HIE in the Highlands and Islands throughout 2010 and 2011.





# Case Study: HIE nominated company - Sitekit Solutions

Campbell Grant is the Managing Director of Sitekit Solutions based in Portree on the Isle of Skye. Sitekit provides web information systems to clients along with diagnostic tools and innovative web-based client solutions.



Sitekit was a web technology company that had grown steadily in its home market for several years. As a result of taking part on several Entrepreneurship workshops and an entrepreneurship mentoring programme called "Going Global", run by HIE and delivered by MIT, Campbell decided to focus on a particular niche market (the Healthcare sector) and put a plan in place to significantly grow the business in this sector and become world leaders in that market. With the changes in the healthcare sector, towards a prevention approach rather than cure, the market conditions were perfect to launch Sitekit's product. The challenge was to rapidly develop the skills, confidence and tools to do so to gain first mover advantage.

Campbell successfully applied for an HIE sponsored place on the MIT Entrepreneurship Development Program (EDP) 2010 which helped him to develop an effective global business plan for the next stage in the company's development and gave him the skills and network to effectively execute the plan on a global scale. Between 2006 and 2010, the company saw the following benefits:

- Increased in turnover of 103%
- Gained new international customers
- Developed the skills and confidence to take on huge new international customers from China Launched a subsidiary company called Sitekit Labs as the R&D arm of the company focusing solely on innovative research and new product development
- Launched a subsidiary company called Sitekit Health which is focused solely on the Healthcare marke
- Ambition and aspiration raised to grow a global company, dominant in their chosen markets, with its HQ on Skye
- Developed a plan to have future subsidiary companies in different market

Campbell is now confident he will "grow the business by building up companies that have specialisms in their niche" and continues to take part in the new programme of Entrepreneurship Masterclasses alongside members of his team.





# Case Study: The Scottish EDGE fund

The Scottish EDGE Fund is a collaboration between Scottish Government, Entrepreneurial Spark, RBS, Business Gateway and our public enterprise agencies. It targets ambitious entrepreneurs wishing to establish or grow their business and provide real opportunities for them to contribute to Scotland's economic success. In the first two rounds alone, the competition has awarded over £1.2m of support to 34 young Scottish businesses with real growth potential.

# Good Practice example - EDGE winner - Clear Returns

Clear Returns predictive technology has the power to save retailers significant money, by highlighting the products, processes, suppliers and customers causing costly returns – and triggering intelligent responses. They help ecommerce and multichannel retailers optimise for profit, not simply sales.



The company is already working with major UK & international retailers, including Scottish headquartered retailer M & Co. Clear Returns was just named Best New Product at the 2013 Digital Technology Awards, won IBM SmartCamp in Dublin and the Big Data Venture Challenge in Rome.

Clear Returns was assisted with £30k of Scottish EDGE funding, which has helped it focus on sales development and a SMART award that has helped development of the highly innovative technology. The company is now raising up to £1 million for a growth runway & to fund global expansion.



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# **Case Study: Co-operative Development Scotland (CDS)**

# co+operative development scotland

Co-operative Development Scotland (CDS) is the arm of Scottish Enterprise working in partnership with Highlands and Islands Enterprise that supports company growth through collaborative and employee ownership business models.

Consortium co-operatives are established when groups of companies come together to pool

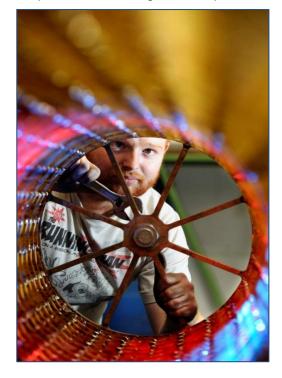
their resources. The consortium is run on an equal basis

for its members, and may be set up to buy or sell in scale, market more effectively, share facilities or jointly bid for contracts. CDS facilitates new strategic collaborations in Scotland's growth industries.

An employee-owned business is one in which the employees hold the majority of the shares either directly or through an employee benefit trust. Employee ownership gives employees a meaningful stake in their organisation together with a genuine say in how it is run. It roots business in Scotland, drives performance and delivers economic wellbeing. CDS raises awareness of these business models and provides support to businesses considering them.

Since its employee buyout in 2002, Dyce based manufacturing and engineering business *Woollard & Henry* has seen a remarkable 30% increase on profitability every year with diversification into new products and markets. Operating in a declining industry, the employees had to find new markets for their products and new uses for their skills.

The company developed an international customer base within the paper industry and now exports more than 60% of its output, and supplies 23 out of the 28 global producers of currency. It also provides high quality bespoke solutions to the Oil & Gas sector. As a result, employee numbers have risen from 22 to 57.







# **Case Study: 1001 Enterprising Scots**



1001 Enterprising Scots allows people to share their stories and experiences of becoming an entrepreneur in Scotland. They take the form of digital vignettes and are used to inform and inspire anyone who has thought about starting a business but not acted. The content is raw and honest.

Stories range from what it is like to start a business when you never thought you would to the experience of raising £7million. The project is now developing to include a specific geographic dimension to entrepreneurship. Already the content is being used in schools and colleges and universities as well as many social media enterprise networks.

The project is an excellent example of co-development. Set up by Iain Scott of social enterprise Scotpreneur, it gained private sector support from Percepta in the shape of two technical experts in social media and analytics, legal support from Kergan Stewart and many helping hands. The Scottish Government provided funding to anchor the project and let it grow.

The content can be viewed on <a href="www.scotpreneur.org.uk">www.scotpreneur.org.uk</a> and more vignettes are added each month.





# **Case Study and Good Practice examples: The Melting Pot**



Social Innovation refers to new ideas that resolve existing social, cultural, economic and environmental challenges for the benefit of people and planet.

Set up as a not-for-profit social enterprise, The Melting Pot aims to stimulate and support social innovation by bringing together a mix of people, services, strategies and ideas. They provide a range of dynamic resources for social change makers - enabling people to work, connect, learn, meet and hold events.

# Their core services include:

- flexible access to a co-working facilities enabling individuals and organisations to work cost-effectively within a community of peers.
- Co-ordination of a programme of 'community building events' designed build social capital and share knowledge
- Public hire of meeting room and event spaces and services.
- Support of 10 new and emerging socially innovative non-profit organisations through an annual 'Incubation programme' providing Awardees with a range of resources, bespoke support and advice through a dedicated learning programme helping them turn their visions into a working reality.

# Berry Red PR

Berry Red PR works with charities, social enterprises and voluntary or community organisations at the heart of Scotland's communities. They offer affordable public relations services and training to small or micro businesses, ethical SMEs and start-ups.

Berry Red PR provides professional services at affordable costs to organisations working hard for communities. Driven by this passion, they are helping clients from small community groups to big charities to communicate their messages. Like their clients, values are at the heart of what they do - from flexible costs to free or low cost training; they are committed to supporting an enterprising third sector. Their unique training and coaching services give charities, social enterprises and voluntary sector the tools and confidence to get best value from PR.





# VIE (for life) Ltd

VIE collaborates with public, private and third sectors to develop and evidence social innovations. They create new practice with clients, focusing on enabling participation of end users. They co-develop public sector decision-making systems that take account of needs, assets and aspirations of communities, undertake feasibility studies of social innovations, support corporate social investment and do evaluations of new initiatives.

VIE has leading experience in Scotland on Hidden Insights (HI)®, working in partnership with Woodward Lewis LLP (who registered the trademark). HI® is a facilitation process that creates remarkable improvements in productivity, commitment, engagement, resilience and collaboration. VIE is also a UK leader on Social Return on Investment (SROI) analysis. SROI is framework for accounting for social value and VIE has particular experience of applying SROI principles to different contexts. Given experience of these and other participatory disciplines, VIE can draw on the most appropriate know-how for the client's situation.

# Dexterity

Sometimes clients have described **dexterity** as resembling a life-coach, therapist or counsellor more than the financial adviser it actually is. The company is engaged in three projects:

- 1. Always to help people reach past the fear and confusion they commonly experience about money. It offers education to become well-enough informed to make decisions of simple competence and enduring value.
- 2. They have recently set-up, a <u>website</u> for "do more yourself" (DMY) investors willing to spend a little of their own time managing their savings, to save buying someone else's. **Dexterity** specialises in Exchange Traded Funds; widely popular in North America, still rare in UK. **Dexterity** is the only adviser (so far) to offer free-of-charge a comparison-table of all UK-based ETF suitable for retail investors.
- 3. They have designed a style of pension scheme to honour people of ordinary financial means; with simple, competent options; low charges; ideally a co-operative model.





# **Case Study and Good Practice examples: Firstport**

# **Firstport**

Firstport was set up in 2006 responding to the need for a one-stop-shop for budding social entrepreneurs in Scotland to access bespoke business support for start ups, information and seed funds. Seven years on, Firstport has cemented its reputation as the leading organisation supporting individuals who want to use business ideas as a force for social good. We provide a full package of support including:



- business advice and support through the Scottish Government's Just Enterprise contract
- start-up funds we deliver the Scottish Government's Social Entrepreneurs Fund as part of a joint programme with the Millennium Awards Trust, creating a single point of entry for individuals looking for seed funds
- practical tools through our Startbright online resource

We have worked with thousands of individuals and funded over 450 of those, and in doing so distributing around £2.4m. We work on the ground to better understand what makes successful social enterprises, the role they play in addressing issues such as unemployment, public service reform and regeneration, and how their positive impact can be replicated across communities. This has led to the development of two innovative products: Ditto, a social replication tool and iCAN, a tailored business support programme for young underemployed people.

