

# News story: People – not products – are the secret to scaling up businesses

British businesses are missing opportunities to secure investment, grow and scale up because of misunderstandings in what investors are looking for, according to a new report published by Innovate UK.

[‘Scaling up: the investor perspective’](#) compares the views of investors and scale-up small to medium-sized enterprises on the factors for success. It includes the views of investors both in the UK and internationally.

## **Mismatch between businesses and investors**

The report finds that business leaders consistently underestimate the value investors place on ‘softer’ aspects, for example:

- 78 per cent of investors thought chemistry was important, versus 53 per cent of businesses
- poor communication was a deal breaker for 84 per cent of investors, compared to just under half (46 per cent) of businesses
- a lack of adaptability and resilience was a deal breaker for 87 per cent of investors. Only 58 per cent of businesses thought this to be the case

What businesses underestimate when looking for investment.

## **Strong management vital to success**

Both investors (96 per cent) and businesses (82 per cent) had a similar level of agreement that a strong management team is the most important ingredient for scale-up success. They also agreed that drive and passion were the top qualities.

The management qualities investors look for.

It follows that almost all (97 per cent) investors agreed that a weak management team was the number one deal breaker. Three-quarters (74 per cent) have actually turned down an investment opportunity based on gut feeling.

Key elements to scale up success.

Chris Wade, venture partner at [Octopus Ventures](#), comments:

I have been developing a 20-year thesis that nothing works out from a company pitch; their products or services always end up taking a different direction. A strong team can build a company, but a weak team – even with a brilliantly compelling idea – wouldn’t be one

for us to invest in.

## **Other factors considered to be deal breakers**

The report highlighted further disconnect when it came to understanding what investors look for:

- two-thirds of businesses (65 per cent) thought timescale to exit was a deal breaker, while less than a third (28 per cent) of investors said that they had turned down an investment opportunity for this reason
- 70 per cent of investors felt cultural fit was a deal breaker, versus only 50 per cent of businesses
- interestingly, businesses overestimated the importance of fit with the investor's portfolio, with 74 per cent believing it to be of consideration, compared to 55 per cent of investors

5 areas of weakness that cause investors to turn down scale up businesses.

## **International expansion and growth**

In addition to looking at the factors for scale-up investment success, the report also looked at SMEs' plans for international expansion.

It found that 92 per cent of UK businesses are either currently exporting or plan to do so in the next 12 months. Lack of local market knowledge and having the right contacts are seen as 2 of the biggest barriers in doing so and achieving international growth.

In terms of inward investment, the UK is seen as a target by investors, with 47 per cent saying that UK scale-ups are more attractive than those in other countries.

## **Connecting innovators with investment**

Innovate UK will use the results of this research to inform and improve its work on follow-on investment and the formulation of innovation loans, which are due to launch during November 2017.

Dr Ruth McKernan CBE, CEO of Innovate UK says:

Attracting investment is often a challenge for innovative businesses and the brilliant people at their heart.

At Innovate UK we are increasing our focus on connecting innovators with both government grant funding and venture capital investment, to turbo-charge their journeys to success and the UK's economic growth.

## Further inform and engage the sectors

Commenting on the report, Dr Jeremy Silver, Chief Executive Officer, [Digital Catapult](#), adds:

Digital Catapult helps UK companies of all sizes grow and scale their businesses through digital innovation. We want to help more companies grow faster for longer, rather than rushing to trade sales.

We recognise that this requires entrepreneurial and investor confidence, and run projects to help companies achieve those goals; recent successes include [Nymbly](#), [Cambridge Bio-Augmentation Systems](#) and [Smartify](#). We launched [Dimension Studio](#) last week, which sees Digital Catapult partnering with [Microsoft](#) and [Hammerhead](#) to bring world-leading volumetric capture technology to the UK.

This new report on scale-ups will further inform and engage the key players in this sector.

## About the research

Innovate UK commissioned the report to identify how investors, government organisations and advisors can better support innovative UK businesses to scale and export, in line with the UK's Industrial Strategy.

Independent research agency, [Ebiquity](#), conducted the research on our behalf. It questioned a total of 250 innovative SMEs and investors between June and September 2017.

---

## [Press release: New DVLA 'Tax it or lose it' campaign is aimed at car tax dodgers](#)

Using a hand painted, clamped car designed to look transparent, the advert's message to tax dodgers is clear – 'even if you think you're invisible to DVLA, you're not – tax your car or risk losing it.'

