



LIVERPOOL
JOHN MOORES
UNIVERSITY

Liverpool
Business
School

LIVERPOOL CITY REGION SCALE UP ECOSYSTEM 2024

LIVERPOOL BUSINESS SCHOOL

Contents

Introduction.....	3
Acknowledgements	3
Executive Summary	4
The landscape of the Liverpool City Region	5
Regional challenges	6
Employment & Skills.....	6
Defining the Scale-Up Ecosystem	6
Findings.....	9
1. Culture and attitudes to scaling up	10
Success Stories.....	10
Challenge & Opportunity: Culture of Entrepreneurship	10
2. Finance and access to finance for scale ups	10
Angel Investors	10
Venture Capital.....	10
Grants and Loans	10
Access to Finance Support.....	10
Challenge & Opportunity: Access to Finance	11
3. Government Policy and Institutional Support	11
Apprenticeship Levy	11
Freeport Status.....	11
Liverpool City Region Investment Zone.....	12
Challenge & Opportunity: policy and government support	12
4. Human Capital	12
Further and Higher Education Institutions.....	12
Apprenticeships and Internship Schemes - LCR Be More	13
Challenge & Opportunity: Access to Talent	13
5. Support for businesses to scale up	13
Non-Governmental Institutions	13
Support Professions and Programmes	13
Incubators and Accelerators.....	13
Infrastructure.....	13
Challenge & Opportunity: Infrastructure and Coordination	13
6. Markets	14
Distribution Channels and Exports	14
Challenge & Opportunity: access to markets	14
Conclusions and Recommendations	15
Potential and Scaling business in LCR*	16
References.....	17

Introduction

This report offers an introduction and preliminary insights into the business scale up ecosystem in the Liverpool City Region (LCR) in 2024. It maps the current support systems for businesses that have scaled, are currently scaling, or have the potential to scale. The research was conducted in early 2024 and covers six key areas: **culture, finance, policy, human capital, support, and access to markets**. The aim is to create a baseline understanding and identify gaps and opportunities for transformative new partnerships and innovative collaborative work, and to avoid duplication post European funding. This report maps the ‘hardware’ needed for a thriving ecosystem, however equally as important is the ‘software’ that binds us together. This relational, interpersonal approach is our unique asset and can bring our collective vision of a thriving region to life. It is imperative that we are brave and encourage and support our businesses to scale up in the region because if they are done well, they are essential for socio-economic progress, driving job creation, innovation, and productivity growth – all of which are core to a responsible and inclusive regional growth strategy. This report is the beginning of a movement to create a supportive and collaborative scale up ecosystem in the LCR.

What is a Scale Up? The OECD defines a ‘scale up’ or ‘high growth’ company as one that has achieved growth of 20% or more in either employment or turnover year on year for at least two years and has a minimum employee count of 10 at the start of the observation period.

Acknowledgements

In June 2023, a delegation from the Liverpool City Region was invited by The Scale Up Institute and Innovate UK to take part in a three-day Scale up symposium delivered by Prof Daniel Isenberg. This prompted an action-led group of private and public sector leaders to coalesce around these core concepts with an ambition to act as an incentive and support for businesses to grow across our region.

Representatives from the Growth Platform, BDO, LCR CA (Combined Authority), LJMU, Form and the Scale Up Institute agreed **“To obsessively support our scaling businesses in any way we can, leading to growth, raising ambitions and opportunities for all.”** The aim is to promote and enable growth throughout the region, bringing together existing capabilities from across the region and finding solutions to the barriers to scaling up.

Thank you to Janice Mears at the Growth Platform, Matt Johnson from Form and Mark Sykes from BDO for their support, thoughtful comments, and feedback. This report received no external funding.

Report authors: Geena Whiteman and Dr Fiona Armstrong-Gibbs. If you are using this document in your own writing, our preferred citation is: Whiteman, G. & Armstrong-Gibbs, F. (2024). Liverpool City Region Scale-Up Ecosystem Report 2024, Liverpool Business School.

For more information please contact f.d.armstronggibbs@ljmu.ac.uk

Executive Summary

The Liverpool City Region is a £33 billion economy with an average annual economic growth rate of 3.2% from 2001-2021. The key sectors in the region include Advanced Manufacturing, Clean Growth, Digital and Creative Industries, Healthcare and Lifesciences, and the Visitor Economy. Micro and Small Sized Enterprises make up 97.7% of the LCR economy, with a slightly below-average business start-up rate. The region also has a below-average rate of scale-ups, with 590 currently operating in the LCR (ONS). Despite some economic growth, the region continues to face high levels of social deprivation, low wages, and limited opportunities for many.