# Ditto - Creating jobs by spreading good ideas



Ditto is Firstport 's innovative response to the challenge of growing unemployment whilst spreading the positive impact of social enterprises across Scotland. Ditto makes it easier for individuals to take a tried and tested business idea and make it work in their local area.

After researching successful business models over a number of years, Firstport created Ditto based on first-hand evidence of what works. Using private-sector franchising and replication principles, Ditto brings together a valuable package of practical guidance, industry knowledge and financial advice, complimented by business advice and support.





It aims to scale up the volume of businesses tackling social and environmental issues and plays a role in creating jobs by promoting a low-risk route to starting a social enterprise. By replicating proven business ideas and removing common barriers to self-employment, Ditto can help individuals become their own boss while providing benefits to their community at the same time.

# Josh Littlejohn - Social Bite

Josh is one of Scotland's leading young social entrepreneurs and is passionate about the role of businesses and entrepreneurship as a powerful force for change in Scotland and further afield.

He approached Firstport in 2012 with his idea of a high-street sandwich shop - Social Bite, which would provide good quality, handmade food whilst offering employment opportunities and donating 100% of its profits to charity. Josh had invested significantly to get the shop ready to go but he now needed funding to run it full time whilst he developed a client base. Working with business support, Josh produced a business plan and cash flow projections before submitting an application for funding, which resulted on an award of £10,000 from the Social Entrepreneurs Fund.

Social Bite has now been running for over one year and competes with high-street giants on price and quality but donates all of its profits to social causes and employs 25% of its workforce from the homeless community. Currently with one outlet in Edinburgh city centre, Josh has ambitions to replicate the concept to become a large chain of sandwich shops working 100% for a social mission.

# Lois Cameron and Joan Murphy - Talking Mats

Lois and Joan, two experienced speech and language therapists developed the system of Talking Mats - a low-tech communication framework involving sets of symbols - whilst working at Stirling University. After realising the potential of the tool, they decided to set up as a standalone organisation - a social enterprise whose vision would be to improve the lives of people with communication difficulties and those close to them by increasing their capacity to communicate effectively about things that matter to them.

New to the social enterprise scene, Lois and Joan contacted Firstport in 2011 for advice and funding. With the help of a business advisor, they worked to develop and strengthen the revenue streams of the business whilst balancing these with the social impact of the product. They produced a business plan that helped them to successfully secure funding from the Social Entrepreneurs Fund.





Talking Mats has gone from strength to strength, winning the Scottish Start up Social Enterprise of the year award 2012 and securing further funding from the Scottish Enterprise EDGE Fund, as well as a loan from Big Issue Invest to further their ambitions and develop a digital offering.

# Geoff Tunstall - Scallops Direct

Geoff is a serial entrepreneur with a wealth of experience developing social enterprises to provide employment and training opportunities for disadvantaged people. He set up Scallops Direct- a scallops processing plant in Dumfries & Galloway to provide new jobs in the region and help facilitate work-based training opportunities for disadvantaged people or those who find it difficult to access mainstream employment.

Geoff approached Firstport in 2009 with ambitious plans to get the processing plant off the ground. He successfully received a Level 1 award from the Social Entrepreneurs Fund to help with early stage start-up costs. After piloting the idea for a year and strengthening the business proposition, he received a Level 2 award to further develop the start up so it could grow its operations and provide more employment opportunities. Apart from the funding, Geoff went on to access a range of training workshops offered by Firstport.

Scallops Direct continues to provide employment opportunities across the region and has developed strong relationships with local restaurants and hotels. It has gone on to secure further funding from DSL finance.





# **Case Study: Food Health Innovation Service**

A key area of development and service offering is in the area of healthy foods – estimated to be worth £20 billion in the UK and more than £300 billion globally. The Food and Health Innovation Service provides a range of practical support to help businesses realise growth opportunities in the healthy food and drink products marketplace.

The Food and Health Innovation Service project provides specialist support to Scottish Food and Drink companies, covering the whole process of innovation.

- The service provides support to help businesses: Identify and understand market opportunities in food and health
- Scope new product ideas, including where to find solutions and resolve technical issues associated with pursuing new opportunities
- Identify appropriate sources of funding to help and scope up new projects





# Case Study: Lead Market Approach - Caledonian Maritime Assets

The Scottish Government, Scottish Enterprise and Highlands and islands Enterprise are currently engaged in a pilot project with Caledonian Maritime Assets Ltd. (CMAL) to support an innovative procurement approach to address unmet demand for dockside charging solutions for their new hybrid ferries.

ERDF funding has also been allocated to support a pilot programme to establish a Procurement Facilitator Programme. The programme will focus on pre-commercial procurement, looking to capture public sector needs, stimulate awareness and understanding within the business community of the opportunities available and aid skills and capacity transfer.







# **Case Study: FSB Real-Life Entrepreneurs**



The Federation of Small Businesses' (FSB) Real-Life Entrepreneurs campaign is a movement designed to celebrate and support the UK's small businesses community. The small business lobby organisation, which has 200,000 members, 19,000 of them in Scotland, believe that turning a good idea into a business is one of the most positive acts an individual can perform for the themselves and the community in which they live. However, too often, the FSB believes, attention and resources can be focused on celebrity business owners, big business and 'the next big thing'.

The campaign combines a number of public policy asks with a refreshed FSB member support offer. It champions a culture of enterprise and asks government at all levels to address barriers to small business success such as access to finance problems and late payment.

The campaign was launched in 2010 and continues to press the case for more of a focus on the extraordinary 'ordinary' businesses which are so important for local growth, jobs and Scottish communities.

You can find the UK campaign manifesto at the following address: <a href="http://www.fsb.org.uk/campaigns/assets/entrepreneurship%20manfiest%20web.pdf">http://www.fsb.org.uk/campaigns/assets/entrepreneurship%20manfiest%20web.pdf</a>





# **Case Study: SME Growth Programme**

The **SME Growth Fund** will provide £37.85m to help businesses across Scotland to grow. It includes practical HR assistance to help small businesses recruit for the first time, grants to help fund growth and innovation activities, expansion of business growth advisory support, and the expansion of graduate placement programmes run by the enterprise agencies. With the aim of supporting 8,000 SMEs, it forms part of an £88m package of support to improve employment opportunities across Scotland.

See also Youth Employment Scotland.





# Case Study and Good Practice example: PRIME



The Prince's Initiative for Mature Enterprise (PRIME) is the only national organisation dedicated to providing everyone over 50, who is unemployed or under threat of redundancy, with the support to achieve financial, social and personal fulfilment through sustainable self-employment. The Scottish operation commenced in February 2014 with a 3 year target to help create 300 new businesses by the over 50s. Since we started, we have successfully run a number of awareness raising sessions and structured training courses in both www.prime.org.uk Glasgow and Edinburgh.

Glasgow's Jimmy Johnston MBE began his career as an engineer, which included roles as an engineering designer, as well as being a products designer.

He then moved into the education sector and spent 31 years as a teacher before becoming a department head. In his spare time, Jimmy also organised and ran a vibrant young engineers club, which resulted in the MBE award for services to education and young people.

Jimmy then decided to retire early so that he could look after his elderly parents but continued to keep up his penchant for creativity. Unfortunately his mother passed away and while looking for new opportunities, friend and PRIME mentor, Martin Sansone, suggested that Jimmy contact PRIME for support in how to develop his various ideas into a sustainable business.

Now 63, Jimmy attended PRIME's three-day Glasgow business training course in April 2013 and has gone on to establish a business designing jewellery that has a sporting and inspirational twist. Jimmy feels that the training provided by PRIME has helped him to keep focus, which has meant he has been able to move his ideas forward.





# **Case Study: Power of Youth Scotland**

Power of Youth held its first summit in Scotland which convened some of the country's top young entrepreneurs and POY's international community to ask the question what do the next generation of Scottish entrepreneurs need most to succeed. Together with this group we invited six young representatives aged 17-19 to share their stories for how they could best be supported on their entrepreneurial journey from nascent companies to international growth.

The solution was identified as a peer-mentoring programme bringing together some of the best early stage and established entrepreneurs to nurture home grown talent and help create the next generation of values led global businesses. The core part of this will be four separate weekend retreats over 12 months focusing on personal needs, business challenges, growth & scale and the 'ripple effect'.

The first event was held on the Wee Isle of Cumbrae, off the Ayrshire coast, from 12-14 July. Present were 30 entrepreneurs aged 17-34 with turnovers ranging from pre-revenue to £5.5m.

10 groups of between 3-4 members were established with a mix of ages, skill-sets, business stage, needs and geography. The intention is for these groups to remain consistent throughout the programme until its conclusion in April. Each group has its own action plan with which to support each other and meet up between events.

