

Where high growth happens

Annual report 2013 – Key Findings



In the past 12 months GrowthAccelerator has been the catalyst for many ambitious businesses to realise their high growth potential more quickly. Here we share the insights from the service's first year on what determines high growth potential and how GrowthAccelerator is helping businesses to deliver jobs and real economic value.

6,000 clients
110 Growth Managers
1,000 Growth Coaches



would recommend GrowthAccelerator



were satisfied with their Growth Coach



were satisfied with their Growth Manager

New growth

- Unlocking **new** high growth potential: Only 32 per cent of GrowthAccelerator clients had sought strategic business advice in the last two years
- Impact from first interactions: 78 per cent said their initial assessment provided clarity on how to drive growth
- 77 per cent said they got something from GrowthAccelerator they couldn't get elsewhere
- 94 per cent of businesses receiving Business Development coaching have achieved an outcome they couldn't have by themselves
- 90 per cent of businesses receiving Growth through Innovation support have achieved an outcome they couldn't have by themselves (commercialisation of ideas, new product to market, embedding culture of innovation).

Connecting to growth

- Emergence of a new business community: 38 per cent of clients were connected to other service providers such as UKTI and the Manufacturing Advisory Service, 89 per cent of whom were happy with the referral.





GrowthAccelerator is a unique service. Delivered through a partnership between leading private sector growth experts Grant Thornton, Oxford Innovation, Pera and Winning Pitch, alongside local delivery partners with a specialist knowledge of their local economies. The service is backed by Government, and tasked with delivering 55,000 new jobs and £2.2billion economic growth within three years.

What GrowthAccelerator does

GrowthAccelerator works by finding businesses with the highest growth potential, identifying and helping to overcome the barriers they face and providing support under four streams of activity: Access to Finance, Business Development, Growth through Innovation and Leadership and Management.

To be initially eligible for working with GrowthAccelerator, businesses need to have fewer than 250 employees and a turnover of less than £40million. They are either proactively identified by Growth Managers and Growth Coaches, or assessed for eligibility when they directly contact the service.

Eligible businesses are assessed by a Growth Manager who considers their suitability for the service, considering:

- The ambition of the management team to grow
- The ability and capacity of the management team to deliver
- The opportunity available for the business to grow.

At this point, the business contracts to and pays for the service, with costs tiered depending on business size. Their Growth Manager then works with the full senior management team using an assessment tool called GROWTHmapper®. This assessment enables a bespoke growth plan to be developed around the key barriers and growth opportunities for the business, which may include:

- Leadership and Management training – upskilling senior management teams and helping them focus on their high growth potential; every GrowthAccelerator business can access up to £2,000 match funding for each senior manager
- Business Development coaching – deciding on growth strategies and helping companies focus on business areas, from new markets to supply chain, which will unlock new revenue
- Growth through Innovation – identifying the products or services with the best growth potential and helping businesses get these to market
- Access to Finance – breaking down the barriers to accessing finance and connecting businesses with investors.

What it costs

Businesses contribute to the cost of GrowthAccelerator depending on the size of their business. Businesses with up to four employees pay £600, those with five to 49 employees pay £1,500 while those with between 50-249 pay £3,000.

This fee covers the guidance and support they receive from their Growth Manager and Growth Coach, the masterclasses and workshops they attend and access to GrowthAccelerator's match funded offer for leadership and management training.

Why it works

Success starts with the strongest possible leadership, with clear roles and a focused plan. So Growth Managers and Growth Coaches focus on working with these leading management teams to further enhance their core skills, providing training where necessary. The service then provides companies with specific solutions to overcome their individual growth barriers so they can realise their big ideas.

This approach, matching expert coaches who understand a business' specific challenges and can devise a targeted growth plan for them, is translating into real business growth. The service's network of 110 local Growth Managers and more than 1,000 expert business Growth Coaches consists of experienced businesspeople who have their own proven track record in business success. The credentials of the GrowthAccelerator team are crucial, both for inspiring confidence among businesses and to ensure clients benefit from the experience of peers who have 'been there and done it' themselves.