Focussing on the six key areas of the ecosystem;

- From a **cultural** perspective there are successful scale ups, but the publicity of these and what we can learn and be inspired by is limited. There are willing micro entrepreneurs and small firms, but they struggle to harness the benefits of a scale up ecosystem and established firms are traditionally risk averse.
- Whilst the **finance and funding** landscape is bleaker post-Brexit there are some, albeit limited replacements of EU funds, such as UKSPF. There is an emerging appetite from venture capital funds and angel investment coming to the region, but more diverse funds and their visibility is needed.
- From a **government policy** perspective, some initiatives are evident but clearer communication and engagement is needed, what does exist, is well received when businesses are made aware of these interventions and support.
- Collaboration that supports **human capital** between schools, skills training providers, further and higher education and industry is weak and tied up with bureaucracy.
- Many business **support** programs that were EU funded are now closed which presents an interesting challenge in replacing this support. Access to physical space is limited as businesses grow, tempting them to move elsewhere prompting more investment that is needed for regenerating old spaces and building new spaces.
- Targeted access to **markets** post pandemic and post brexit is limited particularly for those with international aspirations. A focus on networking opportunities specifically for scaling businesses is also very much needed.

It is clear there are challenges in the regional scale-up ecosystem, including cultural attitudes, access to talent, finance, policy, and infrastructure. However, this presents huge opportunities to create the ecosystem we really need particularly from the perspective of the support services and our education institutions as well as policy makers driving the Freeport and Liverpool City Region Innovation Zone in supporting scale-ups. This is the time for a confident and courageous vision, improved collaboration, clearer pathways, alignment of education with industry needs, comprehensive solutions to bridge the financing gap, and the appropriate infrastructure to retain and nurture scaling businesses in the region.

The landscape of the Liverpool City Region

The Liverpool City Region is a £33 billion economy which has an average annual economic growth rate (2001-2021) of 3.2%. According to the ONS, the UK GDP per Capita is £36,793.82, and the UK GVA per capita is £31,138. The GVA and GDP per capita of the Liverpool City region is slightly lower than the national average, however, this varies significantly between districts.

The Growth Platform identify the key sectors of the Liverpool City Region are:

- Advanced Manufacturing
- Clean Growth
- Digital and Creative Industries
- Healthcare and Lifesciences
- Visitor Economy

Micro and Small Sized Enterprises comprise a significant share of the Liverpool City Region (97.7%) economy, which is in line with the England average (Figure 3).

According to the ONS Census Data, the LCR has a slightly below average business start-up rate of 66 per 10,000 residents, in comparison to the Great Britain average of 68 per 10,000 residents (ONS, 2021). From the Great Britain total start-up's rate of 357,340 businesses, 2,735 of these are founded in the Liverpool City Region.

	Population (People)	Population (% of LCR)	GVA (£ Billions)	GVA Per Capita (£) ¹	GDP (£ Billions)	GDP Per Capita (£) ²
Halton	128,577	8%	£4.0	£31,390	£4.5	£34,985
Knowsley	154,974	10%	£4.0	£25,927	£4.6	£29,407
Liverpool	484,488	31%	£14.3	£29,489	£15.9	£32,841
St Helens	183,391	12%	£2.8	£15,448	£3.4	£18,803
Sefton	279,692	18%	£4.6	£16,275	£5.4	£19,418
Wirral	320,600	21%	£5.6	£17,527	£6.6	£20,688

Figure 1: GVA and GDP Per Capita (ONS 2022)

This also reflects in the number of scale-ups, with the Liverpool City Region having a below average rate of 63 scale-ups per 100,000 working age residents, compared to the UK average (excluding London) of 80 scale-ups per 100,000 working age residents.

The ONS (2022) and Scale Up Institute highlight a total number of 590 scaleups currently operating in the Liverpool City Region.

Business Size	Liverpool City Region		England
	Number	%	
Micro (0-9)	39,055	88.5%	89.8%
Small (10-49)	4,085	9.2%	8.3%
Medium (50-249)	790	1.7%	1.5%
Large (250+)	190	0.4%	0.4%

Figure 2: Business Size and Market Share (ONS, 2022)

Regional challenges

Almost one-third of the region's neighbourhoods rank amongst the most deprived in the UK. Austerity measures, Brexit, and inflation has seen further deprivation relative to other areas, despite parts of the LCR economy also growing (MHCLG 2019). The Liverpool City Region has a significantly higher rate of deprivation than the England national average, with 22% of children in the region living in poverty and 21% of over 60s in the region income deprived. The 2019 Index of Multiple Deprivation scores for Knowsley (43.0) and Liverpool (42.4) are the second and third highest in the North West. Halton, Knowsley, Liverpool, and St. Helens are all in the worst 20% of local authorities in England (Lewis, Ubido, & Jones, 2021).

Employment & Skills

Almost 50% of the Liverpool City Region workforce are employed in the public administration, education, wholesale and retail, and health and social care sectors. In total, 34.6% of the jobs in the Liverpool City Region are publicly funded while 10.7% of jobs are high-skilled jobs in the private sector (Florisson & Navani, 2023).

The Liverpool City Region has a variety of further and higher education institutions (HEI) universities: University of Liverpool, Liverpool John Moores University, Liverpool Hope University, Edge Hill University, Liverpool School of Tropical Medicine, and Liverpool Institute for Performing Arts. This leads to approximately 63,000 higher education students enrolling in courses in the Liverpool City Region per year. The unemployment rate for post-graduate students (3%) in the Liverpool City Region is lower than that of the national average England level (4%). Approximately 62% of LCR graduates were still living in the North West five years after graduating. This compares to around 50% of all graduates from English universities staying in the same region as the university.

