Milton Keynes Tech Ecosystem Analysis – Proposal Document

March 2022

Introduction

- This is a discussion document – aimed to stimulate discussion around the Tech sector in the Milton Keynes and the surrounding areas.

- From discussions and initial analysis, Milton Keynes and SEMLEP have a broad range Tech expertise and innovation capabilities. Understanding what the area has collectively to offer and how it could best capitalise on these areas of competitive advantage is important to drive sector growth.

- This document proposes an ecosystem analysis that would develop a freely available report which will provide a comprehensive exploration and analysis of the area's Tech sector. The report would include a set of clear, evidenced and actionable recommendations.

- Whitecap Consulting has conducted similar regional Tech sector ecosystem analyses in Leeds, Bristol & Bath, Greater Manchester, North East, West Midlands, and Northern Ireland. Details can be found here: https://www.whitecapconsulting.co.uk/publications/

Project Objectives and Research Scope

Key Objectives

1. Map the current Technology sector in Milton Keynes and surrounding areas.

2. Engage with key stakeholders to obtain qualitative input and insights through interviews.

3. Identify the capabilities, strengths, weaknesses and investment opportunities of Milton Keynes and surrounding areas.

4. Understand the need and opportunity for enabling and supporting entrepreneurship and start-ups.

5. Understand the landscape and opportunity around 'tech for a purpose' (i.e. sustainability, health, space, etc), as distinct from general tech development or support.

6. Understand where the areas of current and potential future competitive advantage lie, as well as the risks (e.g talent shortage).

7. Understand where MK and its surrounds might have develop its distinctive capabilities and contribution (not least as part of the Oxford-MK-Cambridge corridor).

8. Provide recommendations on how the technology sector in Milton Keynes and surrounding areas can collaborate.

Scope

Geographical scope

- The scope is Milton Keynes and the surrounding areas.

Technology scope

- Artificial Intelligence (AI) and Machine Learning
- Robotics and Autonomous Vehicles
- Virtual Reality and Augmented Reality
- Internet of Things (IoT)
- 5G
- Cybersecurity
- Cloud Computing
- Blockchain

Sector scope

- BioTech
- CleanTech
- EdTech
- FoodTech
- InsurTech
- PropTech
- RetailTech
- TravelTech
- GreenTech
- LegalTech
- MarineTech
- MedTech
- HealthTech
- FinTech
- SpaceTech

Regional Context

Milton Keynes

- "We have a productive, resilient economy and unemployment is low compared with other UK cities. And sitting at the heart of the Oxford-Cambridge Arc, digital, engineering and technology will be important to our future economic strength."

- The remarkable innovation, assets and expertise in the area – across … aerospace, advanced engineering, digital technologies, autonomous vehicles, .. should be allowed to flourish, generating important multiplier effects for the rest of the local and wider economy.

- "MK:U will focus on the digital economy and use the city as a 'living laboratory', building on our global reputation for new technologies such as driverless cars and delivery robots."

- "It will be 'knowledge-intensive' businesses, such as finance, digital, and technology, and green jobs in low carbon industries, that drive our future economic growth and help us to compete successfully with other global city economies."

- "In Bletchley, the new South-Central Institute of Technology (IoT) will specialise in developing skills for the digital sector, providing higher level technical learning."

- "The Santander Digital Hub will be a centre for digital banking innovation, nurturing collaboration and wellbeing in the workplace, while also enhancing the city with new public amenities. It is a response to the digitalisation of the banking sector and is part of the bank's strategy to adapt to changing technology."

References: Milton Keynes Strategy for 2050 – Dated 20 December 2020. South East Midlands Local Industrial Strategy – July 2019. Santander Digital Hub project, FDP financial retail environments.

Milton Keynes <u>illustration</u> – there will be a wide range of stakeholders

Education

Technology Focussed Organisations

Professional Services

MK:U

Hubs / Networks /Communities

Funding

Note – this slide is an illustration – a complete analysis will be completed as part of the project.

