

Sheffield Start-ups

What the data tells us

Changes in the ecosystem and progress over the last few years

The gaps that still exist



Start-up ecosystem representatives



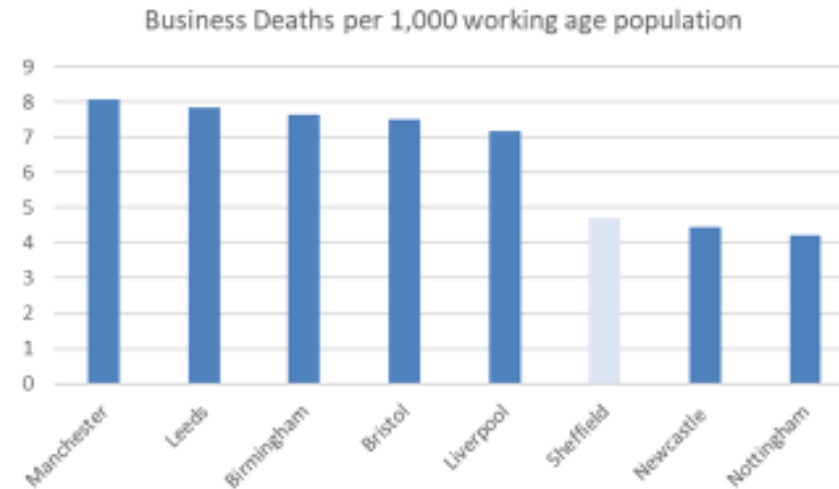
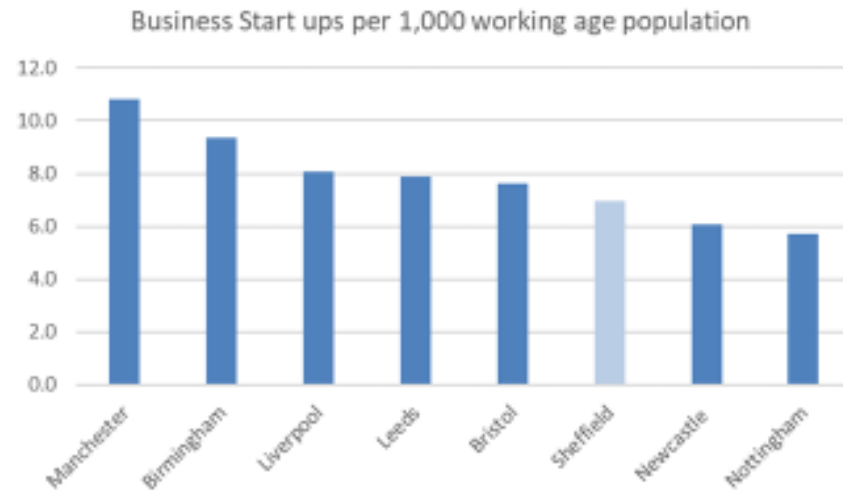
Start-up's – Why are they so important

- Essential for economic growth
- Source of new jobs
- Instigate new innovation - products and services
- Create wealth
- Lifeblood of an active and innovative economy
- Inward investment tool

Alexis Krachai – Future
President, Sheffield Chamber

Business Start-Ups and Deaths

- 2,695 new businesses started in 2021, all core cities had a drop in the number of business start ups in 2020 before recovering in 2021. Sheffield's annual growth in 2021 was the strongest of the core cities at 27%.
- Sheffield has 6.9 business start ups per 1,000 working age population, the 3rd lowest among the core cities, an improvement on previous years when it had the lowest.
- We also have good survival rates, the 3rd lowest business failure rates across the core cities (4.7 per 1,000 WAP).
- Source: ONS UK Business demography 2021



Start-up's – Sheffield Data and Sentiment

- Sheffield had the lowest start up rates of the core cities, but currently ranks 6/8
 - Lower than average death rates in the bottom 3, lack business churn
- BUT seeing improvements
- Voted – best city to start a business in 2022 by Startups. quoting greenspace, low cost of living, large working population, good transport links.
 - 54% growth in early-stage venture capital in last year:
 - 2nd highest growth rate across all cities
 - 149% growth rate over 2 years

Start-up Ecosystem



 **Harvard
Business
Review**
www.hbr.org

THE BIG IDEA

To ignite venture creation and growth, governments need to create an ecosystem that sustains entrepreneurs. Here's what really works.

How to Start an Entrepreneurial Revolution

by Daniel J. Isenberg

Dash Tabor – Founder of TUBR, Predictive Analytics Platform

Sheffield

Start-ups

Hear from parts of Sheffield's ecosystem

Launchpad

- SY wide programme, delivered by Business Sheffield
- 2 years UKSPF funding – Committee approval
- Test viability - advisor support and workshops
- Reshaping delivery model – diverse customers requiring bespoke support
- Finding a physical space in the city centre
- Working with stakeholders in the city to avoid duplication/front door

Ruth McDonald – Black Business Group Founder, Race Equality Commission Member



3500+ hours of support – present
260 entrepreneurs - new

Sheffield

Tech Scale Up Advisors – Business Sheffield

- Started 2018 – Due to tech support gap
 - Founders of their own successful tech start-ups
 - Mentor indigenous tech starts and scaleups
 - Since April 2022
 - 65 businesses
 - £4.765 million investment obtained
 - Rest seeking £24.79 million
 - Series A £11 million
 - Not all about investment (50/50 split)
 - Seen a positive growth in the ecosystem
- Help connect and navigate the local ecosystem
 - Help founders have confidence in themselves
 - Contribute to strategic direction of business
 - Introduce potential customers
 - Introduce potential investors
 - Introduce potential accelerators
 - Help develop investable cashflow forecast and pitch deck