The adverts will launch on radio, catch-up TV, online and in newspapers and will run throughout November.

[Watch the video](#).

Oliver Morley, DVLA Chief Executive, said:

This campaign targets those who break the law by not taxing their car. While the overwhelming majority of vehicles on the road are licensed correctly, it is only right that we take action against those people who think they can get away with it. The law is clear and so are the consequences – if you don't tax your car, you risk losing it.

The fact is it's never been easier to tax your car. Our online system is available 24 hours a day and with Direct Debit you can choose spread the cost over the year; there really is no excuse for skipping vehicle tax. Whilst 98% of vehicles on UK roads are taxed correctly, the DVLA is currently clamping or impounding around 10,000 untaxed cars every month.

DVLA holds the records of more than 37 million vehicles in the country. The advert focuses on the fact that for those who think they can get away with not taxing their car, DVLA can and will take action against them.

The campaign uses the hashtag #TaxItOrLoseIt to remind drivers to do the right thing and tax when it's due so they will avoid losing their car.

---

## [News story: Business Secretary meets with US Commerce Secretary](#)

Business Secretary meets with US Commerce Secretary and US Ambassador to the UK.

Business Secretary Greg Clark met the US Commerce Secretary Wilbur Ross and the US Ambassador to the UK, Robert Johnson this afternoon to discuss a wide range of key industry issues.

This included the recent partnership between Airbus and Bombardier which is hoped will lead to job creation in the US and security for the Bombardier plant in Belfast. It comes as Bombardier confirmed today it had had a significant new order for the C-Series.

Greg Clark raised Boeing's complaint about subsidies for Bombardier's C-Series aircraft programme to make it clear we want to see all parties come to a resolution as quickly as possible.

The Business Secretary also committed to continuing to work closely with the US to tackle overcapacity in the steel industry. The Prime Minister Theresa

May called for a ministerial level meeting at the last gathering of G20 leaders in July to tackle the issue. This will take place later this month in Germany.

Greg Clark spoke of the continued importance of the close cultural and economic ties between the US and UK which has an important role to play in our modern Industrial Strategy and the ambitious long-term vision for the UK that will build on our strengths as a global trading nation.

Business Secretary Greg Clark said:

It was a constructive meeting. As well as continuing to make the case for Boeing to drop its complaint against Bombardier, today's new order for the C-Series planes highlights the opportunities to expand and safeguard jobs at the Shorts factory in Belfast. The US also agreed with us on the importance of combatting together the global overcapacity in the steel industry.

The US Commerce Secretary and I also discussed the UK's Industrial Strategy and the opportunities we should be exploiting as we build on our strengths and extend excellence into the future.

---

## Speech: PM speech at Balfour Centenary Dinner

Lord Rothschild, Prime Minister Netanyahu, Chief Rabbi, distinguished guests, Lords, Ladies and Gentlemen, I am so pleased to be here with you tonight – and to be with you Lord Balfour on this special evening – as we mark the centenary of the letter written by your great-Uncle: which I believe to be one of the most significant letters in history.

A letter which gave birth to a most extraordinary country.

And a letter which finally opened the door to helping make a Jewish homeland a reality.

It was a letter that is all the more remarkable when you consider its length, its context and its sensitivity.

First, it was exceptionally concise – just 67 words and one single sentence.

In my experience such brevity is not typically a feature of letters from the Foreign Office!

Second, we should consider the context in which this letter was written.

Let us cast our minds back to the time of 1917. In an era of competing imperial powers and with Britain still embroiled in the midst of the First World War, the idea of establishing a homeland for the Jewish people would have seemed a distant dream for many; and been fiercely opposed by others.

Yet it was at this very moment that Lord Balfour had the vision and the leadership to make this profound statement about restoring a persecuted people to a safe and secure homeland.

Third, this was a letter that remains very sensitive for many people today – but it was not ignorant of those sensitivities.

Indeed, Balfour wrote explicitly that: “nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country.”

So when some people suggest we should apologise for this letter, I say absolutely not.

We are proud of our pioneering role in the creation of the State of Israel.

We are proud to stand here today together with Prime Minister Netanyahu and declare our support for Israel. And we are proud of the relationship we have built with Israel.

And as we mark one hundred years since Balfour, we look forward to taking that relationship even further.