Project Approach & Methodology

3 Key Project Phases

1. Market Mapping

- **Desk research & analysis**
- **Analysis and evaluation of existing data and materials**
- **Evaluation of MK's capabilities and resources**
- **Consider benchmarking against a specific UK city/region**

2. Stakeholder Insight Research

- **Key stakeholder validation and endorsement**
- **Qualitative interviews with representative sample of key stakeholders**
- **Estimated 40 interviews required**
- **Use of quantitative survey**

3. Report & Recommendations

- **Data analysis and summarisation**
- **Summary report and evaluation**
- **Executive summary presentation**
- **Single page infographic summarising the MK Tech Ecosystem**

Desk Research & Stakeholder Insight

Stage 1: Desk research & analysis

- Through desk analysis, develop a detailed mapping of the key stakeholder organisations in the tech sector, capturing key information including:
    - Segments (which segment of the "ecosystem" do they belong to?).
    - Interdependencies (how do the stakeholder organisations fit with each other?) .
    - Key People (who are the key people and what are their roles?).
    - Investment Flows (what are the funding/investment flows?).
    - + any other considerations identified before the project starts.

Stage 2: Qualitative research

- Through face to face stakeholder interviews (estimated 40 interviews) gain deep insight including:
    - Validation of conclusions developed from the Market Mapping stage
    - Key perspectives on the opportunities for growth and competitive advantage
    - Market opportunities and threats
    - Key objectives and priorities for the individual organisations, and development an initial recommendation for the region's priorities
- Supported by an open online survey using a similar question set, which can generate data to supplement the analysis.

Project Output & Next Steps

Stage 3: Report & Recommendations

- The output will be a report combining the key findings from the Desk Research and Stakeholder Insight stages.

- Prior to external publication, and using the data collected as an input, we will facilitate a discussion with key stakeholders to debate and validate the findings.

- The findings will be summarised, and clear actionable recommendations will be given as to how the sector can address the challenges and opportunities identified, to ensure it can remain relevant and create competitive advantage.

- Infographics and other visuals will be used throughout the report, ensuring the output is engaging and suitable for social media and other promotional activity.

- The report will be openly available at no cost.

- Based on experience producing similar projects, it should take 3-5 months to complete and publish.

https://www.whitecapconsulting.co.uk/publications/

Project Funding

Crowdfunded approach

- Although a single sponsor/client approach is an option, we propose to 'crowdfund' the project via contributions from key stakeholders in Milton Keynes or those involved in the Tech sector:
  - Tech providers
  - Professional services firms
  - Other service providers to the sector
- Based on the standard Whitecap engagement model, the project would cost approximately £50k.
- We propose to start the work on the project if we can secure funding to cover a minimum of 75% of the project value.

Sponsorship opportunities

"Partner"
- Integrated into the process of developing research
- Logo on front cover of report
- Foreword & case study within report

£10,000 – "Key Sponsor"
- Integrated into the process of developing research
- Logo on front cover of report
- Case study within report