Defining the Scale-Up Ecosystem

The OECD defines high growth as a company that has achieved growth of 20% or more in either employment or turnover year on year for at least two years and has a minimum employee count of 10 at the start of the observation period. Having grown to a certain size, a scaleup is ready to use its proven success to scale and grow its company significantly.

The process of scaling up a company requires the capability of a firm to operate, in a sustained manner, on a larger scale and at a higher level of productivity.

This typically involves either increasing innovation, competing in a broader product space, entering new or international markets, or expanding networks (OECD, 2022). The scaleup phase is typically the quickest and most significant stage of growth, and one that can bring the most challenges. For this reason, it is vital for scaleups to have the right level of support, resources, and the right network to work through and overcome whatever issues they face during this important business phase.

Scaleups are important for socio-economic progress, driving job creation, innovation, and productivity growth. Whilst startups were traditionally cited as engines of economic growth, approximately 90% of startups do not grow older than five years (Davila et al., 2015). Whereas scaleups are less vulnerable to failure and have already successfully validated their business in the market to achieve rapid growth.

The OECD (2022) identifies how scale-ups represent 13-15% of SMEs yet contribute to 47%-69% of all new jobs generated by SMEs between 2015-2017. Spillover effects from scaleups include greater innovativeness in entire industries or regions, and enhanced productivity.

Evidence suggests that firms operating in industries with a higher concentration of scaleups achieve higher productivity levels than those operating in industries with a lower concentration of scaleups (de Nicola et al 2019). Additionally, an increase in the prevalence of scaleups in an industry has a positive effect on the overall industry growth (Stam & van de Ven 2021). Actors in the ecosystem can be individuals with a vested interest in the development of new businesses (e.g. business founders or investors), Organizations: a social unit of people set up and managed to achieve certain goals or serve specific purposes (e.g. companies, universities) and Institutions: long-standing and stable patterns of behaviour which guide individuals (e.g. values, culture). Our methodology has used the six components of the eco-system based on Isenberg's (2010) entrepreneurial ecosystem model (Figure 3):

1. Culture for Entrepreneurship: attitudes towards entrepreneurship and scale-up in the LCR, including visible successes and social support.
2. Access to Finance: the funding schemes available in the scale-up eco-system, as well as the organisations facilitating venture investment and financing.
3. Policy Environment: the policy priorities of the LCR CA in relation to supporting business scale-ups.
4. Support Mechanisms: the formal and information institutions that provide support (such as advice, incubation, and acceleration) to scale-up businesses in the Liverpool City Region.
5. Human Capital: the educational institutions (formal and informal) that support scale-up activities and train/retrain individuals engaging in the LCR.
6. Access to Market: the organisations, mechanisms, and opportunities for facilitating organisations to connect to global markets for scaling businesses in the LCR.

This report outlines the findings from publicly available data and other ecosystem reports, as well as results from interviews conducted with thirteen key actors in the Liverpool City Region scale-up ecosystem.