Personal and business challenges from the group included:

- Support network
- Opportunities to learn from others
- Leadership insight
- Work/life balance
- Sharing expertise and experiences



POY participants on the Isle of Wee Cumbrae, July 2013





This reflects the research coming from REAP (Regional Entrepreneurship Acceleration Programme). Issues that have been highlighted with respect to innovation entrepreneurship include:

- Effective connections
- Entrepreneurial skills for growth
- Entrepreneurial role models

It's also worth mentioning one of the unexpected findings that have emerged from the community POY has built in Scotland is the majority of entrepreneurs built their businesses without taking external equity investment. If some of the most successful entrepreneurs in Scotland under the age of 35 built their businesses without using investment, it raises the question why this is so often highlighted as the big barrier to business growth in Scotland.

# **Next steps**

The next event takes place on 4<sup>th</sup> October at the RBS Business School, focusing on 'Business Challenges' from the group in conjunction with the Global Scot network and The Entrepreneurial Exchange.



POWER OF YOUTH





# Case Study: YOU-OLO



So many young unemployed people in Scotland have great entrepreneurial ideas, but life keeps on trundling by and their ideas are never acted upon.

At YOU-OLO (YOU-Only Live Once), we aspire for young people in Scotland to 'Just Act' on their business ideas and to 'Think Global' from the beginning. We are very up stream in the entrepeneurial ecosystem, right at the beginning of the young person's

entrepeneurial journey, helping them turn ideas into action and building their confidence. As we are an online service, we can assist those with childcare commitments, those with disabilities or those who may not fit the conventional employability model. We want them to believe in themselves and their ideas.

# YOU-OLO works in 4 simple steps:

- 1. Young entrepreneurs post a tweet sized idea onto our website.
- 2. We match the idea to a mentor who works with them online to help them form and frame their business idea.
- 3. We help them crowd fund their initial start-up capital to allow them to get started and to validate their business idea.
- 4. We will then help them to sell their first products with our online shop, giving them the opportunity to test their new product/service in the market.

They may also sign up for a membership of YOU-OLO to access a 'moneysupermaket' of business start-up support services.

We have agreed to work with YES (Young Enterprise Scotland) to provide legacy services on a project-by-project basis. Once YES have provided the 6 weeks training for example, people can sign up to YOU-OLO and we can take them on the next part of their journey. You only live once, so just start! You never know where the idea will end up.

Success for YOU-OLO will be; a young person, having been on the YOU-OLO 'journey', is confident, self-reliant, ambitious, secure in their own abilities and have a belief in themselves and in what they can achieve. Barriers such as 'no capital', 'I don't know who to talk to or where my customers are', have been removed and they are thinking and acting on their next venture opportunity.



Back to Diversity



# Case Study: E-Spark

Our vision: To create a business start-up renaissance in and from Scotland, through the development of entrepreneurial mindsets and behaviours.

A 5 month business accelerator – Hatchery – where start-ups and early stage businesses are nurtured enabled and challenged.

For too long in Scotland, we have been concerned with specific sectors and types of businesses. Entrepreneurial Spark is more about the entrepreneur, their mindset and how they go about their business – regardless of sector. Scotland needs all its entrepreneurial talent boosted so it can be. That is why our entry criteria are simple: a workable idea and the look in your eye that shouts – I am going to do this!



In full; we offer start-up support, business mentoring, workshops, office space, IT and facilities all completely free in a collaborative environment for like-minded entrepreneurs to test their ideas, network and ideally grow. Packed in to a structured 5 month programme designed to develop entrepreneurial mindsets and behaviours, we welcome applicants from idea, early stage businesses and to those who have been trading up to 5 years and/or have a £1 million turnover.

Located across 3 Hatcheries in Glasgow, Edinburgh and West Coast.







# Case Study: Jobs and Business Glasgow



Jobs & Business Glasgow (JBG) has twin aims; to improve business resilience of Glasgow's businesses and to increase the competitiveness of Glasgow's residents in the labour market. Key aspects of the efforts to sustain the business community) and contributions to the Scottish Government's Entrepreneurship and Innovation Framework are:

- Promoting Role Models to raise awareness of the opportunities that are available through enterprise, entrepreneurship, business start-up, microbusiness support and social enterprise development.
- Encouraging a <u>Culture and Mindset of Entrepreneurship</u> through <u>Diversity and Empowering</u> residents of deprived communities in Glasgow.
- Showcasing client success, particularly through Awards Ceremonies and events.
- Providing business premises including business centres and incubators.
- Providing Mentoring opportunities.
- Using <u>Business Support</u> for start-up, social enterprises and microbusinesses.

As a result of the breadth and scale of our operations we have a wealth of examples of partnership working and service delivery that demonstrates good practice and our commitment to making a positive and lasting contribution to the wellbeing of the city. The examples presented below can be replicated many times, but will offer an illustration of our work and its impact.

# William's Story

William enjoyed repairing his friends' cars and approached Jobs & Business Glasgow because he was keen to develop his interest to a professional level.

Meeting with a dedicated business adviser he was informed of the New Enterprise Allowance (NEA) programme, a Government initiative which provides income supplements and access to a £1000 start-up loan. Working with his adviser, he created a robust business plan and identified suitable business premises within Glenwood Business Park, a commercial property unit managed by Jobs & Business Glasgow. Shortly after, Glenwood Coach Works was born and William opened for business.







With the growing success of his business, William continues to work with Jobs & Business Glasgow. He is keen to receive advice on employer incentives with the hope of recruiting staff and expanding his services.

William says: "I've had great support from Jobs & Business Glasgow. I've found my business adviser to be very, very helpful. Setting up this business has given me the opportunity to put something back into my local community."

### Locavore



Reuben Chesters had a fresh idea. He wanted to promote the benefits of sustainable food, encouraging others to eat locally sourced organic products.

In 2012, he established Locavore and opened his first retail store selling a wide range of quality local food. Keen to develop his social enterprise further, Reuben approached Jobs & Business Glasgow and was introduced to a dedicated adviser who provided on-going support with business planning, funding strategies and website development. Reuben also attended Jobs & Business Glasgow Marketplace events, meeting with other influential social enterprise organisations to network and share experiences. Locavore's success continues with the opening of a second store.

Reuben says: "Jobs & Business Glasgow really helped! It's been great to have someone to discuss business ideas with. I would absolutely recommend them."





# Case Study and Good Practice examples - Interface



Established in 2005, Interface is a central hub connecting businesses from a wide variety of national and international industries to Scotland's 24 higher education and research institutes.

Connecting businesses quickly and easily to Scotland's world class expertise, skills and research facilities, its unique service is designed to address the growing

demand from organisations wanting to collaborate with academia.

Interface's free and impartial service aims to stimulate innovation and encourage companies to consider academic support to help solve their business challenges.

Through Interface, Scottish businesses can now increase their competitiveness, develop new products, and exploit new market opportunities by connecting with academia.

The team actively pursue a strategy for stimulating demand for knowledge exchange between industry across Scotland through creating sustained partnerships, proactive marketing, stakeholder engagement and infrastructure management including research into long term sustainability options. The face-to-face nature of the Interface model means that local presence helps to stimulate business demand.

Interface has introduced over 1,227 businesses to academic partners and around 750 collaborative projects have been facilitated across all industry sectors. Outputs include a wide range of collaborative projects including: feasibility studies, student assignments/placements and Innovation Voucher supported consultancy.

A recently published study by BiGGAR Economics Ltd concluded that the overall economic impact realised by businesses from Interface facilitated projects is £17.1m GVA p.a. supporting 360 jobs across the country. The study concluded that within 3–5 years, this impact will have increased to £79.9m GVA and 2,399 jobs. The majority supported have been small or micro enterprises and is consistent with the profile of Scottish businesses. When taken together, the collective impact of all these small individual impacts is substantial.

Interface has gone from strength to strength over the last year broadening its reach across all industry sectors from food and drink to tourism and all regions both rural and urban.





## Active Gate



Designed to encourage people to make the most of the local area the 'Local I Guides' are interactive touch screen windows that provide interactive local information, inspirational ideas for days out, late availability, special offers and local events.

Active Gate is an interactive website that brings local businesses together to provide tourist information for visitors to the Borders and Fife. Their interactive website acts as a one-stop-shop for visitors, not only providing information on activities but also suggestions on where to eat out, which is the best butcher or deli, where's the best gift shop as well as more practical information such as parking, doctors, dentists and all of the associated details.

Active Gate wanted to be recognised as a hub for local businesses, supporting them to get their messages out and also streamlining and simplifying the visitor experience for potential tourists. Lacking the necessary in-house expertise they approached Interface to see what external support was available to help them to develop their marketing strategy. Interface worked with Active Gate to translate their needs into a working brief and approached the most relevant academic institutions who would be able to provide the most relevant support.

Having met with a number of Universities they decided that the University of Abertay would be the most suitable support institution and created a student led project allowing them to work with 150 Business Studies students. Jason Turner from the University of Abertay, Dundee Business School commented, "We were delighted to work with Active Gate. The project proved to be an ideal opportunity to form part of our student assignment opportunities."

The students were challenged to develop an internet marketing campaign for Active Gate's planned expansion into tourism services, and then pitch this directly to the company. The challenge directly mirrored working as a small marketing company in a commercial environment, having to respond to a client brief and produce a tailored pitch to secure a contract.

Jason Turner added; "Going from studying management or marketing in a text book to running a project and pitching to a real company is an incredible experience. We're indebted to Interface for providing such high-quality business links for our students to apply themselves to."