£5,000 – "Primary Sponsor"
- Logo on front cover of report

The Benefits of the Ecosystem Analysis

Benefits

- The analysis will provide a "live pulse" of the ecosystem that is:
  - Detailed
  - Forward looking
  - Predictive
  - Engaged.
- The process of undertaking an ecosystem analysis offers opportunities to assess themes / hypotheses:
  - What clusters already exist?
  - What gaps are there? (E.g. physical accelerators, networks, funding, etc.)
  - Where are the assets, and where are there overlaps?
  - How are the key communication messages being received about the ecosystem? What needs to be developed?
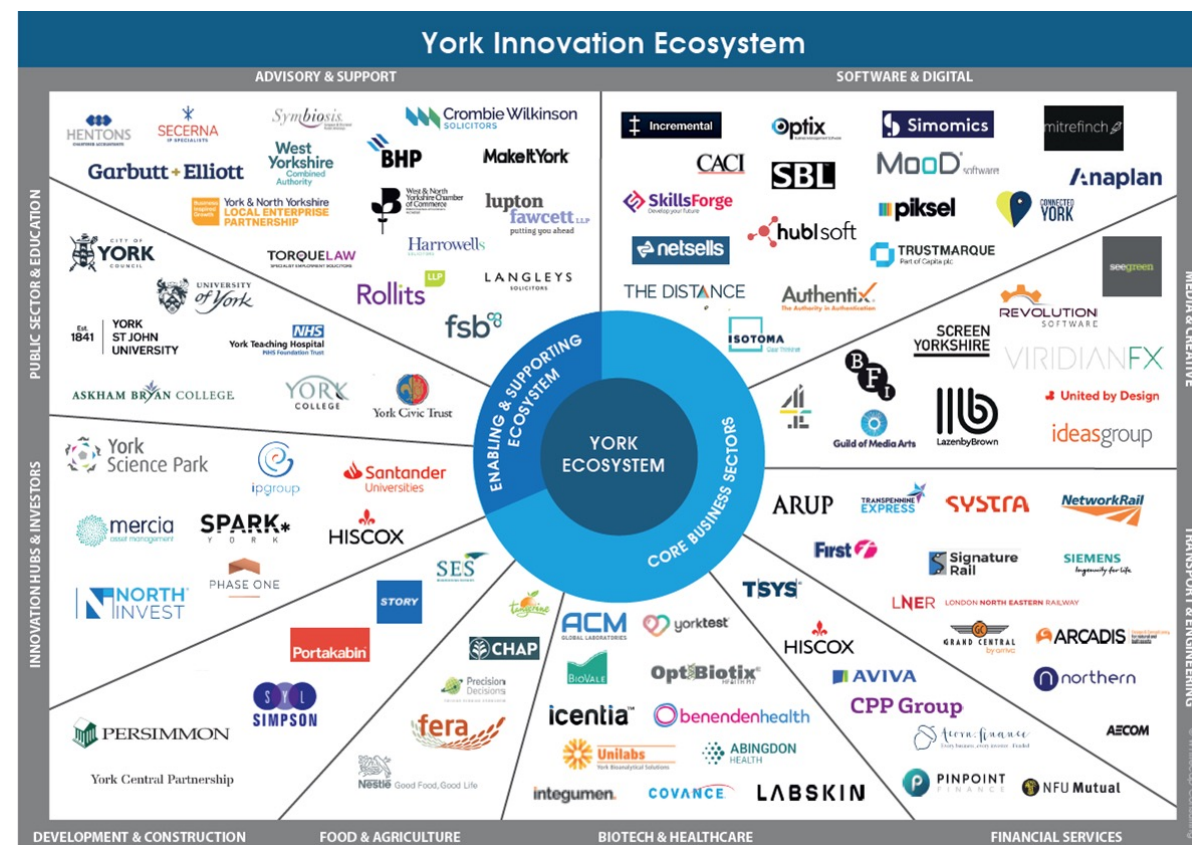
Case Studies – Outcomes

Outcomes

- Based on our experience, the report will be a "catalyst" or "springboard" to agree priorities and next steps. The report will lead to greater collaboration and communication in the region. We can provide a variety of examples.

- The FinTech report for Leeds outlines the action plan for Leeds City Region. Specifically, the report has been used to support various inward investment activity by the region and has helped embed FinTech as a core sector within the region and has helped attract attention to the region from outside of Leeds.

- The West Midlands report led to GBSLEP working in conjunction with Black Country & Coventry & Warwickshire LEPs, and the backing of multiple stakeholders from large financial services companies to start ups set up the SuperTech WM Professional Services Cluster, with a specific FinTech WM vertical.

Case Study : North East FinTech Ecosystem

"Whitecap's report was a major catalyst for the build-up of two new FinTech clusters in the North East – one based Tyneside and the other in Durham, which is class leading in the North. The report, also supported our thinking about how to position our Fintrust and Finclusion initiatives both regionally and nationally in alignment with the Kalifa review. A year on, the University is now bidding to win substantial funds for formal network projects and co-created programmes around digital ethics and FinTech initiatives of international significance."