As Prime Minister Netanyahu and I discussed in Downing Street earlier today, we want to deepen our links in areas where Israel is leading the world – in areas like agriculture, health, science, technology and innovation.

Israel is the true start-up nation and we are proud to be your partner.

We also remain absolutely committed to Israel’s security.

For it is only when you witness Israel’s vulnerability that you truly understand the constant danger Israelis face – as I saw on my visit in 2014, when the bodies of the murdered teenagers Naftali Frenkel, Gilad Shaer and Eyal Yifrah were discovered.

So I am clear that we will always support Israel’s right to defend itself.

And in a world where Britain and Israel increasingly face the same shared challenges and threats, I am just as clear that our security services will continue to deepen their already excellent co-operation to keep all our people safe.

So I believe we should gather here tonight with a great deal of pride in all that we have achieved – and all that Israel stands for as a symbol of openness, as a thriving democracy; and a beacon to the world in upholding the rights of women and members of the LGBT community.

But marking this centenary is not just about what has been achieved.

We must recognise how difficult at times this journey has been – from the Jews forced out of their homes in Arab countries in 1948 to the suffering of Palestinians affected and dislodged by Israel's birth – both completely contrary to the intention of Balfour to safeguard all of these communities.

And we must, I believe, seize this opportunity to renew our resolve on what is still to be achieved.

For sadly, Balfour remains unfinished business – as his fundamental vision of peaceful co-existence has not yet been fulfilled.

And I believe it demands of us today a renewed resolve to support a lasting peace that is in the interests of both Israelis and Palestinians – and in the interests of us all.

So I am delighted to see US Secretary of Commerce Wilbur Ross here with us this evening and, Wilbur, you can be assured of the full-hearted support of the United Kingdom for the efforts that the Trump administration is making to bring the parties together to reach that peace deal.

A peace deal that must be based on a two-state solution, with a safe and secure Israel alongside a viable and sovereign Palestinian State.

And let us be honest with each other: there will need to be compromises from each side if we are to have a realistic chance of achieving this goal – including an end to the building of new settlements and an end to Palestinian incitement too.

But as we work together towards Balfour's vision of a peaceful co-existence we must be equally clear that there can never be any excuses for boycotts, divestment or sanctions: they are unacceptable and this government will have no truck with those who subscribe to them.

Neither can there ever be any excuse for anti-Semitism in any form. Just as there is no excuse for hatred against Muslims, Christians, or anyone based on the peaceful religions they choose to follow, the place of their birth, or the colour of their skin.

And yes, this means recognising that there is today a new and pernicious form of anti-Semitism which uses criticism of the actions of the Israeli government as a despicable justification for questioning the very right of Israel to exist.

This is abhorrent and we will not stand for it.

That is why the United Kingdom has been at the forefront of an international effort to create a new definition of anti-Semitism which explicitly calls out this inexcusable attempt to justify hatred.

So let me be clear. Criticising the actions of Israel is never – and can never be – an excuse for questioning Israel's right to exist, any more than

criticising the actions of Britain could be an excuse for questioning our right to exist.

And criticising the government of Israel is never – and can never be – an excuse for hatred against the Jewish people – any more than criticising the British government would be an excuse for hatred against the British people.

Put simply, there can be no excuses for any kind of hatred towards the Jewish people.

There never has been – and there never will be.

And let me say this too. We will never forget where that hatred and prejudice can lead.

That is why it is right that the United Kingdom will have a permanent and fitting National Memorial to the Holocaust standing next to Parliament together with a learning centre that will teach the lessons of the Holocaust for society today and act as a voice against hatred in the modern world.

And I am delighted that just last week, the cross-party United Kingdom Holocaust Memorial Foundation announced that Sir David Adjaye, Ron Arad and the landscape architects Gustafson Porter and Bowman have won the international design competition for the memorial and learning centre with their evocative concept design for this new national landmark at the heart of our democracy.

In saying all of this I do not underestimate the scale of the challenges we face together.

The challenge of fighting hatred in all its forms.

The challenge of bringing people together.

The challenge of fulfilling Balfour's vision of peaceful co-existence.

But neither do I underestimate the scale of the prize that is at stake.

I saw a glimpse of that prize just last Saturday when I attended a charity concert with the West-Eastern Divan Orchestra on London's South Bank – an orchestra that brings together young Israeli and Palestinian musicians as well as those from several other Arab countries to promote co-existence and intercultural dialogue.