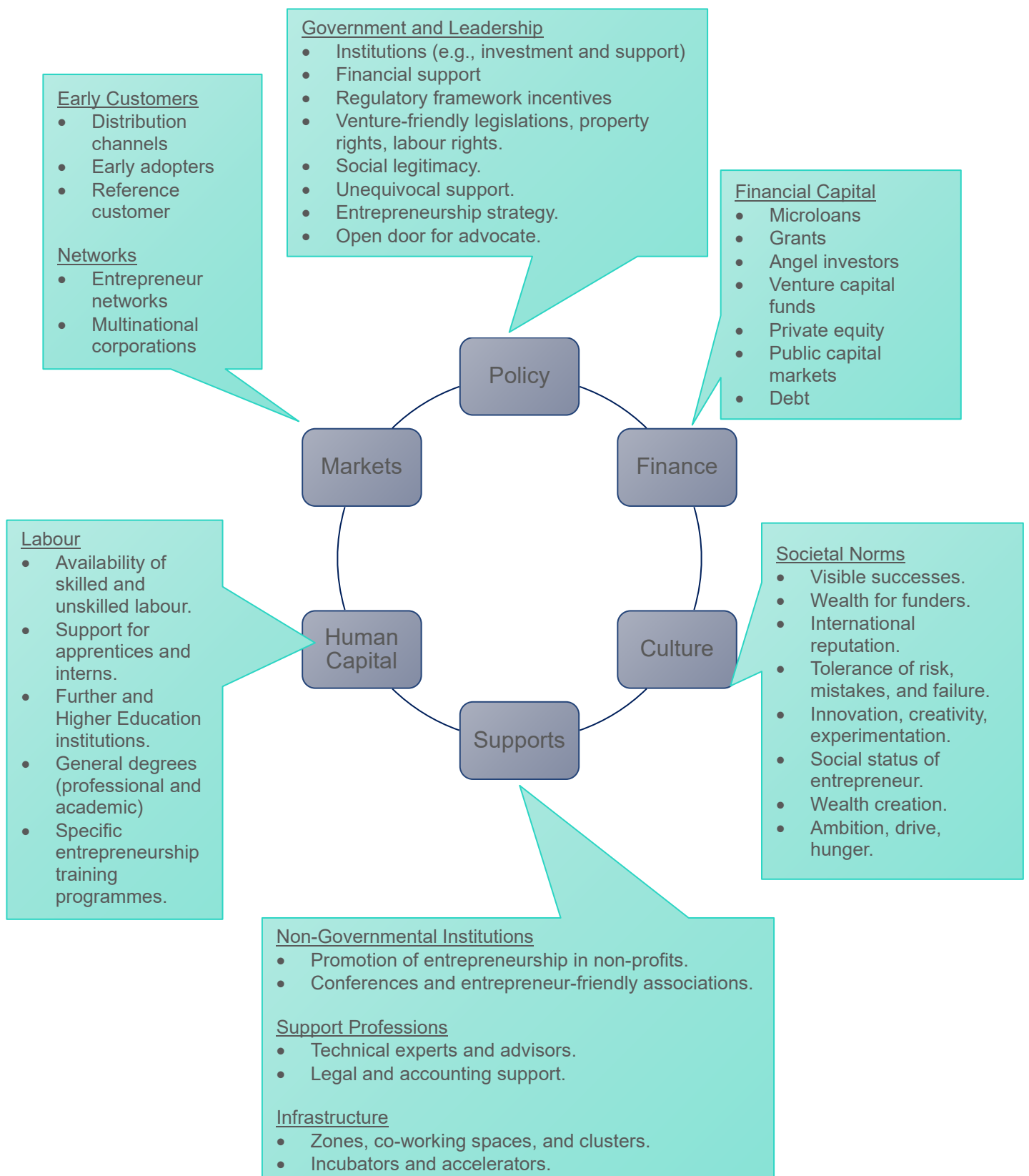


Figure 3: Entrepreneurial Ecosystem (Isenberg 2010)

Findings

The Liverpool City Region Scale Up ecosystem is mapped here (Figure 4) with a discussion on each component to follow. National support services and current policies such as corporate lenders, banks, R&D tax relief etc are not specified here as our focus is on elements that are unique or specific to the LCR. National ecosystem data and other regional information can be accessed through the Scale Up Institute Annual Report³.

1 Culture	2 Finance	3 Policy
<ul style="list-style-type: none"> Limited 'good news' stories and accessible data on who is scaling up. E.g Tech Climbers List's of Success Stories Cultural attitudes towards entrepreneurship – 'hustle' culture but risk aversion. Limited perceptions of success scaling in Liverpool due to many scale-ups relocating. 	<ul style="list-style-type: none"> Angel Investors - LCR Angels Network Maven Capital Partners Venture Capital - River Capital DSW Venture Capital Grants - LCR Capital Grant Fund Flexible Growth Fund LYVA Lab Health and Life Science Fund High Growth Innovation Fund LCR Finance Hub Kindred LCR social investment with LCR CA and Power to Change 	<ul style="list-style-type: none"> Liverpool City Region Combined Authority devolution polices for economic growth. Freeport LCR Innovation Zone
4 Support	5 Human Capital	Markets
<ul style="list-style-type: none"> Chambers of Commerce Accelerator - LYVA Labs, Baltic Ventures FORM - Gather LCR Baltic Creative CIC Kindred Growth Catalyst LCR Horizons Low Carbon Eco-Innovatory LCR High Growth Programme Barclays Eagles Lab Sci-Tech Daresbury Liverpool Science Park Professional services - BDO / accountancy etc 	<ul style="list-style-type: none"> University of Liverpool - Help to Grow Liverpool John Moores - Scale-Up MBA, Clean Growth Programme Edge Hill University - Productivity and Innovation Centre Liverpool Hope University LCR Be More Apprenticeship Levy access. FE colleges – Wirral Met / City of Liverpool / The Engineering College etc. 	<ul style="list-style-type: none"> DBT Export Support Service LCR Export Support Chamber Export Services Start Up Grind Brett Centre - Entrepreneurs Monthly Meet-Up SLUSH Liverpool Tech Climbers MIPIM / REIFF ACC trade events

Figure 4 : LCR Scale Up ecosystem is mapped

1. Culture and attitudes to scaling up

Success Stories

The LCR Scale up Ecosystem offers a vibrant network of resources, support systems and infrastructure that facilitate the growth and expansions of businesses in the Liverpool City Region. Across all six components of Isenberg's (2010) ecosystem map we found services, training, communities, and initiatives that support scaling businesses. As a snapshot in early 2024 we are encouraged by ongoing discussions and new activities emerging and expanding this support further into 2024 and beyond.

We suggest here that there is no prevailing or dominant industry that drives growth in the region, therefore the successful scale up businesses are diverse and have grown in different ways. They are often documented across different platforms (such as the Growth Platform, Whitecap Consulting and LCR Climbers), however, the visibility for these success stories varies which can mean their significance can be muted for some audiences. A sample of the businesses that have scaled, are currently and potentially can scale up are listed on page 16.