Dispelling the myths of high growth

There are many theories about the perfect formula for a high growth business, some suggesting specific sectors hold the key to success, and others dictating the business owner must have run several businesses previously.

Most of these are myths. GrowthAccelerator works with companies of all ages, sizes and across a wide range of sectors, finding the business leaders that are focused on achieving growth.

Myth one: It's only start-ups that drive growth

High growth is often seen as the preserve of start-ups, as they set out on an initial growth trajectory. The majority of GrowthAccelerator businesses are over 5 years old, and more than a third are over 10 year old, with some having been in business for more than 100 years. Growth doesn't just have to come from very small flexible companies who are able to innovate quickly: the average number of employees for a GrowthAccelerator client is 14.

What Growth Managers tell us is that companies of different ages have different high growth drivers. For companies over 10 years old, the top catalyst for growth is likely to be a change to the senior management team. When it comes to younger companies however, Growth Managers say untapped opportunities are the main impetus for growth.

Myth two: High growth only happens in London and the South East

London and the South East represents a thriving and concentrated business community. But it's not the whole story when it comes to growth. GrowthAccelerator is working with clients in a wide geographical spread, and each region is strongly represented by its own high growth business pioneers.

Myth three: Urban England is driving business growth

Discussions around business development and investment often focus on key cities as hotbeds for growth. However GrowthAccelerator is finding significant high growth potential in rural locations; 40 per cent of GrowthAccelerator clients are based rurally and 60 per cent in urban locations.



Myth four: Sector determines growth prospects

Sectors are often analysed for their growth potential. Business Services, Manufacturing and Computer/ICT are three of the best represented sectors by GrowthAccelerator clients, but the service is supporting businesses across many sectors in their pursuit of high growth. In fact with every business working with the service on track to outperform when compared to the rest of their sector, these businesses are reshaping what their sector landscape will look like going forward.

Myth five: Finance is the top priority for all small businesses

Less than a quarter (23 per cent) of GrowthAccelerator clients say that raising finance is a key barrier to achieving their growth. Participants say it is less of a barrier than business strategy (40 per cent), people and skills (39 per cent) and sales and marketing (35 per cent). Size of company is a key determinant, with smaller businesses (fewer than five employees) twice as likely to regard finance as a key barrier to growth than larger participants (more than fifty employees).

The GrowthAccelerator team of specialist finance Growth Managers and Coaches are already working with over 600 businesses to help improve their investment readiness. With the first cohort now completing their coaching, GrowthAccelerator businesses have already raised around £21million since joining the service.

And among the myths, the reality:
It's the management team that matters.

The greatest indicator of growth identified by the service is the ambition and leadership of the management team running the business.

It is this entrepreneurial spirit, drive, and commitment to growth that is a key, yet often overlooked, characteristic of these companies. By finding these inspirational business leaders, getting to the heart of their challenges quickly and impressing them, GrowthAccelerator is able to partner with them to achieve growth.

The people driving high growth

There is no such thing as a 'typical' high growth company; GrowthAccelerator clients are spread across many sectors, locations, sizes and ages.

Our experience instead tells us that a key determinant of a company's high growth potential is the people running that business. They have the ambition to grow. They are inspirational leaders who can fuel their staff's imagination and get everybody working towards the same goals. But they also recognise the areas where they need support. These business leaders need advisors who can quickly get to the heart of their issues and provide clear solutions to help them achieve high growth.

This is what GrowthAccelerator provides through its team of private sector experts, helping these inspirational business leaders realise their ambitions.

Surveying clients:

- 97 per cent say they'd recommend the service
- 92 per cent are satisfied with their Growth Manager's insight on business
- 94 per cent of businesses are satisfied with the quality of their coaches
- 95 per cent are satisfied with their coach's business experience
- 96 per cent of respondents are satisfied with their coach's credibility.

This is a service that works because of the quality of its Growth Managers and Coaches, because they are having face-to-face interactions with the businesses that deliver results. In fact satisfaction figures increase as clients have more face-to-face interaction with their Growth Manager, who works alongside them to deliver results.



