



BUSINESS BAROMETER

An insightful benchmarking study into the challenges
faced by startups across the Yorkshire region

Essential reading for startups and entrepreneurs

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**INNOVATION
IS SEEING
WHAT EVERYBODY
HAS SEEN AND
THINKING WHAT
NOBODY HAS
THOUGHT.**

Dr. Albert Szent-Györgyi

DR MARTIN STOW

NEXUS DIRECTOR

As a community of innovators, we enable businesses from all sectors to connect with the expertise, talent and facilities at the University of Leeds. But, whilst Nexus may only be little over a year old, successful entrepreneurship is nothing new to the University. Leeds has a proven track record of commercialisation, creating over 110 companies in the last 20 years.

We see innovation at the University of Leeds, facilitated by the Nexus community, as being central to our region's economic recovery, especially in light of the current challenges of the pandemic. Universities have a key role to play in nurturing the growth of startups and SMEs in the months and years ahead, and it's crucial that our region continues to focus on supporting startups and entrepreneurs to accelerate. A key priority at the University of Leeds is to respond to these uncertain times and support our business community as they continue to grow and succeed.

Nexus plays a pivotal role in de-risking this innovation to maximise business growth. As part of our strategy to ensure we continue to offer valuable advice and support, we have conducted a benchmarking study designed to understand more about the challenges facing this community and provide practical advice and support for startups as they navigate the challenging waters ahead.



We have worked closely with over 100 businesses across Leeds and the wider Yorkshire region to understand the current attitudes, confidence levels and hurdles to surviving and thriving in today's economy. Using this data, we have worked to compile a strategic report that offers tangible solutions to the very real issues startups currently face.

We are confident that the businesses reading this report today, will become the pioneers of tomorrow.

After all, the best way to predict the future is to help create it.

DR HARRISON EVANS

NEXUS COLLABORATION MANAGER

We work very closely with a variety of growing businesses and what's very clear is that innovation and community are the absolute differentiators. In this study, we have placed a spotlight on the voices of startups across the region to understand to what extent innovation, funding and the importance of community place on a company's future.

We are strong believers that innovation is an accelerant to business growth. Successful businesses have innovation in their DNA – and it's part of every process, every day. However, without community, the ability to optimise innovation can be lost. It's important that a sense of community and innovation flows through everything, and so, by listening to our network of innovators and startups, we aim to understand the challenges they face and provide a practical roadmap to encourage growth during these unprecedented times.

At a time of unparalleled change and challenge for business owners, one thing is certain – their innovation and support network will be critical to society's growth, as well as the recovery of the economy.





THE PURPOSE OF THIS STUDY

The aim of this study is to deliver an insightful benchmarking report into current attitudes amongst startup businesses and the role of innovation on the new business journey. We've placed a 'no filter' magnifying glass on the challenges and pressures placed on organisations across the region.

Long-term, we have ambitions to make this an annual report, so we can compare and contrast progression, changing attitudes and the impact of world events on the region's startup economy.

Ultimately, this report is designed to spotlight challenges and present solutions, helping local startups to accelerate growth, de-risk innovation and maximise commercial returns.



Innovation is a key factor in accelerating economic growth across the region, and we hope this study will allow more startups to receive the support needed to overcome the hurdles the research identifies.

The Leeds City Region has focused on strengthening the support network offered to startups through interventions such as Leap and BUILD as part of the MIT REAP strategy. As a result the region is home to a vibrant community that has been especially designed with startups in mind.

I'd encourage entrepreneurs to invest time in identifying the hurdles they are likely to face in the months ahead, and tap into our rich network to overcome the challenges of tomorrow.

Roger Marsh, OBE DL

*Chair of Leeds City Region Enterprise Partnership (LEP)
and Chair of NP11*

CONTENTS

CONFIDENCE MAPPING **1**

Growth potential
An uncertain future
How to grow in challenging times

HURDLES TO GROWTH **7**

How startups can overcome these hurdles
How to access alternatives to traditional investment
Tapping into innovation
How to overcome the barriers to innovation
Community as a solution
How to harness the power of community

CONCLUSION **18**

RESOURCES **20**

METHODOLOGY **25**

CONFIDENCE MAPPING

How do Yorkshire's startups feel about the current challenges of the pandemic, and their future?

The past nine months have offered unprecedented challenges to the startup community. However, as the world ground to a halt due to COVID-19, entrepreneurs and business leaders turned to innovative thinking to overcome adversity, respond to the pandemic and survive economically.

Many innovative startups were able to survive, and in some cases thrive, amidst circumstances that challenged even the most robust business models. The value of innovation has become intrinsically linked to confidence levels and indeed a business' ability to grow.

Perhaps it should come as no surprise then, that despite such a bleak economic forecast, we're witnessing unwavering levels of resilience amongst Yorkshire's startup community.