The project has made a significant impact on Active Gate resulting in the company employing two of the students and launching a new website.





Active Gate owner, Amanda Pickford, said; "Interface were a great support throughout the entire process. Interface is an excellent resource available for businesses like Active Gate."

# Macphie of Glenbervie



Macphie of Glenbervie has an 80-year history of creating innovative, premium food ingredients from cake and bread mixes to sauces and desserts. For Macphie of Glenbervie a three-month project with the University of Edinburgh, facilitated by Interface – the knowledge connection for business and funded by a modest £5,000 Innovation Voucher, has expanded to more than 15 individual collaborative research projects which have yielded cost savings to the business of many hundreds of thousands of pounds.

Rather than approaching each university independently Macphie decided it would be more efficient to go through Interface, the Scottish brokering service that brings businesses and universities together. As a result Macphie has built productive collaborative relationships with a number of universities.

The benefits to Macphie's business extend beyond research and development. They have built internal capacity and increased employee expertise in areas such as analytical techniques. Through the academic partnerships that Interface has facilitated Macphie has also secured long lasting relationships with a number of academic institutions; providing work experience for numerous students which has led to graduate placements, internships and long term job opportunities for university leavers.

In addition the new products, student placements and improvements have all created PR opportunities. Over the past two years, Macphie has achieved more than 90 articles in international trade publications and have seen an increase in new inquiries from abroad relating to some of the upstream, novel technologies being developed.

Partnering with universities is part of Macphie's long term R&D strategy. Ashley Baker, Macphie's Head of Research and Development concludes: "In our experience, it is the long term, more speculative projects that will often yield the best and unexpected results. To achieve this you have to be prepared to invest time and cash. While some longer term R&D projects can be speculative we have achieved returns many times greater than our initial investment."





# **Equal Adventure**

Equal Adventure, located near Aviemore in the Highlands of Scotland, is a registered charity with their main aim being to continue the development of equipment, information and resources, making outdoor adventure, fieldwork and active lifestyles accessible regardless of disability. The company had developed and created a prototype of snow board bindings for double leg amputees and needed to complete stringent laboratory based assessments of the product to validate the bindings. However, it did not have access to such expertise or facilities and required a third party to carry out the highly specialised testing so that the new product could be developed for the market.

Equal Adventure approached Interface after learning about the free and impartial brokerage service they provide. Having conducted an extensive search, Interface identified the required knowledge and facilities within the University of Strathclyde. The University's department of design Manufacture and Engineering Management's Industrial Projects scheme allowed a student to undertake the design, development and testing of the product over the course of an academic year. The project provided a unique work experience opportunity giving the student direct practical industry experience and resulted in a working prototype which established the design viability.

As a result of the knowledge connection made by Interface, Equal Adventure have proved the bindings are safe for use by double leg amputees and in doing so they have been able to add another product to their range. Suresh Paul, Principal Advocate at Equal Adventure explained, "Interface linked Equal Adventure to the expertise provided by the University of Strathclyde which has been invaluable to us and enabled us to extend our product range making outdoor adventure even more accessible to all."

Thanks to this partnership Equal Adventure has been able to authenticate the safety elements of the prototype and have subsequently created a new product which has allowed them to enter new markets, increase sales and safeguard jobs.





# **Case Study: Innovation Vouchers - Munepene**



Munepene is a software company started by Mark Abbs based in Elgin, Morayshire which is currently developing an on-line and mobile social game/leisure activity enabled by the innovative micro-trading of stocks and shares.

The Munepene product will have a global application and will allow its players to participate in the world's financial markets in a social environment with real money but at only leisure levels of risk.

Munepene utilised the services of Interface to identify the School of Computer Science at the University of St Andrews as a project partner who built a small simulator to develop the game. This project was support by a Highlands & Islands Enterprise/Scottish Funding Council innovation voucher. This gave Munepene the confidence to continue with development and the company is now working with The University of Abertay to develop a commercial product.

HIE have also adopted the company into its portfolio of account managed companies. Munepene themselves have assembled a Board of eminent technology entrepreneurs to help support them. This is an excellent example of partnership work between various public bodies and the private sector supporting a young innovative company in developing a product that has the potential to deliver benefits for the economy of Moray and Scotland as a whole.





# Case Study - Scottish Institute for Enterprise (SIE) and the Young Innovators Challenge

# The Scottish Institute for Enterprise



The Scottish Institute for Enterprise (SIE) is the national organisation for promoting and supporting enterprise and entrepreneurship in Scotland's universities. Its mission is to help more Scottish students successfully create and grow new businesses, and to champion enterprise education in Scotland, working in partnership with universities and colleges. It achieves this

through a small team spread across the country and an SIE Student intern at every university in Scotland.

SIE is committed to making enterprise accessible and provides a pathway to entrepreneurship for Scotland's students through enterprise events, competitions and workshops. Good relationships with other enterprise agencies in the Scottish entrepreneurship ecosystem means that SIE is well placed to bridge the gap between university and Scotland's start-up community.

SIE's enterprise competitions support students and graduates at all levels, and guide them through the process of developing a new business, from the earliest idea stage to launch and beyond.

Its dedicated team of business advisors provide free one-to-one business support to students and graduates. They also work with educators regionally to provide a key development role in SIE's Innovation & Enterprise Programme, which helps get enterprise into the curriculum, complementing and supporting the work of local enterprise educators and enterprise initiatives.

# The Young Innovators Challenge

Run by SIE with support from the Scottish Government, the Young Innovators Challenge is a competition aimed at encouraging 18–24 year olds in their final year of college, training or university to come up with innovative ideas for starting a new business.

Participation in the process provides opportunities to develop business and entrepreneurial skills as well as gain an understanding of how to set up and run a business. Entrants are tasked with creating and designing innovative solutions to challenges set by industry leaders. Finalists are then invited to pitch their ideas to a panel of industry and business experts for the chance to win up to £50,000 and a year of business support.





Young Ennovators Applicants are supported throughout the challenge by events such as Challenge Labs, aimed at stimulating creative thinking and network building and, for shortlisted entries, an intensive YIC Bootcamp. Here candidates receive valuable support and advice from industry experts and opportunities to develop skills needed in areas including negotiating, risk management, marketing and sales and investor pitches. The final stage of the competition sees finalists pitch their idea to a judging panel consisting of representatives from the private sector, the investment community and Scotland's business support agencies. The judging panel then decide upon the winning entries and the level of funding that should be allocated to help develop the idea.

# Young Innovators Challenge Winner



One of the winners from the 2013 round of the Young Innovators Challenge was Laura-Jayne Nevin, a graduate from Edinburgh College of Art. Laura-Jayne intends to open Wool & Co, a contemporary yarn boutique and knitting studio that aims to encourage the younger generation into the craft of knitting. As well as stocking a range of traditional and contemporary yarn spinners Wool & Co will be the first stockist of luxury cone based yarn in Scotland.

Since winning the Young Innovators Challenge Laura has been focusing on building her business infrastructure to allow her to trade. She has incorporated her company and has set up a business banking facility. She is also in negotiation with key suppliers to purchase initial stock and has sourced a suitable premises in Dundee. Negotiations on that are at early stage and while they proceed she will be marketing her business and building up a customer base. Next key steps are to start trading via craft fairs, directly to textile students and to build a website with online retailing capability.



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# Scottish Science Advisory Council (SSAC) recommendations







scottish science advisory council

The Scottish Science Advisory Council (SSAC report), 'Making the most of our Scientific Excellence' was published on 20 February 2013 and concludes a two-year period of work on this topic for the SSAC.

Key recommendations in the report include, amongst others:

- that commercial skills should be embedded in all Science, Technology, Engineering and Mathematics (STEM) degree courses:
- the establishment of an annual 'entrepreneurship' summer school for selected undergraduates;
- that consideration be given to setting up a 'payroll support' scheme to encourage post-graduate employment in Scottish SMEs:
- that government consider, after consultation with industry and professional bodies, encouraging the creation of one or more generic graduate training scheme(s) matched to the needs of companies, including small and start-up companies, that do not have in-house schemes:
- that a target 10% of public procurement (health service, local authority) to be spent on innovative services and products from SMEs and that the procurement process be redesigned to allow (and even encourage) a higher level of risk in taking on new products and services; and
- that consideration be given to defining and implementing promotion criteria, appropriate to individual; institutions, that encourage and reward STEM academics who focus, for a period, on innovation or commercialisation associated with the outcomes of research.

A copy of the full report can be found on the SSAC website:

http://www.scottishscience.org.uk/article/ssac-making-most-our-scientific-excellence-report-launched





# **Case Study: Innovation Centres - TechCube**



TechCube is a seven storey technology business incubator based entirely on private equity. Its aims are to catalyse a working tech ecosystem within Scotland by focussing on the following four main areas:

- 1. **Physical location** to act as a hub of innovation and startup business excellence. This has already been achieved with over 30 companies now part of the TechCube community and over \$26 Million invested in to the companies since January.
- 2. **Money**. There is a well-known private equity funding gap in Scotland. I aim to address this with a number of initiatives including attracting international tech investors to Edinburgh, building a new VC fund based out of TechCube but covering Scotland, working with Angel syndicates to bring additional liquidity to the market and to improve the quality of new companies in the pipeline.
- 3. **Events**. This includes holding the Turing Festival in Edinburgh bringing major companies and successful entrepreneurs including Square, Salesforce, Valve, Bitcoin, Yahoo, GitHub, Visa, MIT, Seedcamp and more. TechCube also works to build other great events from the European Tech Tour to Cloudcamp and others as a route to showcase local companies on an international stage.
- 4. **Digital Skills**. TechCube has built a partnership, alongside Scotland IS, Skills Development Scotland and others, to create a Digital Skills Academy in Scotland which will help increase the pool of talent with suitable digital and code skills to grow the workforce. With many TechCube companies experiencing a doubling of their workforce every 6 months, this is a pressing issue for all of them.