Challenge & Opportunity: Culture of Entrepreneurship

The entrepreneurial culture in the Liverpool City Region is tempered by a **risk-averse mindset rooted in historical underfunding and deprivation**. Limited institutional support hampers scaling efforts, prompting many ventures to relocate to cities with better opportunities. While the community is **collaborative and supportive**, successes often lead to outward migration, depriving the region of the benefits. The challenge lies in **nurturing a growth mindset** and retaining successful ventures to foster local economic development. Despite some success the visibility of these companies is still weak, which leads to the notion that scaling up in Liverpool is more challenging than elsewhere, which becomes a self-fulfilling prophecy. There is a strong collaborative ethos, but the region struggles to leverage it for scaling business growth within its boundaries.

2. Finance and access to finance for scale ups

The regional landscape offers the following routes to funding and finance, however although these are often well established in existing networks, these historic and traditional structures have also led to risk aversion and lack of confidence in access to finance for businesses.

Angel Investors

LCR Angel Network⁴, Maven Capital Partners⁵, Merseyside Special Investment Fund (MSIF)⁶

Venture Capital

River Capital⁷, DSW Ventures⁸

Grants and Loans

Flexible Growth Fund⁹, High Growth Innovation Fund¹⁰, LCR Capital Grant Fund¹¹, LYVA Lab Health and Life Science Fund¹², Kindred¹³

Access to Finance Support

LCR Finance Hub¹⁴

Challenge & Opportunity: Access to Finance

There are several challenges in accessing finance for scaleups, exacerbated by the withdrawal of European funds post-Brexit. This led to a mismatch between the demand for funding and available streams, with limited replacement of the lost funds. The region's dependency on European funds became evident as discussions ensued about the struggle to find adequate replacements. The reduced funding not only affected support organizations but also directly impacted scaleups. Additionally, the lack of venture capital and a weak angel network further hindered access to finance. Negative perceptions of the region contributed to the reluctance of investors, exacerbating the issue. Despite efforts like the LCR Angel Network, funding preferences have favoured traditional sectors over tech, leaving many tech-based scaleups to seek funding outside the region.

Moreover, socially trading businesses faced significant financing gaps, with limited investment mechanisms available. The absence of sufficient support for socially trading companies underscored the broader challenge of aligning financing opportunities with the diverse needs of businesses in the Liverpool City Region. Efforts to address these challenges now include initiatives like the Social Investment Pathfinder, indicating recognition of the issue but highlighting the ongoing need for comprehensive solutions to bridge the financing gap for scaleups and socially trading businesses in the region.

Furthermore, national initiatives to address the gender gap in financial support for high growth companies is being explored by The Lifted Project. <https://theliftedproject.co.uk/> who have chosen Liverpool as 1 of 5 UK cities tracking the flow of capital to regional, high growth female founded companies.

3. Government Policy and Institutional Support

The Liverpool City Region's 2022 'Plan for Prosperity' emphasized strengthening the economy through innovation, unlocking people's potential, fostering sustainable and resilient places, and enhancing integrated infrastructure. It aims to drive economic growth, improve infrastructure, tackle social issues, and enhance residents' quality of life, making the region an attractive place to live, work, and visit.

Strategic focus for cluster growth in the LCR CA are advanced manufacturing, health and life sciences and the creative and digital sectors.

Supportive formal (government and educational) institutions form an important backdrop for a successful scaleup ecosystem, while there are national policies to support scaling up such as R&D tax credits there are several key institutional support policies in the LCR listed below.

Apprenticeship Levy

Introduced by UK Government in May 2017 for all employers who have a pay bill of more than £3m per year (this is approx. 500 large organisations in the LCR) It is estimated that since May 2017 over £3.3b of Levy funding across the UK has been recovered nationally as it has been unused. The Employer Brokerage Team in the LCR CA facilitated Levy transfers to SMEs, to fund apprenticeship training costs. With £4M transferred, generating a £108M ROI, 866 apprenticeships commenced across 102 organizations, keeping funds local to benefit Liverpool City Region employers (LCR Be More, 2024).

Freeport Status

The Liverpool City Region Freeport, one of eight in England, spans a 45km diameter from Wirral Waters to Port Salford and includes all six local authorities. Approved in December 2022, it aims to be a hub for global trade,

innovation, and high-skilled job creation. Partnering with ports, businesses, and the wider community, the Freeport benefits from tax and customs incentives to boost economic activity. Designated tax sites offer business rates relief, capital allowances, and National Insurance contributions relief, with generated business rates retained locally for 25 years. Customs sites facilitate tariff-free goods movement through simplified procedures (LCRCA, 2022).

Liverpool City Region Investment Zone

In March 2024, an £800 million plan of public and private investment was proposed for the Liverpool City Region as an Investment Zone, which would run for 10 years across 21 projects, creating 8,000 new jobs (LCRCA, 2024). Projects planned include a regeneration scheme in the Knowledge Quarter, expansion of universities research capacities, expansion of Sci-Tech Daresbury and the development of St Helens Manufacturing and Innovation Campus. The Investment Zone plans were developed in collaboration with the city region's life sciences sector and will also provide business and innovation support.