Dr Karen Elliott
Senior Lecturer (Associate Professor) in Enterprise & Innovation (FinTech), Newcastle University Business School.

Case Study : West Midlands FinTech Ecosystem

Commissioned by the Greater Birmingham & Solihull LEP, Whitecap Consulting conducted a detailed analysis of the West Midlands FinTech Ecosystem in 2019 / 2020. Whitecap undertook over 40 stakeholder interviews, conducted extensive stakeholder research, and held interactive round-table events to deliver up-to-the minute insights and table strategic options for the region. In so doing, Whitecap helped pull together an evolving cluster, and pave the way for the innovative SuperTech WM group, and recognition of the region in the UK Government Kalifa report.

"GBSLEP commissioned Whitecap to learn more about our FinTech ecosystem in terms of the existing business base and also better understand how to support growth in this sector. The ensuing depth and reach of Whitecap's enquiries was very pleasing and stimulated a community with a shared interest that persists today. As a foundational exercise for the West Midlands' strategy, the report certainly advanced our thinking and accelerated the profile and interest in this vital sector."

Hilary Smyth-Allen, BPFS Sector & Modern Services Lead
Greater Birmingham & Solihull Local Enterprise Partnership

Case Study : Bristol & Bath LegalTech Ecosystem

"We were delighted to take part in Whitecap's 2021 Bristol & Bath LegalTech report. We knew there was a local ecosystem but we didn't know how big it was. The report really sheds light on that and brings together all the goings on of the region. And we have seen immediate benefit of being involved, thanks to Whitecap's introduction to the University of the West of England. We were able to take part in UWE's LegalTech Hackathon, and our connections have snowballed from there including as far as Australia."

Neill Pemberton
Chief Operating Officer, Panache Software.

Whitecap Project Team

Lal Tawney Director

- Lal is an experienced management consultant with background in strategy, product, marketing and change management in the education sector.
- Recent projects have been focused on strategy consultancy for education clients including The Open University, The British Council, and London South Bank University.
- Lal previously worked in senior roles for KPMG, Santander, Abbey, and Barclays.
- Lal has lived in Milton Keynes since arriving here in 1991, and is a Trustee of The Stables.

Stefan Haase Director & Technology Practice Lead

- Stefan is a strategy, product and marketing expert with in-depth knowledge of tech sector including FinTech, Cloud services, advanced technologies (IoT, AI, data analytics).
- Recent Whitecap projects include digital / FinTech strategy and proposition development for clients such as Unisys, VocaLink and Manchester Met University, IT strategy for an automotive consultancy, as well as IT strategy projects for a large UK payments provider and a London university.
- Previous roles included senior management roles with both Redcentric and InTechnology.

Whitecap Project Team

Julian Wells Director & FinTech Practice Lead

- Julian is a board level strategist and marketer with proven commercial expertise across the financial services, FinTech and professional services industries.
- Julian's specialisms are B2B, Financial Services, FinTech, Lending, Professional Services, and Technology. He is heavily involved in [FinTech North](#), the regional FinTech initiative Whitecap co-founded in 2016.
- Has worked with building societies, mortgage lenders, tech providers and FinTechs.

Daniel Ryan Junior Consultant

- Joined Whitecap in 2019 after graduating with First Class Honours in Business & Management from Leeds Business School.
- Supports the team across a broad range of projects with a significant focus on insight, research and reports. His work to date has included Whitecap's regional FinTech ecosystem project work.

Chloe Thompson Junior Consultant

- Joined Whitecap in 2020, having completed an MSc in Management and International Business at Nottingham Trent University and subsequently taken on a role as Associate Lecturer on undergraduate business degrees.
- Since joining Whitecap Chloe has supported projects across different sectors, including cybersecurity, manufacturing, and a regionally based accelerator project for a university.

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