

York Accelerator Report - Overview

30th November 2020

Whitecap, established in 2012 in Leeds, operates across UK

vision

Building a leading regional strategy consultancy operating across multiple market sectors in the UK, serving domestic and international clients

mission

We help aspiring SMEs, mid-sized organisations and divisions of Corporates analyse, develop and implement growth strategies that deliver P&L and Enterprise value

values

Based on our commercial backgrounds and client experience, we have developed a reputation for being pragmatic, hands-on, transparent, supportive and challenging



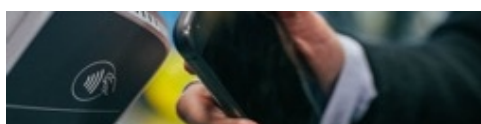
Our Practice Areas



Consumer, Retail & Leisure

Understanding and aligning customer needs, business model drivers and competitive differentiation in these experience driven sectors

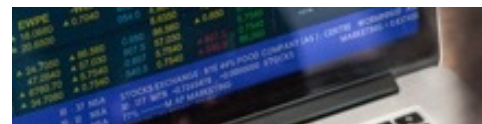
Richard Coates, Managing Director



FinTech

Working with a wide range of organisations helping them understand the role that FinTech can play in achieving their strategic objectives

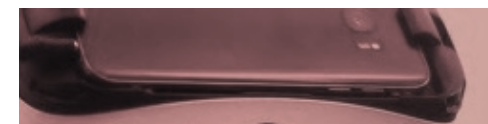
Julian Wells, Director



PE & Corporate Finance

Helping investors and SMEs to support high quality decision making: pre-investment; in-investment and post-investment

Luke Freeman, Director



Technology & Innovation

Helping clients make the right choices about the technology available to them and, increasingly, collaboration opportunities

Stefan Haase, Director



Education

Working with universities to develop vision and strategy, improve the student experience and manage change effectively

Lal Tawney, Director



Manufacturing & Engineering

Building effective growth scenarios and detailed business plans, deploying and cascading strategy effectively to empower teams

James Thwaites, Associate Director



Logistics

Navigating disruptive change in the supply chain, helping companies to transform operationally, commercially and culturally.

David Mellor, Associate Director



Management Due Diligence

Context driven management team assessment with international reach. Pre and post deal investment-risk support and mitigation.

David Powell, Associate Director



Whitecap capabilities and similar projects

Whitecap has undertaken several regional ecosystem analysis projects including:

- Leeds City Region FinTech ecosystem analysis 2018 and 2019 – crowd funded
- North East FinTech ecosystem analysis 2019 – crowd funded
- Bristol Region FinTech ecosystem analysis 2019 – crowd funded
- Greater Manchester FinTech ecosystem analysis 2018 and 2019 – funded by Greater Birmingham & Solihull LEP
- Greater Manchester FinTech ecosystem analysis 2020 – crowd funded
- Leeds City Region LegalTech ecosystem analysis 2020 – crowd funded



York Accelerator Research – Key Challenges

- York would benefit from strengthening its reputation as an **exciting and vibrant city for entrepreneurs and tech startups**.
- There is a tangible desire in the city to create sufficient numbers of **high-value and high-skilled jobs aligned to key growth sectors** and national and international trends.
- Businesses in York have recognised the need to **benefit from local innovation capabilities and collaboration opportunities** with startups and the universities.
- York needs to **improve its attraction for investors and drive high-value inward investments** similar to other successful northern cities.

York Accelerator Research – Key Drivers

- Create new high-value jobs in key growth sectors aligned to local strengths and key trends.
- Attract, grow and retain university tech talent.
- Help startups to scale and achieve growth potential.
- Ensure the city is not missing out on ‘grass roots’ economic growth as tech SMEs locate elsewhere.
- Enable both York universities to become even more attractive by establishing a route for students to rapidly convert their ideas and innovation into sustainable businesses.
- Provide investors with easy access to qualified, York based companies seeking investment.
- **The proposed York Accelerator would be aligned to cross sector collaboration and can be a vital contributor of leading-edge technologies and innovation in ‘normal’ times, as well in periods of crisis.**

York Accelerator – Stakeholder Engagement

Whitecap Consulting has undertaken a detailed stakeholder engagement to:

- **Validate the York Accelerator proposition and obtain insights and feedback as to the need for and value of such accelerator for key employers and stakeholders in the city.**
- Develop requirements, proposition, key themes, relevant growth opportunities for the accelerator.
- Understand the key innovation and growth trends the York Accelerator could be aligned to.
- Articulate, qualify and quantify the joint capabilities of the ecosystem.