Case studies – included for more information at the back of the presentation for context

Sheffield Incubation & Acceleration Network (SIAN)

- The purpose of SIAN is to increase collaboration and engagement between business support programmes in South Yorkshire.
- Collectively, our mission is to create and empower a thriving start-up entrepreneurial ecosystem across South Yorkshire.
- Includes both Universities
- Mantra of '**No Wrong Door**' – wherever support is accessed members signpost within the network to most relevant provision
- Home grown investment outfits such as Twinkl
- Meets regularly/shares best practise

26 Partner Organisations

Core Delivery Team of 5

Sub-Projects: Information Corpus for Advisors, and SY Cofounder Platform

Future Ambitions to plug support gaps

Tom Wolfenden
CEO Sheffield Tech Park (tech incubation space),
Founder of SIAN Network, partner in Team SY

Team SY – Accelerator programme

- Capital Enterprise lead
- Increased the number of accelerators in SY
- Accelerated the growth of the tech ecosystem
- Put us on the map with investors
- ERDF – ends June 2022 (gap)

215+ Start Ups Supported

3000+ hours of support

50 new companies started

41 products created

16 delivery partners

University of Sheffield – Northern Gritstone

Since 2017: increasing resources available for creating spinout companies from the University of Sheffield

Life science



Rapid Growth – 20 new spin outs since 2019

Cash investment - £1.5million per year invested in new business concepts

Advanced Manufacturing



Raising Capital for the region – Northern Gritstone

‘Deep Tech’ & Engineering



Targeting job growth in Sheffield – Discussing infrastructure in the city



Andy Hogben, University of Sheffield University spin-outs and the universities Northern Gritstone lead **Sheffield**

Northern Gritstone

A new venture capital vehicle dedicated to the success of the region (and the North of England)

- History
 - Universities of Sheffield, Manchester & Leeds
 - Founded in 2020 -15 year partnership
 - Fundraised £215 million in May 2022 for early stage investment
- Mission
 - Investment in IP-rich, fast growth businesses, particularly spinout companies
 - Chair - Lord Jim O'Neill
- Immediate impact
 - 3 Yorkshire based investments to date, participating in a combined £44 million investment



SY Tech Welcome

- Recovery Action Plan funded
- Soft landing grant
- Support towards first year rent dependant on headcount
- Inward investment product

Recently launched

2 successful businesses – 1 Sheffield, 1 Barnsley

9 jobs created

Sheffield – York start up located in Electric Works (8 jobs)

More in pipeline

Start ups – Gaps and opportunities

Culture – more marketing/collective narrative

Business support – immediate gap in acceleration continuation and wet lab space, Chamber presidency pledge

Policy – highlighted as a priority SCC, SYMCA, Chamber and Universities

Investment – emerging and more visible with investors BUT STILL a gap in high risk local investment access

Joseph Quinn – Innovation Director SYMCA and lead for Regional Business Support Group – identifying priorities for UKSPF and other regen funds.

Alexis Krachai – future Chamber President

Start-ups

Open to questions and discussion from the Committee

Message of hope – on the right trajectory

Joint working – really important

Diverse communities **IMPORTANT** to inclusive business support and ambition

Prioritisation of investment culture is critical

Case Study: Tech Scale-Up Advisors & Ferrio

About Ferrio

- Highly innovative Software Integration Platform
- Young founders with no prior business experience
- Had left their jobs to take a risk on the area
- Had 6 months free co-working at Sheffield Technology Parks (STP)
- Introduced to us by the Community Manager at STP
- First contact with us October 2021. Engagement ongoing as at March 2023

Our Support

- Mentorship: helping founders have confidence in themselves
- Advice: on practical business management topics arising
- Strategy: contributing directly to formation of strategy
- Investment Readiness: Helped develop an investable Cashflow Forecast and Pitch Deck
- Introductions: to potential customers, to investors, to an Accelerator

Outcomes

- Ferrio recognised as a model for startup success
- Pre-seed Investment raised from a local Business Angel
- 4 people now employed in the business (more on the way)
- £240k projected turnover for first year of trading. 2nd year should be £1m+
- Business now occupies a paid-for office at Sheffield Technology Parks
- £500k-£1m Investment round now underway

Why It Worked

- Consistency: ~2 hrs input every 4-6 weeks over a sustained period
- Founder-centred support: topics driven by the founders actual needs and timed to suit them rather than pre-determined content & arbitrary schedule
- Founders feel that they can access a trusted advisor who knows the business well and has the right experience and knowledge to help them grow



Dan Blaney, Co-Founder of Ferrio

Alex Humphreys, Co-Founder of Ferrio



**Business
Sheffield**

“Morgan has been with us every step of the way, from adopting an MVP approach to our validation, to preparing us for our first raise, to helping us hire (first time for us!) and begin to scale. We started out on a bootstrap budget that could never have stretched to paid consultancy, so having this available for free through Business Sheffield has been a gamechanger. Hard to imagine where we would be without Morgan’s help!” - Ferrio

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