GROWTH POTENTIAL

71%

**of Yorkshire startups are
confident about business growth**

Our research shows that despite a challenging year, 71% of Yorkshire startups are confident about business growth in the next 12 months.

With 96% of these confident startups believing innovation is business critical, we can see that growth potential is closely linked to a company's ability to innovate.

If we examine the 32% of businesses that are not feeling confident about growth in the next 12 months, half of these business didn't see innovation as critical. In a challenging economic climate, putting innovation at the forefront of your business is the difference between surviving and thriving.

The most confident industries in the Yorkshire region are:

- 1 Data, AI and technology**
- 2 Consumer goods**
- 3 Healthcare and pharmaceuticals**
- 4 Energy, environment and food**
- 5 Professional services**

If we dive deeper into the sector specific data, it's not surprising to see that 100% of businesses surveyed in the most confident industry sector of data, AI and technology, believe innovation is business critical.

AN UNCERTAIN FUTURE



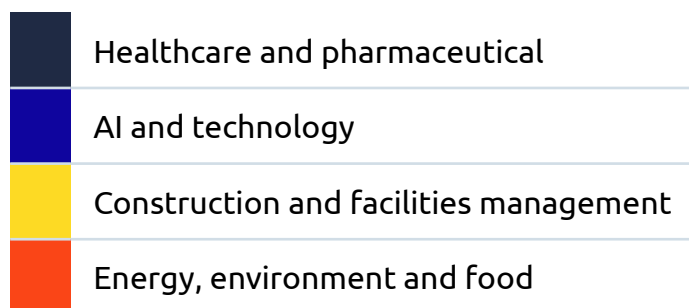
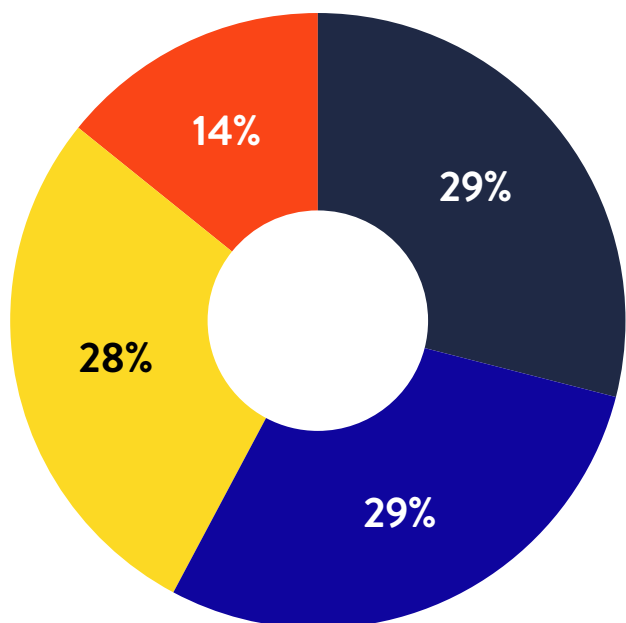
Despite high confidence levels in the region, the ability to plan when faced with an uncertain future is a challenge, with over half (51%) of startups revealing that they are unsure about the future plans for their business. While optimism about the future and the ability to innovate is helping businesses in the region to adapt, the ongoing turbulence and unpredictability that have defined 2020 mean that the crucial 'how' of business planning is proving tricky.

Unsurprisingly, it's COVID-19 that poses the biggest hurdle of all when planning for the future, with 67% of businesses believing that the pandemic has had a negative impact on their growth plans. Just 12% stated that it hadn't impacted their business, showing the far-reaching effects of this crisis across all sectors.

Despite this, a small, but encouraging proportion of startups were able to benefit from the pandemic, with an impressive 29% believing COVID-19 had a positive impact on their innovation plans and 21% revealing the pandemic had helped their business to grow.

The businesses that have been able to turn the pandemic into a positive have used innovation and adaptability to their advantage, particularly in sectors that have been at the frontline. Whether they've been offering technological solutions to new problems, or using their skills to make workplaces more COVID secure, it's clear that some businesses have been able to succeed and even thrive in this climate.

As such, it's perhaps unsurprising that the four startup sectors that have seen COVID-19 have the biggest positive impact on their growth and innovation are:



It's clear that many of the region's startups have embraced these challenging circumstances, with some even turning it into an advantage. However, with the future effects of the pandemic still unknown, it will be important to continue to innovate and adapt, especially when business planning continues to be difficult, if not impossible.



THE VIEW FROM THE CONFEDERATION OF BRITISH INDUSTRY (CBI)

Beckie Hart, Regional Director at the CBI shares her thoughts on how innovation is linked to the growth potential of startups across the region.

“

Whilst the impact of a second national lockdown is yet to be seen, the last GDP figures suggest we are rebuilding our economy despite the obstacles that remain in place for many small enterprises. This supports the Nexus data that innovation is a means to growth for thousands of small businesses, who are using their ability to adapt as a tool to respond to a challenging marketplace.