GrowthAccelerator in action: A partnership between business and Growth Coach

Automotive Insulations Ltd

Founded 47 years ago, Automotive Insulations is a success story of British manufacturing. From its origins supplying parts to the automotive industry, it now specialises in designing, developing and manufacturing products which manage sound and temperature across the automotive, marine and industrial sectors. It manufactures its products in Britain, Sweden and Germany, and operates internationally through clients including Bentley, Jaguar Land Rover and 3M.

Following a Management Buyout in 2006 Managing Director Jim Griffin struggled to identify a new plan for growth. He explains: "From how to develop, what to develop, and where to develop, the business needed a new direction. We had a turnover of £5million but profitability was low. Something needed to change." In 2012 he embarked on a programme with Goldman Sachs which allowed him to create that plan, but with new goals Jim needed to ensure his senior team was best placed to bring the plan to life.

Jim turned to manufacturing expert and GrowthAccelerator Growth Coach Clive Reynolds. Jim says: "It was a natural progression to work with GrowthAccelerator. I researched Clive's background and could see he was the right man for the job. Leadership and Management training helped to bring greater focus, empowerment and enthusiasm to the senior team. They are now taking what they learnt with Clive and distilling this through their own teams to deliver market, product and geographical diversification."

Growth Coach Clive Reynolds has been critical to growth. "He's allowed me to leave the day-to-day operations to others for the first time", says Jim. "He is my conscience on the management team. We don't always see eye to eye but that's good. His wealth of experience is fantastic and I will continue to work with him in the future."

With a goal to reach a turnover of £41million by 2017, it was critical the service helped to deliver financial results too. "In 2011 our turnover was £5million, but we're forecasting 2013 figures of £11.5 to £12million. Growth was coming, but the sustainability and profitability of the business' growth is a result of GrowthAccelerator's support."

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*Jim Griffin, Managing Director,
Automotive Insulations*

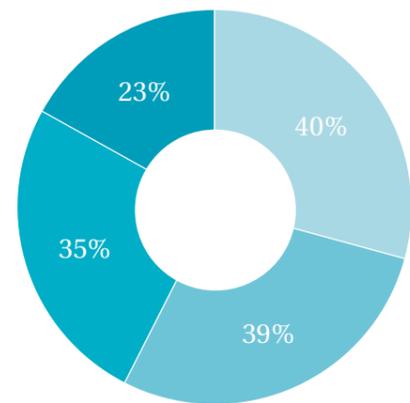


Barriers and opportunities for high growth

Top barriers to growth

The most common barriers to growth are business strategy and people. Working directly with the whole senior management team, the service focuses on their strategies and decisions about what their business stands for. GrowthAccelerator also identifies current staff capabilities, highlighting where they need to invest in training and where they need to recruit.

Top barriers to growth



Overcoming the barriers for growth

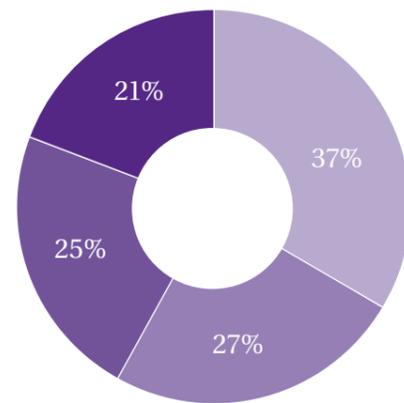
Each business works alongside their Growth Manager to develop a specific, individually tailored growth plan. While these are all unique, GrowthAccelerator has provided the following levels of support in its first year:

- 76 per cent of businesses have received Business Development coaching, with a third developing a breakthrough game plan or strategy and a third focusing on devising a marketing strategy and or marketing/sales implementation

Big idea for growth

The majority of business leaders GrowthAccelerator is working with know their 'big idea' for achieving their growth, but often don't know how to realise it. By working with coaches with a proven track record in areas such as innovation – taking a new product to market – or expanding overseas, the service is able to help the businesses achieve high growth.