Challenge & Opportunity: policy and government support

There are concerns about inconsistency and lack of permanence in initiatives, hindering support for scaling businesses. The **cyclic nature of policymaking** with frequent refreshes can often result in policies sitting unused. The lack of stability in central government departments' branding further added to the challenges, causing confusion among businesses. There is a call for a more consistent and supportive environment, including the need for a public facing role to advocate for scaling organizations effectively. Specific policy challenges highlighted included issues with national insurance contributions, the **apprenticeship levy**, and sustainability initiatives. National insurance contributions were seen as a barrier to growth, particularly for pre-revenue scaling businesses. Additionally, there was a lack of awareness and support for embedding social value and sustainability into business models. The apprenticeship levy was inaccessible to many scaling businesses due to the requirement for full-time permanent employment, **exacerbating the challenge of securing skilled talent**. This was particularly pronounced in industries like digital and creative, where freelance and contract work predominates. There is a need for more transparent and accessible policies to better support scaling businesses in the Liverpool City Region.

4. Human Capital

Access to a skilled, diverse, and international workforce is important for scale ups to carry out their functions which facilitate their rapid business growth (Deloitte, 2021). Key 'human capital' players in the scale-up ecosystem are further and higher education institutions, and the support of policy and practice to facilitate better connectivity between employers (scaling businesses) and employees. Opportunities to provide bespoke training to those scaling businesses, and those seeking to work in scaling business is an important component of human capital development in a scaleup ecosystem.

Further and Higher Education Institutions

There are six higher education institutions across the Liverpool City Region, which results in approximately 63,000 higher education students enrolling in courses in the Liverpool City Region per year. Three of these institutions have targeted support for business scale-ups, including Liverpool John Moores, University of Liverpool and Edge Hill University.

Liverpool John Moores University - [Clean Growth Programme](#)¹⁵, [MBA Scale Up](#)¹⁶

University of Liverpool - [Help to Grow](#)¹⁷

Edge Hill University - [Productivity and Innovation Centre - Innovation Sprint Growth Programme](#)¹⁸

Apprenticeships and Internship Schemes - [LCR Be More](#)¹⁹

Challenge & Opportunity: Access to Talent

There was some discussion of the role of higher education institutions in the scaleup ecosystem in the Liverpool City Region expressed concerns about **limited collaboration** between universities and industry. There is a disconnect in preparing students for employment in scaleups or supporting them in starting businesses. Issues included **universities' perceived lack of support for technology transfer and entrepreneurial endeavours**, hindering potential spinouts. There is an **absence of clear pathways for graduates** to access opportunities in scaling businesses and a skills gap between what universities provide and what scaleups require. They called for improved collaboration, clearer pathways, and alignment of education with industry needs to better support students and scaleups alike.

5. Support for businesses to scale up

Organisations, spaces, and places that formally or informally currently offer support for business to scale up are visible with many having been in receipt of EU funding and some more recently supported by the LCRC administered grant, the UK Shared Prosperity Fund (UKSPF).

Non-Governmental Institutions

Baltic Creative²⁰, Kindred²¹

Support Professions and Programmes

LCR High Growth Programme, Start Up, Scale Up by Lloyds Bank Academy²², The Women's Organisation²³

Incubators and Accelerators

Baltic Ventures²⁴, Gather LCR – Beyond Programme²⁵, Horizons²⁶, Knowledge Quarter (KQ) Grow²⁷, LYVALABS²⁸

Infrastructure

Liverpool Science Park²⁹, Knowledge Quarter Liverpool³⁰, Sci-Tech Daresbury³¹, Baltic Triangle CIC¹

Challenge & Opportunity: Infrastructure and Coordination

Poor infrastructure in the Liverpool City Region hampers the growth and retention of scaleups, with many relocating to cities like Manchester. Limited office space, particularly for high-end enterprises, and insufficient facilities for sectors like manufacturing and life sciences exacerbate the issue. This **exodus of scaleups deprives the region of talent and investment**, perpetuating a cycle where resources and support programs concentrate in larger cities. Despite local ambition for entrepreneurial growth, **inadequate infrastructure undermines efforts to retain and nurture scaling businesses**, hindering the region's economic development. However, the recently established Race Equality Hub: is currently piloting a Business Support Account Management Advisory focusing on start and scaling up of Black led businesses in the region.

6. Markets

Well-functioning scaleup ecosystems offer sufficient access to high-growth markets and a high-growth customer base. This entails similar customer behaviours and needs across related and international markets (reaping economies of scale) as well as related customer needs within and across markets (reaping economies of scope and cross-selling).

Distribution Channels and Exports

[DBT Export Support Service](#)³², [Export Academy](#)³³, [Chamber Export Services](#)³⁴

Networking

[Start Up Grind](#)³⁵, [Brett Centre for Entrepreneurship Entrepreneurs Monthly Meet-Up](#)³⁶, [SLUSH'D Liverpool 2023](#)³⁷, [Tech Climbers](#)³⁸

Challenge & Opportunity: access to markets

'Liverpool' is uniquely recognised as a global place brand and is a core driver of the visitor economy. However, there is limited targeted support mechanisms in place for internationalisation of scaleups. Access to markets will need to be sector specific due to the diverse range and type of businesses. For example, the export routes for the digital / games sector may be very different from that of the pharmaceutical industry thus diluting the messages and support that are available. A bespoke approach may be needed per sector. for many different sectors. Its historic mercantile past and current capacity as a global maritime hub is underutilised by other sectors. There is also limited networking opportunities specifically for scaling businesses which would include a greater visibility and accessibility of existing mechanisms promoting and supporting internationalisation.

