

SETsquared: Current and Future Opportunities

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The Context

Politically and economically, there is an emphasis towards more regionally balanced growth across the UK.

This means stimulating innovation-led growth beyond London and the South East, across the entire country to create a stronger, self-reliant and sovereign 'UK Plc'. An innovative, creative country should establish incentives for the best companies and individuals in the world to invest across the UK and seek British firms as collaborators.

The Science and Innovation Audits (2016-2018) show the UK has a strong science base and innovative potential, but it is not yet realising its potential in the commercialisation of these riches. The pathway from scientific research base to industrial application and market commercialisation is treacherous, yet one which SETsquared has unrivalled experience and success in navigating.

Founded by the universities of Bath, Bristol, Southampton and Surrey, and later joined by Exeter, SETsquared connects university research and firms. It has developed enviable strengths and unparalleled capabilities to assist start-up and scale up activities.

SETsquared is ranked global number 1 university-based incubator for the past 3 years.

We can help UK Plc achieve its ambition.

Who are SETsquared

SETsquared is a unique enterprise partnership and a dynamic collaboration between five leading research-led UK universities: Bath, Bristol, Exeter, Southampton, and Surrey. It is focused on supporting STEM-related business growth and has been continuously ranked **Global No. 1 University Business Incubator** since 2015.

Its geographic reach extends across the South and West of England, most notably in the Local Enterprise Partnership (LEP) regions of: Cornwall and the Isles of Scilly; Enterprise M3; Heart of the South West; and West of England. It is also expanding into: Dorset; Swindon and Wiltshire; Solent; and South East Wales. It operates across priority sectors for economic development, such as health & wellbeing, digital innovation, sustainable technologies and advanced engineering, as well as in the creative sector, agri-innovation, and SpaceTech providing sector-specific business support, training and programmes.

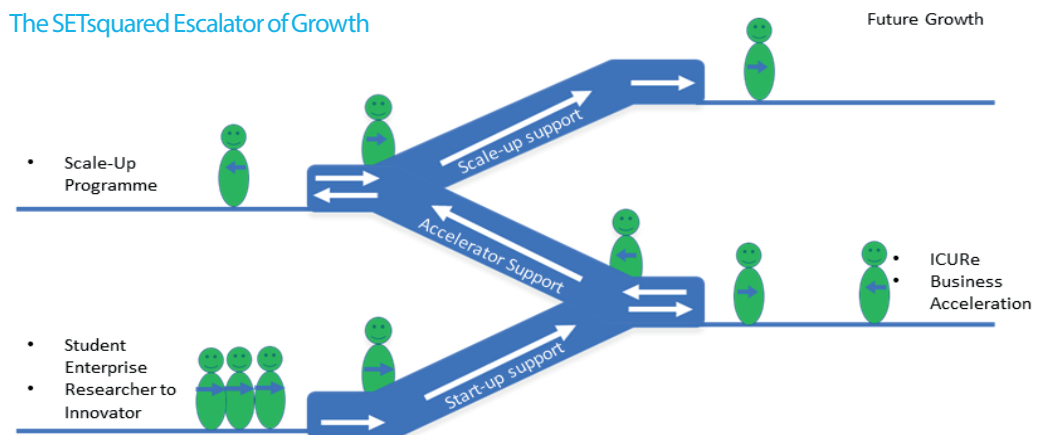
6,500 + companies have participated in programmes	£8.6bn contributed to the UK economy from 2012-17	£1.8bn + investment raised with SETsquared help	10,900 jobs created to date	4,000 + companies incubated by SETsquared
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Service Provision

SETsquared provides a comprehensive range of **events** and **programmes** to support companies established by students, academics and private individuals, at all stages of business development. SETsquared hosts a number of events throughout each year designed to support, train, and showcase their member firms. **#Idea2Pitch** helps aspiring entrepreneurs to hone their ideas and develop a pitch for gaining business support. **Roundtable** events explore issues and business/learning opportunities for businesses, as well as offering a chance to network with other firms and investors. **Growth Investment Showcases** give member firms from all five universities support and training to develop a pitch, which are then presented to a targeted group of relevant investors.

They also provide a wide range of programmes to entrepreneurs and SMEs which can be taken as stand-alone programmes, or uniquely to SETsquared, they be synthesised to form an **escalator of growth** (figure below) from ideation through start-up to scale-up stage. In this way SETsquared is able to form a longer term relationship with their client enabling them to support companies established by students, academics and private individuals, at all stages of business development. The figure below demonstrates SETsquared's escalator, which not only offers support to individuals and small, technical, enterprises right through their business journey, but allows multiple points for additional Science, Technology, Engineering and Math (STEM)-related SMEs to join or leave the escalator along the way.

The SETsquared Escalator of Growth



SETsquared also provides services to investors. It has detailed knowledge of, and direct access to a significant number of exciting and innovative firms in high-tech, high-growth industries. SETsquared can create efficiencies for investors using their knowledge of investees to ensure only those enterprises likely to match the preferences of the investor are invited to make pitches, or introduced to one another. Because of this unrivalled capability to match firms, SETsquared start-ups operate a 90%+ survival rate, enabling sustainable growth and high-value investment opportunities for building globally scalable firms from the ground up.

What Makes SETsquared Unique

Unparalleled Support

SETsquared supports hi-tech entrepreneurs, start-ups and scale-ups and acts as a bridge to suitable investors.

Furthermore, its Annual Investor Showcases and sector specific events are closely tied to the UK's Industrial Strategy to ensure that the programmes are aligned with, and prepare firms for, the calls that come out of the Research Councils and other funding opportunities.