Whitecap has conducted an analysis of innovation in the city, and engaged with ca. 100 stakeholders:

- **This has included interviewing 50 stakeholders from 40 different York stakeholder organisations, and contacting / researching ca. 20 successful accelerators and innovation hubs in the UK and internationally.**
- Nearly 90% of the stakeholders contacted took part in the consultation process, which, as it took part during the Covid-19 pandemic, was very remarkable and showed the willingness and desire for organisations to be engaged and consulted when it comes to driving innovation and a tech startup culture in York.

York Innovation Ecosystem



Business Accelerator - Benefits Articulation

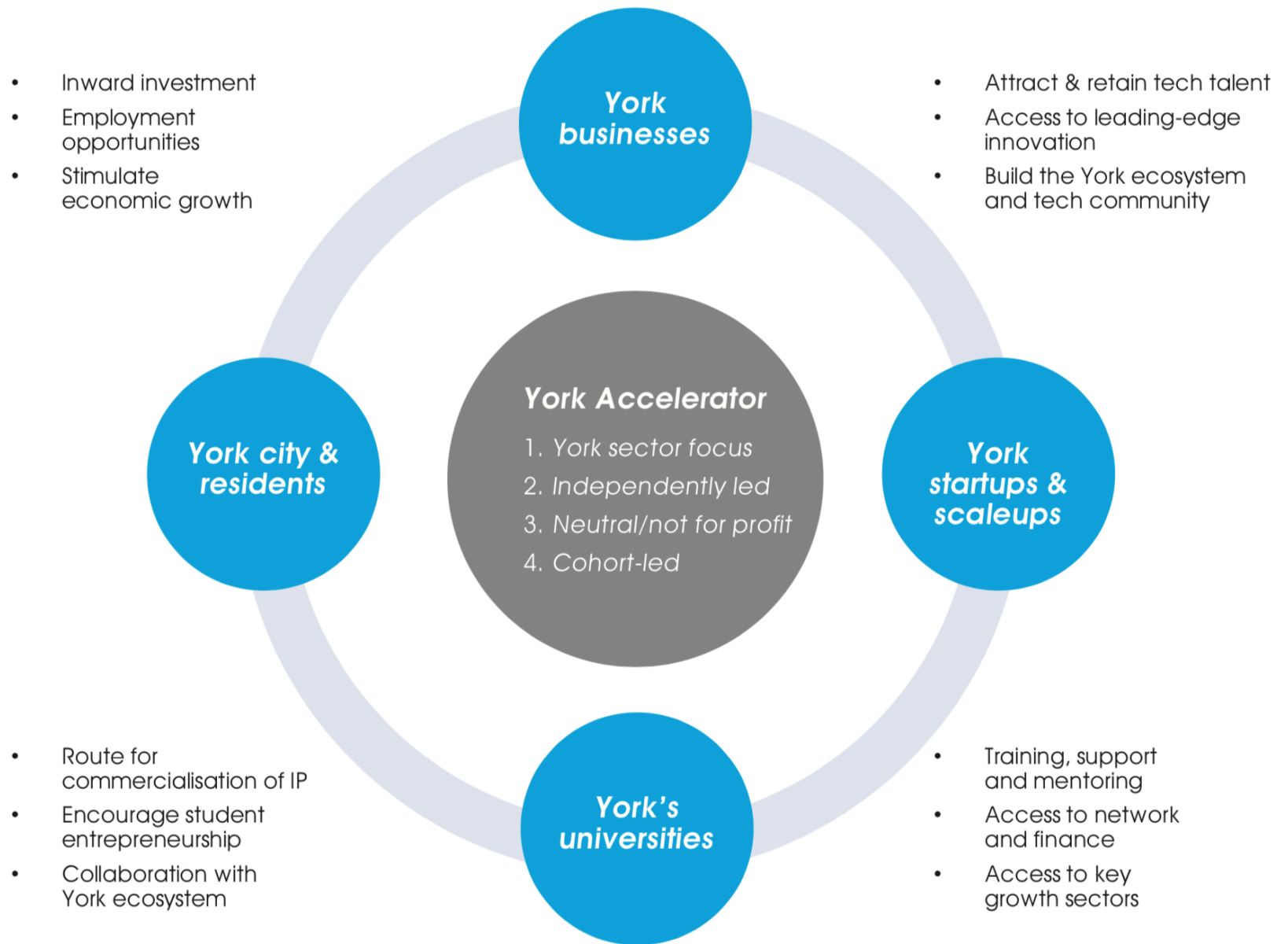
- According to MassChallenge, a globally leading accelerator, **there has been a surge in corporate investment in startup accelerators.**
- **Corporates recognise the vast potential of working with startups**, which has led to a boom in corporate accelerators.
- **These initiatives spur innovation, helping corporations innovate and evolve to stay competitive in a rapidly changing market.**
- With 2020's uncertain economy, businesses need to focus on innovation more than ever.
- Studies showing larger companies that invested in innovation during the 2001 and 2008 economic recessions gained competitive advantages in the longer run.