TechCube's main focus is company engineering. That is, putting together the building blocks of companies to make them suitable for international growth, investment and scaling. Current TechCube companies include FanDuel, Cloudsoft, Rightscale, Neo, Float, EO Surgical, Stipso, Peekabu Studios, Administrate, Outplay Games and GoodMark Medical. Whist these companies cover a wide spectrum of markets, from Games to Medical technology, all have a software tech product core. It is this area that provides such rapid growth that we now see in success stories such as SkyScanner, FanDuel and Freeagent.



Back to Incubators/Accelerators



# Case Study: Innovation Centres - The Alba Innovation Centre



The Alba Innovation Centre is a purpose-built technology business incubation centre, located in Livingston. Opened in 2006, the Centre has played host to 60 young technology businesses over the past 7 years, including names such KILTR.com, Cigual, Cyberhawk, innovation centre Dysis Medical, Elonics and Oligon (acquired by Wolfson)

Alba is currently home to 21 of Scotland's most exciting hi-tech start-ups, including companies operating in the software, energy, digital media and medical device sectors. Alba's low-cost, flexible office accommodation allows ambitious young tech businesses to benefit from a professionally-managed, modern work environment among a like-minded community of neighbours.

The Alba Innovation Centre supports early-stage technology businesses to fully commercialise their products or services, delivering economic development that benefits the economy of the region and the country as a whole. The support model used by the Alba Innovation Centre is recognised as a vital means of improving the business survival rate and encouraging innovation among Alba's tenant companies. The range of advisory services available to tenants includes:



- Developing the business plan and forward strategy;
- Investigating the market and assessing opportunities;
- Supporting the assessment of technology and intellectual property of the business;
- Assisting with developing the management teams, the people, skills and training requirements;
- Assessing the funding requirements of the business, designing a funding package and identifying and sourcing funds, including equity, debt and grants;
- Working with team to identify sales channels and development and implementation of a sales plan;
- Providing access to public sector financial grants and programmes for training, product development and marketing.

This added-value service provision give Alba's tenants the best possible chance of growing and bringing innovative products and services to market guickly. On their own, young businesses are often too small and too busy to establish strong relationships with banks, angels, venture capitalists, business consultants or other business development resources. The Centre also provides introductions and access to industry partners, angel investors and technology experts through a range of partnerships with sector focused third parties.





In addition to providing real-world accommodation and support services to its tenants in Livingston, Alba also operates the Alba Incubation Service, a ground-breaking virtual support service for innovative technology businesses located across Scotland.

## Cobra Simulation



Cobra Simulation was founded in March 2012 in order to develop, manufacture and market a ground-breaking new cost-effective portable '2D/3D wraparound' display solution.

The Cobra Curved Display is the world's first panadome spherical projection screen to utilise a single projector. The product uses the latest in first surface mirror technology and image warping software to provide an enhanced, immersive viewing experience. The product has a wide range of

potential applications such as flight and automotive simulation, home entertainment (gaming and 3D movie viewing), business (remote video conferencing and training), as well as military and educational uses.

Before approaching Alba Innovation Centre, lack of business premises and limited start-up funds meant that Cobra's MD Alexander Bradley was hosting demonstrations in the front room of his home. In addition to its need for professional business premises, the company had a number of requirements when they moved into the Centre including help to evaluate market opportunities and explore a range of options for growing the business, help to secure investment and grant funding to grow the business globally and support in a number of key areas of their business including marketing. IP and mentoring.

As a result of the support provided by Alba Innovation Centre, Cobra Simulation has raised more than £75,000 in private investment and secured grant funding from Scottish Enterprise and Scottish Development International worth a total of £6,500. The company has also expanded into a new production facility in Bathgate, where the curved display units are assembled from component parts, sourced and supplied from sub-contractors all over the world. The company formally went into production in early 2013.

The company has also now established (and is continuing to develop) a global network of resellers and has recently completed orders for display units in the US, UK, Germany, United Arab Emirates, Portugal and New Zealand. In its first 6 months of trading, the company has generated £60,000 in revenue.





"I can honestly say that we couldn't have achieved what we have so far without the help and support of the Alba Innovation Centre" says Cobra Simulation's Alexander Bradley. "The Centre and its advisors have been like extra members of the Cobra team. Given that we are a two-man business, the level and range of support supplied has been absolutely invaluable to the company's growth."

# **Optoscribe**



Optoscribe is a manufacturer of photonic integrated circuits for the communications industry. They produce 3D interconnect chips that simplify the use of new types of optical fibre developed for ultrahigh bandwidth communications networks in a robust, reliable and repeatable format.

Optoscribe is a spin out of the School of Engineering and Physical Sciences at Heriot Watt University, incorporated in June 2010. The company's manufacturing technology is based on more than 5 years of academic research in the field of materials processing using ultra-short laser pulses. The key unique enabling capability of the technology is the ability to produce three dimensional light guides inside a glass chip, which is not possible using conventional processing.

Optoscribe won the Alba Innovation Challenge competition in March 2010 which was run by Scottish Enterprise, West Lothian Council and Alba Innovation Centre. This provided them with a cash prize of £10,000 and a one year lease of an office in the Alba Innovation Centre. They are still a client of the Centre as they value the support and advice required to help them grow the business.



The company had a number of requirements when they moved into the Centre including help to evaluate market opportunities and explore a range of options for growing the business. They needed help to secure investment and grant funding to grow the business over the next 3 years and they needed support in a number of key areas of their business including marketing, IP and mentoring.

As a result of the support provided by Alba Innovation Centre, Optoscribe have now increased their international sales by £100,000, securing £60,000 of sales from the US and Japan. Their turnover has also increased by £100,000 and the Alba





Innovation Centre has helped them employ an additional employee into the business to focus on working on the 2 FP 7 EU Projects. In addition to this the Alba Innovation Centre has also helped Optoscribe secure £18,000 of grant support from Scottish Enterprise and an FP 7 EU Grant of 600,000 Euros over the next 3 years.

The company is just about to move into its early stages of growth and the tailored support provided by Alba Innovation Centre and Scottish Enterprise will help them manage that growth and secure the additional support required to ensure they grow successfully.



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# **Case Study: LESL Enterprise Challenge**



The Enterprise Challenge 2013, a competition to find Scotland's next big start up, was launched by LESL, an Enterprise Trust which provides specialist business support services to SMEs across Scotland, to celebrate 25 years of supporting business growth in Scotland.

Open to any start up or young business that has the capacity for rapid growth, the focus is on the best business model and prospects for success.

Winner of the Enterprise Challenge 2013 is Fuze Ceremonies, a rapidly-growing events company which organises humanist wedding and naming ceremonies. As overall winner Fuze will benefit from a comprehensive package of free business development services plus access to expertise covering legal and financial matters, recruitment, IT and online trading.

Morag Adams, MD of Fuze Ceremonies, says: "We are delighted to have won the LESL Enterprise Challenge. It's been a tough first year, but we've made a great start to a business that is continuing to grow and innovate. Winning is not only about the prize but the recognition by others and the belief that they have in our business has given us all a real boost.

"Our new premises at the Atrium, together with the mentoring and expertise we'll receive from LESL's advisors, will undoubtedly help underpin our plans for rapid expansion, initially in Scotland, then throughout the UK."

Ronnie Smith, CEO of LESL, says: "LESL's whole reason for being is to support exciting young Scottish businesses, assisting them to achieve their business goals and strengthen Scotland's economy. By providing access to mentoring and expertise tailored to their individual needs, I know that we can help these four start-ups to deliver on their potential as world-class companies."





# **Case Study: Creative Clyde**



Creative Clyde is a flourishing, vibrant centre for media, technology and creatively minded businesses. It builds on Glasgow's growing status as a hub for the creative industries, delivering new jobs and economic growth for the city. Key industries include film, TV and radio, advertising, publishing and design, web and digital media, animation, software and games development. The project is a collaborative partnership with a strategic development group comprising senior decision makers from Scottish Enterprise, Glasgow City Council, Glasgow Chamber of Commerce, Creative Scotland, BBC Scotland, University of Glasgow, Scottish Exhibition and Conference Centre (SECC), STV, Raise the Roof Productions, Film City Glasgow, Glasgow Science Centre and Glasgow School of Art.

# Digital and Creative Clyde Launchpad

In August 2013, eleven creative and digital businesses in Glasgow won £620,000 between them to develop innovative new products and services. The money was awarded at the conclusion of The Digital and Creative Clyde Launchpad competition, run by the Technology Strategy Board in partnership with Creative Clyde. Funding will be delivered through a combination of research and development project funding, business support and help to attract new private sector investment. Winning bids include a digital tag for wireless monitoring and security applications; a 3D virtual reality technology that creates branding and training experiences; and computer games rendering technology that will help make feature films easier and cheaper to produce.