Big ideas for growth



- 13 per cent of businesses have received support through the Access to Finance workstream resulting in £21million of new funding raised, £50million in the pipeline and a further £100million identified
- 11 per cent have received support through Growth through Innovation, including securing 230 Intellectual Property audits for clients
- Nearly 5,000 business leaders and their senior managers have undertaken Leadership and Management training.

Business Development

▲▲ It was important for us to step outside of the day-to-day running of the business and look at the bigger picture. Doing that has helped us to develop a strategy that, with the help of our coach we are fully focused on delivering, and which is benefitting so many areas of our business. ▲▲

Alan Wyn-Davies, Chairman DFX Technology

Growth through Innovation

▲▲ We have ambitious growth plans and GrowthAccelerator is helping us to drive these forward by getting new products to market. Taking the time to utilise our existing ideas and turn them into products is helping us to push the business forward and have an even brighter future. ▲▲

Edward Williams, Managing Director OFEC

Access to Finance

▲▲ GrowthAccelerator has had a tangible impact on the business. It has made us question what we do and why we do it, to find different and better ways to do business, and to keep asking ourselves how we can continue to improve. We are undoubtedly on a stronger footing for growth. ▲▲

Bill Schilling, Kaizen Furniture

GrowthAccelerator in action: Overcoming barriers

Hallmark Consumer Services

Melton Mowbray-based Hallmark Consumer Services is an online shopping order fulfillment and direct marketing mail specialist, launched 20 years ago by current managing director Chris Hall. It has grown over the last two decades to become a £5million family business, employing 50-80 people seasonally, and providing clients including UNICEF, The Woodland Trust and The Original Factory Shop with services such as order fulfillment, web development and product storage. In May Chris was named the Institute of Directors' East Midlands Family Business Director 2013.

Although it was already a buoyant business, the management team had big aspirations to grow, but felt they needed a refreshed marketing and innovation strategy to underpin their goal to double turnover in five years.

Summer 2012 heralded the start of their relationship with GrowthAccelerator. The service matched Hallmark Consumer Services with local business and marketing expert Mike Epton, who worked with the company on developing an effective marketing strategy that would drive growth through new innovations, new services and new markets. The business' specific goal required management to focus on all aspects of the company, from product offer to defining how to take advantage of, in particular, the booming e-commerce marketplace.

The partnership is yielding results. In February 2013 the business launched a new premium gift wrapping and gift messaging service, allowing customers to add a personal touch to their purchased products. The launch also attracted local media attention through carefully timed PR. The business is now looking beyond British shores and has formed a new partnership to pack and distribute a Swiss company's products in the UK, which opens the door for international expansion.

"We're really excited to launch our gift wrapping and gift messaging service, signalling a new phase of growth for our business" comments Chris. "Working with GrowthAccelerator really helped us to bring this to life. We're interested in the luxury market and this product launch is the first step to strengthening our business proposition both domestically and internationally."

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*Chris Hall,
Managing Director,
Hallmark Consumer
Services*





This report breaks down popular myths about business growth. Companies of any size, sector or location can achieve high growth if they have the right team in place at the top.

Conclusion

GrowthAccelerator is generating real business growth. High growth can come from anywhere, but it's the people behind the businesses that count.

This report breaks down popular myths about business growth. With ambitious, capable leaders at the heart of every participating business, GrowthAccelerator clients are on track to achieve high growth regardless of size, sector or location.

By working with ambitious business leaders, GrowthAccelerator's team of expert Growth Managers and Growth Coaches is accelerating high growth across the country.

One year in, survey results suggest more than four fifths of GrowthAccelerator businesses will increase their turnover more quickly because of the service, and almost three quarters will create jobs at a faster pace.

GrowthAccelerator is acting as a catalyst for growth, helping businesses overcome barriers, in order to create jobs and ultimately deliver economic growth.



If you have any questions or would like to find out more about GrowthAccelerator please contact us using the details below

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