Business Accelerator - Benefits Articulation (continued)

Benefits for businesses engaging with accelerators and their startups

- **Build an agile reputation** - Agility is paramount in modern business. If businesses are not ready to react to rapid changes in technology, market competition, or customer needs, they will struggle to survive long-term.
- **Gain insight into emerging markets** – Corporates, in return for providing their powerful resources and access to markets, are exposed to next-generation technologies and methodologies. Furthermore, they gain access and valuable insight into emerging market trends.
- **Access a vetted pool of investment opportunities** - While most businesses understand innovation is essential for future growth, many corporate executives have difficulty aligning their innovation strategy with their current practices.
- **Create jobs and develop talent** - New companies are the primary source of new jobs. Therefore, it's not surprising to see how corporate accelerator programs have flourished.

Benefits of a York Accelerator



York Accelerator – Summary

	Key Findings	Key Recommendations
Ecosystem	Many stakeholders perceive the need for York's economy to be more focused on tech and innovation rather than on tourism or hospitality.	York needs to build on the recent York Narrative Project and articulate its aspirations with an ambitious vision that strengthens the innovation ecosystem.
Sector focus	York has multiple key sector strengths with regards to tech and innovation, most notably RailTech, digital/creative and BioTech.	The desired York Accelerator needs to be aligned to York's key sectors, build on local success stories and collaborate with regional innovation hubs.
York Central	York Central is a key growth opportunity with the provision of high-quality commercial space and the proposed York Accelerator at its heart.	York Central should be the long-term home for the York Accelerator and provide collaborative spaces in order to create an attractive ecosystem.

York Accelerator – Summary (2)

	Key Findings	Key Recommendations
Start-ups/ scaleups	York has considerable potential for development of a strong startup community and facilitating incubation / acceleration of entrepreneurs.	York needs to map out entrepreneurial journeys and provide the relevant infrastructure from ideation to incubation and acceleration.
Talent	The availability of talent and skills in York is regarded as sufficient or good, however, graduate retention rates can be considerably improved.	There needs to be a focus on retaining graduates and ensuring they have attractive local career opportunities in exciting growth sectors.
Tech collaborati on	The relationship between startups and established businesses warrants increased focus and requires strong collaboration opportunities.	Key employers need to further enable and improve collaboration in the city Use success stories such as Anaplan as the city's poster child. .

York Accelerator –Summary (3)

	Key Findings	Key Recommendations
Funding	There needs to be a significant focus on raising awareness and knowledge levels regarding private investors and available public sector funding.	York needs to establish a supporting infrastructure that offers expert advice to make startups investment ready and enable them to access funding.
Physical spaces/ hubs	There is a significant and unmet demand for innovation hubs, such as incubators or accelerators.	Create more suitable physical spaces and catalysts for innovation and collaboration, including incubators, accelerators and innovation hubs.
Role of the universities	The level of interaction of York universities with both startups and established businesses has considerable potential for development.	The universities should be encouraged to be more collaborative and establish a dialogue and tech transfer with young startups, SMEs and corporates.

York Accelerator –Summary (4)

	Key Findings	Key Recommendations
Regional innovation	There are key innovation activities in the Yorkshire and Humber region and wider Northern Powerhouse that York needs to be aligned with.	York needs to build stronger and lasting partnerships with surrounding innovation regions to drive local investment.
Covid-19 recovery	An accelerator programme is perceived to be impactful for startups in the current climate and very timely to accelerate the productivity shift in York.	Create an accelerator to provide startups with the support they need and to maximise opportunities for disruptive technologies.

Did the report address the main objective?

- **Validate the York Accelerator proposition and obtain insights and feedback as to the need for and value of such accelerator for key employers and stakeholders in the city.**
- While there is a healthy debate between stakeholders over certain aspects of York's innovation ecosystem, there is an overriding passion and commitment by all stakeholders to drive innovation in the city.
- So the answer is a resounding **YES**.

York Accelerator – Next Steps

- **Promote the findings of this report and raise awareness** among the wider York business community and its key stakeholders and thought leaders.
- Carry out further stakeholder engagement, meetings and workshops to **gauge the level of support from key stakeholders for the York Accelerator** in regard to funding, resourcing and a suitable accelerator business model.
- **Provide clear recommendations**, which can then be used as a basis for a future funding and operating model.
- **Carry out an analysis as to the validity of the potential operating models** such as neutral and independently run; in partnership with an existing accelerator; as a corporate accelerator.



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