As part of the programme the Launchpad aims to help businesses take advantage of being part of a developing cluster to realise their potential for growth, draw companies, investment and people into the digital and creative cluster and encourage networking and cooperation. Funds for approved research and development projects are also available and act as a catalyst to help the companies behind the projects to attract more investment. As part of the initiative eleven businesses from the Creative Industries sector, including new as well as established businesses such as animation and distribution houses and digital service providers, have already secured a share of a £620,000 fund to develop their product and service ideas to market ready status.





# **Case Study: Blackford Analysis**

Blackford Analysis is a provider of software products that accelerate comparison of medical images. By saving clinician time and increasing capacity, Blackford's products help to increase productivity and efficiency across the healthcare enterprise.

Supported through Scottish Enterprise's Proof of Concent Programme, the company source out

Supported through Scottish Enterprise's Proof of Concept Programme, the company spun out of Edinburgh University in 2010, and has received invaluable advice through the GlobalScot network, and within a wider package of assistance from Scottish Enterprise through the High Growth Start Up team and Scottish Development International.

"We basically have a method of processing data sets very quickly", explains CEO Ben Panter. "If you have a CT scan from today and a CT scan from three months ago, the easiest way to look at them is to line them up. With our solution, radiologists can look at whatever was wrong three months ago and, with one click, see how it has responded to therapy and changed over that time.

"We'd been looking at employing a sales person in the States and wanted to understand what the options were for a small Scottish company hiring an American employee, so we contacted our account manager at Scottish Enterprise."

Within a few days Ben was put in touch with GlobalScot Tracey Ginn, an attorney now based in the US - who was able to provide practical advice on the ins and outs of overseas recruitment.

"My conversation with Tracey was absolutely fantastic", continues Ben. "She explained in great detail all the things we ought to be thinking about and whether it made sense to have the candidate employed as part of the UK company or whether we should incorporate a sub-company in the US, and what the legal implications of either route would be. It was really useful stuff."

Tracey's advice allowed the company to explore different options for expanding their business overseas and with a promising sales funnel already established in the States and Canada, Blackford Analysis is now focusing on growing its international business.





# Case Study: University spin-out - Insignia Technologies



Based at BioCity Scotland, Insignia Technologies came into being following collaboration between two companies, Insigniapack and Strathclyde University spinout Novas Technologies. By combining their complementary technologies, Insignia Technologies was formed and has developed an embedded food label product that changes colour, indicating that the 'consume-within' threshold is approaching. This carries the dual benefit of addressing food safety issues and reduces unnecessary food wastage.

To help realise the full benefits of its pioneering product Insignia Technologies has received Young Innovative Enterprises funding to help enable the company to build its management team and begin constructing its sales pipeline across the UK, France, USA, South Africa, Australia and New Zealand. In addition an award of a SMART: SCOTLAND feasibility funding has supported the development of the company's food spoilage indicator. This has led to Insignia Technologies exploring the incorporation of the pigment into the plastic packaging itself so that the packaging can monitor the condition of the food it encloses. Colour changes in the packaging provide a visual warning of when the food spoilage threshold approaches.

To help the company explore opportunities overseas it has received support from the European Enterprise Network and Scottish Development International. This includes assistance with building contacts, supporting attendance at networking events and facilitating introductions. The company has also employed a Saltire Fellow, through an initiative led by the Saltire Foundation. The company found this to be a relatively low-cost way to encourage talented graduates to enter the company.

The launch of Insignia Technologies' embedded label has generated global interest as its unique technology, combined with its cost effectiveness and reliability makes it a great commercial prospect. Assistance from Scottish Development International provided the opportunity for the company to visit the USA, which resulted in a major US retailer expressing interest in gaining exclusive access to Insignia Technologies technology for fresh food products.

Encouraging progress continues with the company planning to launch its embedded food packaging labels through major retailers in both UK and USA later in 2013. In addition to this, trials on a quality indicator label have commenced with a US-based transporter of fruit. There is huge potential for Insignia Technologies and its products with further possible applications for the technology including opportunities in the medical, security and cosmetics sectors.





# **Case Study: Alexander Dennis Limited**



Alexander Dennis Limited (ADL) is a great example where a collaborative approach built around an emerging global market opportunity can really add to Scotland's competitive position internationally.

In 2013 the first large collaborative Scottish Enterprise Research and Development grant was awarded to ADL, BAE Systems and the Power Network Demonstrator Centre to produce a new bus system capable of operating in 100 per cent electric mode via highly innovative underground on route charging infrastructure. Unlike current electric hybrid buses where the battery is topped by the diesel engine the new bus can run for up to 30 minutes with the engine off.





### **Case Study: Touch Bionics**

In early 2003, David Gow led a spin-out company out from the National Health Service via Scottish Health Innovations Ltd (SHIL). The company became the first spin out from the NHS to receive significant private and public sector investment, including from Archangel Informal Investments and the Scottish Co-investment Fund.



In 2007, Touch Bionics launched the i-limb<sup>™</sup> hand, the first powered prosthetic hand to incorporate articulating fingers. The following year it acquired US company, livingskin<sup>™</sup>, which provides the lifelike passive functional prostheses and prosthetic coverings for the i-limb<sup>™</sup> technology.



In 2013 the company introduced the latest generation of advanced prosthetic technology, i-limb $^{\text{TM}}$  ultra revolution, a myoelectric prosthesis with powered rotating thumb and a mobile app allowing the user program and control features whilst on the move.

Touch Bionics continues to innovate and lead the world in the development of upper limb prosthetic technologies. The company is committed to delivering positive patient outcomes and improving the lives people with upper limb deficiencies across the world.





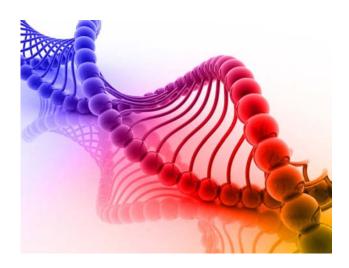
#### Statement of Intent for Innovation In Health

Health And Wealth In Scotland: A Statement Of Intent For Innovation In Health was launched by the then Cabinet Secretary for Health at the NHS Event in June 2012. At the Statement's heart is innovation. The Statement highlights that Scotland is very well placed to be an international centre for innovation in health with an integrated health service with major quality ambitions, a strong life sciences industry, excellent informatics, and first class universities and research capability. Specifically, through strong partnerships with industry, the NHS is to encourage the development, marketing and adoption of products and medicines that are better matched to its needs, and which are evidence based, to make a bigger contribution to sustainable quality improvement. The Statement is an explicit driver to entrepreneurship in Scottish companies in the life sciences and health sectors to create and develop for market the next generation of health technologies and solutions.





### **Case Study: The Stratified Medicine Scotland Innovation Centre**



The Stratified Medicine Scotland Innovation Centre<sup>42</sup> (SMS-IC) is a partnership involving Health Science Scotland (a collaboration of Scottish Medical Schools) Scottish businesses and major global companies. It will have a base at the new South Glasgow Hospital.

Stratified medicine exploits the latest advances in DNA sequencing technology to determine the genetic makeup of patients undergoing treatment for different diseases. The goal is to find which treatments work best in which patient so clinicians can choose the most appropriate and effective treatment for each patient. The SMS-IC will focus primarily on developing new forms of effective treatment for chronic diseases, including cancer, stroke, diabetes, rheumatoid arthritis, and respiratory and cardiovascular diseases. The aim is to lead a global transformation in health care delivery.

<sup>&</sup>lt;sup>42</sup> http://www.scotland.gov.uk/News/Releases/2013/04/over-2000-jobs-at-new-30million-innovation-centres



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## **Case Study: Offshore Renewable Energy Catapult**

CATAPULT
Offshore Renewable Energy

Funded through commercial funding and investment from the Technology Strategy Board, Catapults are a network of technology and innovation centres that aim to provide businesses an opportunity to access, facilities, equipment and expertise so they can develop, test and exploit new ideas and products in a number of key technology sectors.

Headquartered in Glasgow, the Offshore Renewable Energy Catapult<sup>43</sup> will work with project developers, their supply chain partners, testing facilities and others to develop, commercialise and grow innovative

technologies and technological solutions in the field of offshore renewable energy.

<sup>43</sup> http://ore.catapult.org.uk



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### Case Study: The Scottish Collaborative Innovation Partnership Process (SCIPP)

Government can also play a direct role in stimulating innovation, and, using a challenge based approach, can work together with industry and other partners to come up with solutions to real life public sector issues. The Scottish Government is now using this model to take forward innovation in health in a way that supports the development of innovative products for the Scottish market and beyond.

NHSScotland has a Vision for 2020 that everyone will be able to live longer healthier lives at home, or in a homely setting. A very important component of this is to move the focus of care and support away from the hospital to the communities and homes where people live. This will not only improve service quality and the experience of users, but help to make best use of all available resources. Our vision is about transformational change, not incremental improvement. To make this happen, innovative models of care and different ways of working must be created and adopted.