In addition to providing low-cost office space and physical facilities, SETsquared provides support and training tailored to firm-specific needs: business engagement activity, sandpit workshops and training for investment pitches. It brings together people from a variety of firms and organisations to foster new ideas and creativity. It drives engagement and best-practice techniques through various networking events. For instance, for the entrepreneurially inclined student, SETsquared can facilitate cross-regional collaboration with other students and firms. In one example, it operates 'market stalls' where students and graduates from across member universities are brought together for a weekend programme of activities rooted in real world activities, rather than purely academic exercises. These often lead to new ideas which become investment opportunities in due course.

This level of support and intelligence, leading to a strong track record with investors, is only possible because of the growing scale of SETsquared. It has an outstanding record for delivering that success over a

prolonged period and in an ever-changing environment. Consequently, SETsquared is more successful and productive than any other university business incubator.

SETsquared is particularly distinctive in its ability to give ongoing assistance providing business mentoring and support potentially from idea generation right through start-up and onto the scale-up phase. Their engagement with clients has the potential to last for five to ten years; from one person at ideation stage, to 50+ employees and even to successful buyout by larger companies such as Cisco's \$310m purchase of Ubiquisys in May 2013.

Scale Driven Efficiency and Effectiveness

At the individual university or regional level, there may not be a sufficient number of suitable firms who are ready to meet investors at any one time. This puts the onus to find investment entirely onto the entrepreneur. The search for investment can be ad hoc, infrequent and therefore time consuming. SETsquared is a unique partnership between five universities across the South of England giving it scale, with breadth and depth across both its programme, and client, portfolios which are unmatched by any other university business incubator in the UK. By pooling the resource of five universities across Southern England, SETsquared's scale of activity smooths the frequency of investor-investee interactions. Member firms are supported, trained and connected to universities and the science and technology research base.

SETsquared has developed unique competences in relation to investment and funding for entrepreneurs through to scale-ups. It helps to bring innovations to market by ensuring member firms are exposed to appropriately matched, potential investors at the right time in their growth path. On the other side, SETsquared ensures that its investor clients are only presented with firms who meet their search criteria. This unique competence creates time efficiencies and lower risk investment for all parties.

Growing Demand

There is growing demand for SETsquared's programmes and services. Expanding westward, **Cardiff University** has recently joined the Scale-Up programme bringing the proven SETsquared formula, to Wales. Heading eastwards, in **Swindon**, SETsquared hosts events to support the Research Centre to Deliver Sustainable Technologies for a Circular Economy.

The services and expertise SETsquared and provide to the SME sector are invaluable to build the sustainable technological industrial base the UK requires for its future.

Case Study: Ultrahaptics

Have created a technology that uses ultrasound to enable people to feel virtual objects in mid-air with their bare hands. They joined the Business Acceleration and Scale-Up programmes.

SETsquared support received: Mentoring, Office support, Training events, Investor readiness training, Investment Showcase. **Investment raised:** £31m.

"SETsquared has been our home since the early days of the business. Not only have they provided a literal home, in the form of our first office space, but they've also provided everything else we all need from a home: support, advice, connections, guidance and training." Steve Cliffe, CEO and Tom Carter, CTO.

ultrahaptics 

Future Opportunities

Accelerating Growth Across Southern England

The political agenda to level-up regions means devolving decision making to local agents including combined authorities, LEPs, regional powershouses, universities, businesses and community organisations. Steps in this direction have already been taken.

Opportunities for 'place-based' growth have been identified by Local Industrial Strategies. Government commissioned Strategic Innovation Audits have enabled the scientific and innovative capabilities of each LEP across England to be mapped. However, there is a significant gap to traverse between scientific potential and commercial market growth. Specialised intermediaries will be needed to bring these agents together. SETSquared is a leading example, potentially for the entire South of England and East Wales region.

Among the scientific strengths of the southern LEPs are agri-tech, aerospace and space tech, digital services and ICT, healthcare, high value manufacturing, sustainability and transport – technologies and sectors upon which SETSquared's expertise is based. Due to its

emergence from five strong, world-leading university research bases, SETSquared can help bring the potential of each region to fruition by connecting hi-tech SMEs to university research and supporting their business development over the crucial stages of their lifecycle.

An issue currently underplayed, but of increasing importance, is the connectedness between the regions in their development. There are already examples of collaboration across the region, such as the South West Agri-tech Cluster, which facilitates technological innovation in the regions' farming, fishing and food industries and cuts across most of the seven southern LEPs. Similarly, the South Coast Marine Cluster promotes innovation and collaboration in the marine and maritime economy across all four LEPs with a southern coastline. There are numerous opportunities for further collaboration and co-operation such as Hinkley Point C, the 5G Rural Testbed, and the development of Porton Down Science Park. By leveraging more capabilities from across the Combined Authority and LEPs and applying them across a wider range of sectors, the potential of the entire southern region could be heightened. For example,

leveraging the digital services capabilities that are a strength of EM3 and using them to complement the food supply capabilities of Dorset, could help strengthen both the professional services sector in EM3 and the Food and Drink sector in Dorset.

SETSquared's business growth expertise, portfolio of contacts and knowledge of regionally specific sectors and capabilities makes it the ideal agent to help identify and synthesise combined authority and LEP area strengths into industrial activity that is greater than the sum of their individual parts. SETSquared can be an agent of change building networks, supporting start-ups and the growth of SMEs, accelerating the rate at which complementary capabilities are brought together, thereby strengthening existing sectors and encouraging emerging sectors to reach their potential.

In sum, SETSquared's experience and capabilities in support of STEM-based small business growth can help the South of England and South East Wales attain heightened productivity and longevity of economic strength in the face of a rapidly changing and complex technological environment.

SETSquared has the potential to help the UK grow.

22,200 +

jobs created by 2030

£26.9bn

economic impact by 2030