Conclusions and Recommendations

This report outlines some of the key challenges facing scaleups and high growth companies in the Liverpool City Region, relating to the six key areas of Isenberg (2010) ecosystem model – culture, finance, policy, support, human capital, and markets. Below are some key recommended actions for everyone, including policymakers and practitioners in the Liverpool City Region to better support the development and growth of the Scaleup Ecosystem.

	Recommended Actions to drive growth
Culture	<p>Culture shift from risk averse narrative to courageous and imaginative approach which will address regional socio-economic and environmental challenges.</p> <p>Amplify - create a digital platform to champion and create visibility of the success stories of scaleups inspiring ambition in the Liverpool City Region</p> <p>Greater focus from LCRCA on convening key participants in the innovation ecosystem on a regular basis</p> <p>Encourage and champion an inclusive growth ecosystem, one where variety and a multitude of actors create a rich and diverse environment for businesses to take risks and seize opportunities.</p> <p>Recognise, respect, and connect distributed and local leadership.</p>
Finance	<p>Increased signposting to available funds for scaling businesses, particularly international funds.</p> <p>Alternative approaches to funding are also needed such as the Social Investment Pathfinder currently being explored by Kindred LCR.</p> <p>Innovative place based and sector specific strategies to scaling from national banks such as the British Business Bank.</p> <p>Develop a relational approach and continued support to encourage venture capital and angel networks</p>
Policy	<p>Regular, clear communication about the process of influencing and achieving policy agendas at a regional level.</p> <p>Creation of resources, sponsorship, and representation to advocate for needs of scaleups in the ecosystem.</p> <p>Further and long-term sustainable clusters that go beyond political terms.</p> <p>Continue to encourage access to R&D, tax incentives and Skills training budgets through levies.</p> <p>Explore access to large government procurement practices for Scaleups as documented by The Procurement Act (see SUI Annual Report 2023)</p>
Support	<p>Maintaining and harnessing local insight as building relationships are critical to creating trust and long-term commitment.</p> <p>Investment into transforming and regenerating old spaces and building new innovative spaces for growth.</p> <p>Mapping of available funds for support programmes and support in applying for funding mechanisms.</p>
Human Capital	<p>Less restrictions surrounding industry collaborations and support in promoting scaleup engagement.</p> <p>More specific skills development for scaling companies from HE and FE institutions</p> <p>Leadership and peer development programmes to encourage confidence and diversity in business growth.</p> <p>Promotion of the Apprenticeship Levy for SMEs, including marketing and support for SMEs using it.</p> <p>Harness and retain the Scale up skills and talent through regional graduate showcases</p>
Markets	<p>Greater visibility and accessibility of existing mechanisms promoting and supporting internationalisation.</p> <p>Leverage of the global recognition of the Liverpool region and further development of international partnerships</p> <p>Investment into supporting scaleup networking across the public and corporate sectors to open procurement pipelines and supply chains.</p>

Potential and Scaling business in LCR*

*data collected from Beauhurst and FAME database July 2024. This is in no particular order or an exhaustive list. SUI and ONS have identified up to 590 in LCR.

Lightbox Manufacturing Ltd	RB Furnishings Ltd
Richardson Healthcare Ltd	Vencroft Ltd
Bauer Kompressoren UK Ltd	Ice Creates Ltd
Sandon Global Engraving Technology Ltd	Hi Impact Consultancy Ltd
Florence Roby Ltd	Supplywell Ltd
Bryken Ltd	Yozu Ltd
Kverneland Group Uk Ltd	Paddock Johnson Partnership Ltd
Sure Solutions Ltd	Gladstone Brookes Ltd
Alfa Gomma (UK) Ltd	Millbank Holdings Ltd
Tratos (UK) Ltd	SOG Ltd
CNC Robotics Ltd	Adding Value Consultancy Ltd
Tuff x Processed Glass Ltd	I-PAYE Ltd
Bell, Sons & Co.(Druggists) Ltd	Deralam Laminates Ltd
Brooktherm Refrigeration Ltd	Inovyn Group Treasury Ltd
Capital Reinforcing Ltd	Cybertill Ltd
Ineo Enterprise Group Ltd	Mobica Ltd
Envogen Instrument Services Ltd	Zircon Ltd
YKK (U.K.) Ltd	Communications Plus Ltd
Typhoo Tea Ltd	We R Group Ltd
Lattimer Ltd	Calqrisk (UK) Ltd
Alma Products Ltd	Single Central Record Ltd
Incodia International Ltd	
M J Quinn Constructel Ltd	