The Scottish Collaborative Innovation Partnership Process (SCIPP) aims to bring together the ideas and people to address this 2020 Challenge with some radical thinking. The best ideas that emerge from the process will, under sponsorship from the Scottish Government, be developed, supported and scaled through appropriate support mechanisms including NHS procurement, NHS planning, partnership working and the TSB's Small Business Research Initiative programme.

SCIPP is a very open process with deliberately few boundaries as we are interested in anything that will open opportunities to reduce significantly our reliance on hospital care where better care can be provided elsewhere.

The deadline for this call is 2nd December 2013 with a workshop to identify the best ideas and examples set for February 2014.





### **Case Study: Social Enterprise Academy**



The Social Enterprise Academy was set up in 2004 as a social enterprise. They tailor learning and development for people working in, or towards, a leadership role in the social economy. Their leadership, enterprise, and social impact programmes encourage innovation and creativity by focussing on the participant and their personal development as an entrepreneurial leader. The Academy is able to deliver courses to the public, private, as well as the social economy sector. They have worked with a number of

courses to the public, private, as well as the social economy sector. They have worked with a number of organisations to tailor programmes to create an in-house learning programme. They exist to help learners achieve their full potential through learning.

With the support of Scottish Government, the Social Enterprise Academy has been working with young people in schools since 2007 and has a proven track record on delivering learning that is relevant, engaging, creative, inspirational and contextualised for young people. In effect learning that changes lives. Since the start of the Social Enterprise in Education Awards programme we have supported over 500 primary, secondary and additional learning needs schools to establish successful, viable and actively-trading social enterprises all being run by pupils, with turnovers of up to £50,000 per annum. We help them to develop their business plan, think through their social purpose, and introduce them to practicing social enterpreneurs who then act as mentors, and nurture and embed social enterprise as part of the school ethos.

### Kirkcudbright Academy, Dumfries and Galloway



Pupils at Kirkcudbright Academy are peddling a new model of business with their bicycle repair and recycle social enterprise. Old bicycles are donated by parents, teachers and pupils. These social entrepreneurs have also reduced waste going to landfill by building links with the local recycling centre, who reserve thrown away bikes for them. Reconditioned bikes are then sold back to the community for between £10 and £30 with supply often exceeding demand.





#### St Nicholas Primary, Broxburn, West Lothian



Pupils at St Nicholas Primary (pictured above) in Broxburn officially launched their fair trade café, Food for Thought, at the school in June 2011 with the help of multi-millionaire and entrepreneur Shaf Rasul, from Dragon's Den Online. This social enterprise has high hopes for the future as they plan to take Food for Thought out into the community to serve vulnerable groups. Profits from the business are used to provide further support to these groups and a sister school in Ghana. Showing great marketing awareness the pupils have set up a blog and twitter account and plan to expand the enterprise by producing branded, fair trade cotton bags.

# Stonelaw High School, Rutherglen, South Lanarkshire



Stonelaw Fair Traders was one of the first schools in Scotland to be awarded a Social Enterprise Schools Award back in 2008. Tutors from the Academy supported teachers and pupils to develop a business plan that put entrepreneurial learning at the heart of the curriculum. And it is still paying off. To date their sales are pushing £150,000. And the continuous encouragement and recognition is giving scores of budding entrepreneurs a real sense of achievement.

The enterprise picked up the top prize at the UK-wide Social Enterprise Awards in 2011 and one group of lucky pupils had the honour of presenting to the First Minister! Pupils are keen to spread the word about the fair-trade ethos of their enterprise and how it benefits orphans in the developing world.





#### Case Study: Micro-Tyco



Micro-Tyco is a ground-breaking enterprise challenge, run by the WildHearts Foundation, that has brought together over 10,000 participants, from school children to business executives. Micro-Tyco's vision is nothing less than the ignition of the spirit of enterprise across our whole culture. It helps our companies to excel and our children to believe, creates compassionate global citizens and will inspire the leaders our country deserves.

Taking inspiration from the spirit of WildHearts microfinance clients in the developing world, Micro-Tyco challenges teams to grow £1 into as much money as possible in just 4 weeks. Its unique combination of inspiration, world class business mentorship, positive peer pressure and ethics produces such incredible results over £500,000 has been returned from just 1,900 £1 loans.

As well as generating significant sums to tackle global poverty through microfinance, Micro-Tyco impacts participants emotionally; raising the bar of what they see as possible for themselves and providing access to previously distant networks and opportunities. An excellent example the life-changing inner transformations that take place during Micro-Tyco is that of Jamie Maguire. Jamie was a 16 year old school excludee and part of the Cambuslang Universal Connections youth group when he participated in Micro-Tyco. Jamie says of his experience:

"I didn't really like school. I got suspended twice but I can't really remember why. We had to borrow a pound from Micro-Tyco, and when I was sitting thinking about it, the only thing I'd do with a pound before would be to buy a scratchy card or put a football coupon on. Now I know how to go about setting up a business and making investments. I now know how to go about making money, keeping money and making myself a profit.

Back before I started doing Micro-Tyco I didn't think I'd even be able to get near starting a business. Now I feel like anybody could set one up. I could get a job now; if I went for the interview I'd feel more confident and would be able to tell people about my achievements. Micro-Tyco has changed my whole outlook and my future."







Jamie's team transformed their £1 micro-loan into £1,500, beating every university team in the country in the process. His success in Micro-Tyco attracted the attention of Arnold Clark, who have since taken Jamie on as a trainee mechanic.





### **Case Studies: Tourism – VisitScotland nominated companies**

#### Laura Matuszak, Celebrate Scotland



Scottish Blue Badge Guide, Laura Matuszak, set up her own tour company 'Celebrate Scotland' in 2010 and has come up with an exciting new itinerary based on Disney Pixar's blockbuster Brave. Laura, who is also a qualified music teacher, achieved her Blue Badge accreditation after completing a two-year part-time intensive course through the Scottish Tourist Guides Association at the University of Edinburgh. She leads tours throughout Scotland and creates bespoke itineraries, designed to suit any budget, timescale and individual or group type.

Following the release of Brave in August 2012, Laura registered for the Brave toolkit and collaborated with a North American tour company to create a new tour. The tour incorporates many of the key themes of the film as outlined in the Brave toolkit, including myths and legends, ancient Scotland as well as music and Scots language. "Brave combines all of my interests," comments Laura. "It has big doses of creativity, imagination, fun and magic – things that I think every tour should include."

The new tour, aimed at the US market, is centred on a range of Brave-related experiences, including archery, visits to castles and battlefields, and storytelling. It covers four locations throughout the country and includes accommodation and meals. "I believe the tour will be successful and well received by participants, as well as businesses and colleagues involved," says Laura. The US company is currently advertising Laura's tour on their website for dates departing in spring and summer 2013, and Laura is soon to start working on her own marketing materials.

"My ideas are slowly taking shape," she says. "Tourism is changing; we have to provide opportunities for all types of people and groups to enjoy and celebrate everything that Scotland has to offer. Whether based on fact or fairytale, Brave is opening our wee country up to the rest of the world in a way that hasn't quite been done before."

Contact: laura@celebratescotland.biz





### Introducing Scotland's Best Kept Secrets

This is the ethos behind Kitty Bruce-Gardyne's venture, **Scotland for the Bon Viveur**, designed to lead you off the beaten track and explore the Scotlish Borders where you will find some of the country's top producers of textiles, food and drink.

"As a region, the Scottish Borders has an immense amount to offer," she explains. "And yet it remains largely unknown to the wider public." Having previously co-founded and run Learmont Mackenzie Travel which specialised in walking holidays in the Borders she became well acquainted with not only the spectacular countryside but also local businesses. "The mills have been an integral part of Borders life and history since the 18<sup>th</sup> century and though relatively few remain in operation, they are quietly manufacturing for some of the leading fashion houses around the world."

For some time Kitty has wanted to bring the mills to the attention of visitors to Scotland as she believes they deserve to be much better known. "Edinburgh Castle is the top tourist destination in the country, and visitors to the Royal Mile are bombarded with cashmere and tartan products for the entire length of the street. However, it is very difficult for the untrained eye to spot what is actually woven in Scotland, and what is not. I want to let people know that in just an hour's journey from Edinburgh they can experience the thrill of walking round a working mill, learn about the production process, and see a cashmere sweater or tweed cloth being made before their eyes. The mills are fascinating not only to the engineers amongst us, but also to those who like to purchase the final product."

It was in conversation with Hazel Brodie from Scottish Enterprise that the idea grew to create a more complete visitor experience. As well as showcasing the wool mills, she would also include the best of borders food and drink. "Besides salmon, the region

produces some of the best beef and lamb in the country, and has a growing reputation for its artisan cheeses, smoked meats and craft beers." She is now working with one of Scotland's top producers of prime Aberdeen Angus beef, supplier to some of the leading restaurants in the country. July 2013 saw the re-opening of Abbotsford, home of Sir Walter Scott, and this provides the perfect location for food and whisky tastings in opulent surroundings and luxurious overnight stays.

As the name suggests, Scotland for the Bon Viveur aims to introduce some of Scotland's best kept secrets to the discerning visitor, with top quality Scottish manufacturing, Scottish Borders provenance and heritage all playing a key part.





