

Edinburgh Chamber of Commerce

Fin-Urb-Act Seminar

Preparing for Growth

High Growth Support Services

February 10th 2010

WHAT IS A HIGH GROWTH COMPANY?

BASED IN EDINBURGH

£400K TURNOVER IN YEAR 3

NO DISPLACEMENT OF OTHER BUSINESSES

EXPORT POTENTIAL

INNOVATIVE/TECHNICAL

Excluded sectors retail, agriculture, farming, fisheries, forestry, public sector, property management, financial

Venture Capital & Public Policy

- Growth of US VC Industry
- Side effect of policy to protect pensioners
- 1974 ERISA Act
- Coincided with Portfolio Allocation Models
- Silicon Valley consumes 50% of global VC supply
- Bio Quarter Start-ups need rounds of £2.5M, £5M, £25M to flourish

Aspirational Team:

John Harkins:

Industry background in Mechanical Engineering
Managed companies to MD level

Tel: 0131 221 3195 email:

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John Hughes:

20 years in Grain Trade.
15 years in economic development

Tel: 0131 221 3193 email:

john.hughes@edinburghchamber.co.uk

Support Activities:

Business Plan/Financial analysis (templates. SE East Investor Readiness support).
R&D (University/Further education links)
Market research (SE East Business Information services)
Marketing (MAP, PR opportunities, networking events, strategic alliances).
Funding (LINC,EFG,SEED, SCIF & Scot Venture Funds/SMART/R&D/INNOVATION,EBLF,PSYBT)
Export market development (SDI, Enterprise Europe Scotland, ECOC International Division)
IPR (ICASS).
Legal/Accountancy (ECOC surgeries).
Training (GATEWAY and ECOC Training courses).

Scottish Development International (SDI)

- International arm of Scottish Enterprise
- Sectoral specific
- Involved in inward investment projects

Chamber International Desk

- A wealth of experience in export/import law
- Specialises in international trading documentation
- Works closely with international chambers

Enterprise Europe Scotland

- Scottish Enterprise division
- Your local network – part of 600 organisations in over 40 countries
- 3 areas of support:
 - Commercial – identifies jv's / distributors
 - Technical – promote innovative technology
 - Research – seek collaborative research expertise

CHAMBER BRIDGE TO PUBLIC & PRIVATE FINANCE

- Phenomenal growth in Angel finance over last decade in Scotland
- LINC & SCIF at forefront of this + Investor Ready scheme from SE
- More Angel organisations appearing
- Investor finance has liberated companies in Scotland
- Reduces risk and provides leverage

Scottish Co-Investment Fund

- The SCIF model has been an international success
- Companies deal direct with pep's
- Investees register with EIS

Scottish Co-Investment Fund

Breakdown of Deals Completed April 03 to Sept 09

Number of deals to date	330
Private sector investment	£105,307,084
SCF commitment to deals	£51,537,205
Total Invested	<u>£156,844,289</u>
SCF contribution to total committed	32.86%

Investment Activity by LINC Members (c.35% Scottish Total)

Table 1 Year on Year Comparison for Months 7 + 8

	July-Aug 2008	July-Aug 2009	YTD 2008	YTD 2009
Total Private Investment	£4.19m	£3.95m	£15.89m	£10.25m
Total Public Sector Finance	£2.15m	£2.19m	£7.77m	£6.11m
Total Value of Investment Raised	£6.34m	£6.14m	£23.67m	£16.36m
Total No. of Investments	15	12	46	46
Size of Average Private Sector Investment	£279.33k	£329.16k	£345.43K	£222.83k

TYPICAL FUNDING PACKAGE – 250k

- 70k SMART
- 30K Own Finance
- 50K Archangel / Braveheart
- 50K Scottish Co-Investment Fund
- 50K Enterprise Finance Guarantee
- 5K EBLF
- **255K Total**

Referral Sources:

•SE East/ BIOS	20%
•ECC Help Desk	15%
•Other SE East	17%
•Intermediaries	30%
•Other ECOC (Volume start up)	6%
•Other Clients	6%
•Misc (Council, PSYBT,LINC)	6%

The Process:

- Initial Meeting
 - Submission to Scottish Enterprise
 - Diagnostic Review
 - Action Plan Implementation (typically 12 month duration)
 - Regular contact by tel/ email/ meetings
 - Referral to SE Client/Account managers
- Initial meeting to Action Plan activity in the order of 3 weeks.

CASE STUDIES

FIOS Genomics

Active in the analysis of some 20,000 genes present in the human body. Provided assistance in raising external funding and developing UK/overseas markets.

Tower Mains Ltd

Scottish-based company specialising in all aspects of clinical trials. Needs mainly relate to development of new/additional routes to new market locations. Secondary assistance with respect to local joint ventures, recruitment, securing new premises and business strategy development

CASE STUDIES

Advocates Ltd

Specialist provider of Chemistry, Manufacturing & Controls (CMC) to the biotechnology and pharmaceutical industries. Business strategy development/business planning support was identified as a priority plus creation of a formalised marketing strategies particularly in relation to overseas markets. Funding assistance in relation to marketing collateral, e-business development and overseas activities

Roslin Embryology

Bill Ritchie is on the Growth Pipeline. His subject is preservation of endangered species building on his 20 years experience in animal cloning & embryo manipulation, highlighted by his groundbreaking work on the Dolly the sheep project. He is collaborating with Edinburgh based partners.



CASE STUDIES

U-Loop Ltd

Conceived, designed and developed a wrist held device for securing hand held luggage. Client has raised public & private sector finance with growth pipeline help and has just taken delivery of her first consignment from China

Helpar Ltd

Client has a military background and has developed a prototype communication device that has applications in the military, emergency services, oil & gas, construction sectors. Through the growth pipeline the client has accessed design technology support from EDTC (Napier Uni company) and will source public and private sector funding to take his product to market



Other Chamber Services

International Trade : Murdo Beaton 01506 497 667
Training/ECC Membership services : Orela Deane: 0131 221 3191
Business Mentoring
Executive Skillsbank Service
Free Membership
Customer Services
Chamber Business Solutions

Venture Capital & Public Policy

- Growth of US VC Industry
- Side Effect of policy to help pensioners
- ERISA Act 1974
- Coincided with Portfolio Allocation Models
- Resulted in diversion of funds to VC's
- Caused Silicon Valley, home to 50% of global VC funds
- Bio Quarter companies need £2.5M, £5M, £25M funding rounds to flourish and stay in Scotland