References

- de Nicola, F., Muraközy, B. & Tan, S. W., 2019. Spillovers from high growth firms: evidence from Hungary. *Small Business Economics*, pp. 1-24.
- Deloitte, 2021. *Scaleup Ecosystems and The Future of Mobility*, London: Deloitte.
- Florisson, R. & Navani, A., 2023. *Liverpool City Region: City Region Employment Profile*, Lancaster: Work Foundation at Lancaster University.
- Isenberg, D., 2010. *How to Start an Entrepreneurial Revolution*, Connecticut: Harvard Business Review.
- LCR Be More, 2024. *Levy Pledge*. [Online] Available at: <https://lcrbemore.co.uk/levy-pledge/>
- LCRCA, 2022. *Liverpool City Region Freeport*. [Online] Available at: <https://www.liverpoolcityregion-ca.gov.uk/freeport>
- LCRCA, 2024. *Liverpool City Region's Investment Zone plans to supercharge health and life sciences and create 8,000 jobs*. [Online] Available at: <https://www.liverpoolcityregion-ca.gov.uk/news/revealed-liverpool-city-regions-investment-zone-plans-to-supercharge-health-and-life-sciences-and-create-8000-jobs>
- Lewis, C., Ubido, J. & Jones, L., 2021. *Vulnerable individuals and groups profile: Liverpool City Region*, Liverpool: Public Health Institute, Faculty of Health, Liverpool John Moores University.
- Ministry of Housing, Communities & Local Government [MHCLG], 2019. *The English Indices of Deprivation 2019*. [Online] Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835115/loD2019_Statistical_Release.pdf
- OECD, 2022. *Scaling up and beyond: Better evidence for SME policies*, Paris: OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE).
- Stam, E. & van de Ven, A., 2021. Entrepreneurial ecosystem elements.. *Small Business Economics*, Volume 56, pp. 809-832.
- Scale Up Annual report 2023 [Online] Available at: <https://www.scaleupinstitute.org.uk/scaleup-review-2023/annual-review-highlights/>
- Scale Up Annual report 2023 LCR focus [Online] Available at: <https://www.scaleupinstitute.org.uk/scaleup-review-2023/liverpool-city-region/>

¹ **Gross Value Added (GVA) per capita** is a measure used in economics to assess the economic output or productivity of a region, typically a country or a smaller geographical area like a city or region. It gives an indication of the average economic output or productivity per person in a given region.

² **Gross Domestic Product (GDP) per capita** is a measure used to assess the economic performance and standard of living of a country or region. GDP per capita provides an average measure of economic output per person and offers insights into the average income and living standards of the population within a country or region.

³ <https://www.scaleupinstitute.org.uk/>

⁴ <https://uk.linkedin.com/company/lcr-angel-network>

⁵ <https://www.mavencp.com/maven-liverpool>

⁶ <https://msif.co.uk/>

⁷ <https://rivercapitaluk.com/>

⁸ <https://dsw.vc/>

⁹ <https://growthplatform.org/programme/flexible-growth-fund/>

¹⁰ <https://growthplatform.org/liverpool-city-region-high-growth-programme/>

¹¹ <https://www.sthelschamber.com/business/liverpool-city-region-capital-grant-fund/>

¹² <https://lyvalabs.com/hlsfund>

¹³ <https://kindred-lcr.co.uk/>

¹⁴ <https://www.lcrfinancehub.co.uk/>

¹⁵ <https://www.scaleupinstitute.org.uk/programmes/clean-growth-uk/>

¹⁶ <https://www.ljmu.ac.uk/study/courses/postgraduates/2024/36077-business-scaleups-mba>

¹⁷ <https://www.liverpool.ac.uk/management/for-business/help-to-grow/programme/>

¹⁸ <https://www.edgehill.ac.uk/departments/support/e3i/supporting-business/pic/>

¹⁹ <https://lcrbemore.co.uk/>

²⁰ <https://www.baltic-creative.com/>

²¹ <https://kindred-lcr.co.uk/>

²² <https://www.lloydsbankacademy.co.uk/learn-for-business/startupscaleupbylloydsbankacademy/>

²³ <https://www.thewomensorganisation.org.uk/>

²⁴ <https://balticventures.uk/>

²⁵ <https://gatherlcr.com/beyond>

²⁶ <https://lcrhorizons.co.uk/>

²⁷ <https://kqliverpool.co.uk/innovation-growth-services/kq-grow/>

²⁸ <https://lyvalabs.com/>

²⁹ <https://bruntwood.co.uk/our-locations/liverpool/liverpool-science-park/>

³⁰ <https://kqliverpool.co.uk/>

³¹ <https://sci-techdaresbury.com/>

³² <https://digitaltrade.blog.gov.uk/2023/01/05/helping-exporters-through-joined-up-data/>

³³ <https://growthplatform.org/programme/uk-export-academy/>

³⁴ <https://www.liverpoolchamber.org.uk/what-we-do/international-trade/international-trade-support/>

³⁵ <https://www.startupgrind.com/liverpool/>

³⁶ <https://www.liverpool.ac.uk/management/conferences-and-events/entrepreneurs-monthly-meet-up-with-spice-kitchen/>

³⁷ <https://liverpoolslushd.org/>

³⁸ <https://www.techclimbers.co.uk/about-us>