Abbotsford House, Melrose, former home of

Sir Walter Scott

"I really enjoy creating these trips, working with local companies and pulling the threads together to produce a high quality, bespoke experience for the client. Over the past few months I have spoken to a good number of people about this venture – including Alasdair Maclauchlan and Paula McDonald from Visitscotland, and James Sugden from Johnstons of Elgin who have been particularly helpful. The Borders has much to shout about and be proud of, and I am delighted to have the opportunity to put the region in the spotlight".



Kitty Bruce-Gardyne Scotland for the Bon Viveur Introducing Scotland's Best Kept Secrets T 07717 473964





#### Case Study: Business Gateway high growth company - Safetray

An Edinburgh company producing a non-topple drinks tray has secured deals to supply two of America's largest food services companies and a renowned hotel with its innovative product, supported by Business Gateway.

Sodexo USA, Compass Group USA and the Four Seasons Hotel, Las Vegas, were among the first to purchase Safetray, a non-topple drinks tray invented by Alison Grieve. The 34-year-old from Edinburgh came up with the idea for the product after a tray of champagne worth hundreds of pounds toppled over at an event she had organised. Speaking about the major order, she said: 'Securing orders with such leading names in the hospitality industry highlights how innovative the product is. The orders have also sparked interest in the product from across the globe. It's amazing to think that a product made by a small Scottish company will now be used in places such as Alaska, San Francisco and New York.'

John Hughes, Business Adviser, Business Gateway Edinburgh said: 'When Alison first came to us we immediately knew that her product had the potential to take the hospitality market by storm. We've supported the business through one-to-one advice, via our workshop programme and introduced Alison to other specialist agencies all of which has helped turn her idea into a marketable product in a short period of time.'



Alison says 'Business Gateway has supported me every step of the way - from ensuring my business plan was robust to helping me with the latest investment round. My adviser put me in touch with Scottish Enterprise whose market research highlighted that the US was going to be the product's biggest market, with 60% of their top 100 bars providing VIP table service areas, which focused my attention on cracking North America first.' She added: 'We are a classic Business Gateway story, in that we needed to develop intellectual property and it helped us secure a grant to do that, we needed to expand and export and so it put us in touch with the SDI and now, with only one in 20 companies successful in an investment round, its support has helped us secure finance. In terms of economic development, Business Gateway has done its job, as we are also about to take on two new members of staff with a further two later in 2012, and we're grateful for its help.'





#### Case Study: Business Gateway high growth company - Hebridean Sea Salt



Natalie Crayton launched Hebridean Sea Salt, based in South Lochs, in 2010 after spotting a gap in the market for Scottish sea salt. Thanks to funding advice secured through Business Gateway, Natalie, who studied marine biology, was able to build her own unique production unit manufacturing 600 packs of salt a week.

Now, with increasing demand for her crunchy sea salt, made using the unpolluted water off the Isle of Lewis, she hopes to secure further investment to allow her to eventually produce up to 1000 packets a day.

She said: "Without the advice and funding secured through Business Gateway and Highlands and Islands Enterprise I wouldn't have been able to get so far. My plan now is to source further investment that will allow me to expand into additional units and massively increase production."

Sarah Maclean, Business Adviser, Business Gateway and Prince's Trust said: "Natalie approached Business Gateway in early 2010 and we were able to help her secure funds through the Local Authority ERDF funded Outer Hebrides Small Business Assistance Scheme and Prince's Trust, helping her build her present production unit. Her hard work is paying off and we are delighted that she is looking to expand and capitalise on her product's popularity."

In June 2013, Hebridean Sea Salt was awarded £35K of funding by The Scottish EDGE.





### **Case Study: Scottish Investment Bank**

The Scottish Investment Bank (SIB) supports the development of Scotland's private sector SME funding market to ensure both early stage and established businesses with growth and export potential have adequate access to growth capital.

SIB operates a suite of investment funds. The three equity funds adopt a highly innovative co-investment and shared risk intervention model to encourage more private investors to invest in early stage Scottish companies with high growth potential. SIB is also the lead investor in the privately managed Scottish Loan Fund which operates on a fully commercial basis and is aimed at established companies.

### Good Practice example - SIB Investee company - Games Analytics Ltd

Edinburgh-based GamesAnalytics Ltd, producers of software for analysis of computer game playing behaviours, received investment of £100,000 from the Scottish Investment Bank in June 2011, via the Scottish Seed Fund, as part of a £275,000 funding round. The company specialises in personalising game playing experiences in online games by providing technology and services that delivers targeted in-game messages based on analysis of playing styles. It has ambitions



to be the largest provider of these services to the games industry by 2016. Focusing on assisting publishers and developers attract and retain users is at the core of the company's activities. In July 2013, the Company successfully secured £827k investment in Series A funding from new investors Par Equity and TSV Group plc, which included £411.5k from the Scottish Investment Bank through the Scottish Co-Investment Fund. This is the first stage of a planned £2m investment round.

The Company will use the investment to accelerate the development and commercialisation of its predictive modelling platform as well as strengthening its sales and marketing activities to support its rapidly growing international client base.

The company is account managed by Scottish Enterprise.





## **Case Study: Morphsuits**

Since it was founded in 2009 by Ali Smeaton, his brother Fraser and friend Gregor Lawson, Morphsuits has grown to a £12m turnover business. The company now employs 23 people in their offices in Edinburgh and London and have recently acquired a business in California, USA.

Morphsuits are full body suits made from polyester and spandex to make them super stretchy. They are basically full body jumpsuits that are shaped like a human body complete with fingers. A Morphsuit can be used as a fancy dress costume in itself or as a base for a more elaborate fancy dress costume.



The idea came about from a stag do where a friend wore a similar suit which had been brought back from Japan – the insight was clear that the suit changed the way both the wearer behaved and those behaved towards him. The three founders initially targeted 10k Facebook fans in hope that it might pay for a ski holiday. However, they achieved that in a matter of weeks and now have over 1.3million social media followers.

More recently, the founders have diversified their business with two new brands – Royal and Awesome and Foul Fashion – and formed a collaboration with Digital Dudz to produce smartphone-animated costumes and T-shirts.

Their advice to budding entrepreneurs is as follows:

- 1. **Do test your idea quickly and cheaply:** Morphsuits was our third idea. Despite our research, planning and passion for the previous ideas we just couldn't get them off the ground. However because we had launched them for little money it meant that all we lost was our time and in return we got a lot of learnings that proved very useful with our following ideas.
- 2. **Do continue to keep your job until your concept is proven:** When you are still launching and testing your venture your life can get very hard if you don't have any income. Keeping your job keeps the money coming in, gives you colleagues to bounce ideas off and tests your passion for your idea as it isn't easy to come home at 7pm and start work on something else. We kept our





jobs for 18 months after launching Morphsuits and while it was very hard work it meant that we could reinvest all our profits in growth because we could live off our salaries. Just make sure your new venture isn't competing with your day job!

3. **Do outsource:** This does two brilliant things for a start-up: 1. It means you can keep your costs variable so you can scale up and down with demand; 2. You can bring in experts in all areas of the business to your company. At Morphsuits we outsource absolutely everything other than actually running the business. This meant we could grow to a £10m turnover without taking investment or hiring any staff and also bring in world-class talent in manufacturing, marketing, logistics and much more.



- 4. **Don't keep it secret:** Too many people think that their idea is so special that if they tell anyone it will be copied. Don't believe it. The chances of your idea being stolen are tiny and you will miss out on loads of valuable feedback and introductions. At Morphsuits we talk to as many people as possible and through that we have found our manufacturers, our logistics firm and many more innovations. Start a little black book
- 5. **Don't wait until everything is 100% perfect before getting going**: If you wait until everything is perfect you will never launch because nothing is ever perfect. When you launch, your customers will forgive a few imperfections and you will have started learning and earning money. This is the Beta launch culture that has come from the internet world. Our first order which took up two-

thirds of our launch capital arrived with zips 10cm shorter than specified (the factory thought they were helping us by saving money) but it meant anyone broader than average would struggle to put their suit on! We had no choice but to sell them as we didn't have the money to buy more. In the end we had to replace a few but taking that chance allowed us to get going.

6. **Don't start something you don't know how to monetise:** We all hear about Twitter and Facebook who drive huge valuations before generating any revenue. Don't be misled; this only works for a few Silicon Valley venture capital backed businesses. We tried it with our first couple of businesses and it didn't work. Having a business that generates revenues from day one keeps you motivated and provides capital to finance growth.



Back to Access to Finance



# **Case Study: Youth Employment Scotland**

Youth Employment Scotland moves forward the Scottish Government's commitment to help unemployed 16-24 year olds into work. It builds on measures which provide education and training to prepare young people for employment. Youth Employment Scotland funding will support recruitment incentives for employers of small and medium sized business in the private sector, and social enterprises, which will pay a contribution of the wages of new youth jobs created.

The £50 million Youth Employment Scotland Fund is made up of £15 million from the Scottish Government and £10 million European Social Fund, matched by £25 million worth of in-kind support from employers and local councils.

Up to 10,000 young people Scotland-wide are expected to be supported into work with all 32 Local Authorities engaging in the project.







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ISBN: 978-1-78412-023-8 (web only)

The Scottish Government St Andrew's House Edinburgh EH1 3DG

Produced for the Scottish Government by APS Group Scotland DPPAS15094 (11/13)

Published by the Scottish Government, November 2013