They were performing together raising money for the Jacqueline du Pre Tribute Fund which helps fund MS research.

And through their shared love of music they escaped the divides of their history to come together for a united cause.

In their actions, and in many others like it, the spirit of Balfour lives on.

So let us tonight be inspired by that spirit.



Let us recognise the contribution of Balfour in fulfilling what was once little more than a two-thousand year old dream for a persecuted people.

Let us take inspiration from the vision he showed as we work together for that future where Arabs and Jews can live in peaceful co-existence.

And as we look to that future, let us mark with pride what has been achieved with the creation of the State of Israel and – in Balfour's own words – “a national home for the Jewish people.”

---

## **Speech: “We meet today at a crucial time for global displacement with the number of people forcibly displaced at an all time high since the Second World War”**

Thank you Mr President, and at the outset, all the very best for your month as Presidency. I also want to thank High Commissioner Grandi for his compelling but concerning remarks this morning.

We meet today at a crucial time for global displacement, with the number of people forcibly displaced at an all time high since the Second World War. And sadly, the trajectory is only upwards.

Today, I want to share the story of just one of the 65 million people currently displaced around the world. It's the story of a mother from Rakhine State, faced with the hardest decision of her life: to flee into the unknown or face the violence engulfing the that province she calls home.

“We were happy,” she told a journalist last month. “Now, we are in this chaos. They are killing and burning houses; people are unable to stay.”

Faced with such brutality, she had no choice but to flee with her husband and children, risking the journey to Cox's Bazaar.

“When we got in the boat,” she said, “we were scared as water was getting in. I was scared that it would sink; people were crying.”

Her husband went missing as they fled, and she said, “I don't know if he is dead or alive.”

Together with her children, she eventually reached safety – and I pay tribute to Bangladesh for the humanitarian assistance provided to her and to so many

others.

But that family's story has been repeated and repeated and repeated over the past months. Only two days ago, a boat carrying refugees to Bangladesh capsized, claiming the lives of at least four people. And it's a story that will only keep being told until the conflict pushing them away is fundamentally addressed and they are allowed to return home.

As Filippo rightly said, whether in Burma, in Syria, or anywhere else in the world, this Council has a unique role to play in maintaining the peace and security that would have stopped that family and so many others like them from having to flee their home. And we have a special responsibility also to hold to account those who do not respect international humanitarian law, refugee law and those who fuel displacement.

Simply put, the stark number of people in need today tells us that what we're doing is not working. Refugees are spending longer and longer displaced, often in poverty with a dwindling hope of return. A new global approach is now needed to tackle protracted crises and a more comprehensive response is required to help the growing number of people currently displaced.

That's why the UK strongly supports the aims of the Comprehensive Refugee Response Framework. It focuses on long-term, sustainable solutions. These help build the self-reliance of refugees and ease pressure on countries like Kenya, Uganda or Lebanon that have generously welcomed and hosted so many.

This Framework means delivering jobs, education, better services to refugees and host communities, while also better co-ordinating the international response. The UK actively supports this approach where the new Refugee Response Framework is being rolled out.

We're also already delivering the sort of long-term response to refugees' needs that the Framework recommends – including through job compacts to provide tens of thousands of refugees with the opportunity to work in countries such as Jordan or Ethiopia, as well as innovative education programmes and support to host communities and refugees alike.

To make these approaches work, UNHCR has a vital role to play in dialogue with governments, partnerships with other actors, and giving advice and support where needed. In Jordan, we welcome the cash assistance that they are giving to refugees to meet basic food needs. In Turkey, we support the assistance they are providing to refugees to prepare for the oncoming winter. And in the response to the crisis in Burma, they also have a role to play in the returns process in cooperation with the Bangladeshi authorities.

But to deliver all this and more, it is clear that UNHCR, like all the other parts of the UN, will have to reform, and I welcome High Commissioner Grandi's commitment to this. UNHCR has a central role, working with other agencies, in reforming the humanitarian system. It's important that UNHCR continues to work better and more collaboratively with partners on the ground, including with development actors. We want to see improved transparency, increased accountability to beneficiaries, more multi-year

programming, and a continued scale up in the use of cash.

Because, Mr President, in the face of an unprecedented need, it's clear that we cannot just do business as usual. We need a new approach, and we look forward to working with colleagues from the Security Council, from UNHCR, and elsewhere to achieve that new approach.

Thank you.