We are seeing this across all industries, from the hospitality sector investing in innovative business models, to tech firms mobilising reactive digital solutions to meet changing infrastructure demands, it's clear that innovation is what is keeping our economy alive.

And so, this must be the moment that we rethink the future and instigate meaningful change to support a levelling-up agenda for our region's businesses.

”

HOW TO GROW IN CHALLENGING TIMES

IDENTIFY NEW OPPORTUNITIES

Successful startups have been able to pivot and adapt their business model in the face of change. Whether it was offering new or updated services, many companies learned how to serve the changing needs of the population and they thrived because of it. Startups have a better ability to pivot quickly, gaining competitive advantage over larger more established companies, so use this to your advantage by identifying where the new opportunities may be. Whether it's people working from home needing new solutions or the effect of increased leisure time on people's consumer needs, stay ahead of the curve by identifying innovative solutions your company could offer in our changing world.

IDENTIFY RISKS AND ADDRESS THEM

The last year has revealed weak spots in all businesses, so it's never been more important to take an objective view of your company and identify your own pressure points. It may be difficult to plan right now, as our research has shown, but we have more knowledge at our disposal now than we did six months ago. So use this to help you identify what challenges lie in the months ahead, and the 'showstoppers' that need to be addressed to make your company commercially viable or successful. Once you have identified these, focus on accessing the right resources available across the Leeds City Region innovation ecosystem to help you address these pressure points.

SEEK ADVICE FROM THOSE WITH EXPERIENCE

Being a new business is hard at the best of times, so seeking support in difficult times is even more important. We know that startup businesses are far more likely to thrive when they can draw on the advice and guidance of mentors with proven skills and experience, so seek out mentors and use their expert knowledge to inform and inspire your business for the better. The Leeds City Region innovation ecosystem has lots to offer in the way of mentor partnerships, so explore the wider mentoring opportunities available.

THINK DIFFERENTLY

The pandemic provides the opportunity to reskill your team so ensure that your current skill sets are matched to tasks. Play to the strengths and structure of your team in a way that keeps them focused and motivated on what they excel at. Celebrate the disruptors who have the new ideas and the ability to navigate around-not through-obstacles. And, nurture those that are skilled at developing ideas into a reliable business model and delivering practical business results.

A CASE STUDY FOR SUCCESS

SCALED INSIGHTS



**STUART
SHERMAN**

Nexus members Scaled Insights collaborated with Nexus and the University of Leeds to conduct an in-depth analysis of our attitudes and behaviour in the face of the COVID-19 pandemic.

Dr Stuart Flint, Associate Professor of Psychology at the University and Scaled Insights Company President said “These are very challenging and uncertain times. The more we can inform policymakers and professionals with human behavioural insights both during and as we navigate our way out of the pandemic, the better we will be able to respond, recover and learn for future pandemics. Indeed, our research at Scaled Insights has provided unique insights about the impact of the pandemic including on access to healthcare, mental health and lifestyle behaviours. These insights can be used by policymakers and professionals to develop more personalised approaches.”

Stuart Sherman, CEO, Scaled Insights comments on the value of collaboration: “Collaborative working is behind every project we undertake and provides so many benefits, that’s why partnership with the University of Leeds was fundamental to our choice to move our headquarters from Canada to Leeds. Being part of the Nexus community means that our AI expertise can be combined with the brilliant academic minds of the University, often using interdisciplinary research to work in true collaboration.”

Stuart said he chose Leeds as the firm’s global base because it had a strong commitment to innovation and resembled a “sophisticated supper club” when compared with other cities, such as London, which are “noisy night clubs”. He added: “The academics in Leeds are world-class, they’re focused on innovation, and the University is certainly open for businesses.”

HURDLES TO GROWTH

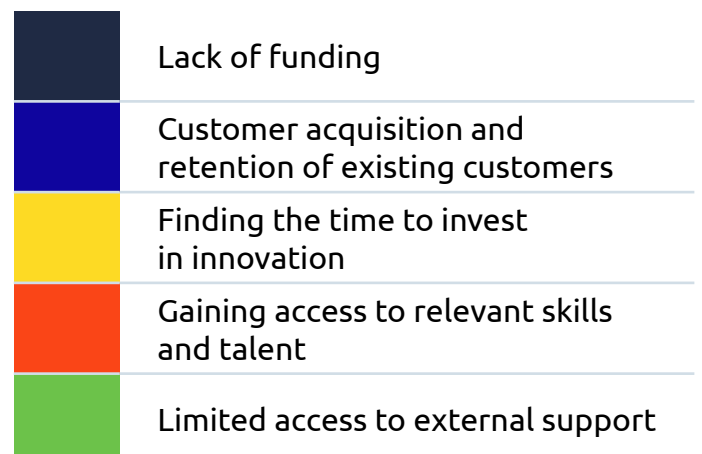
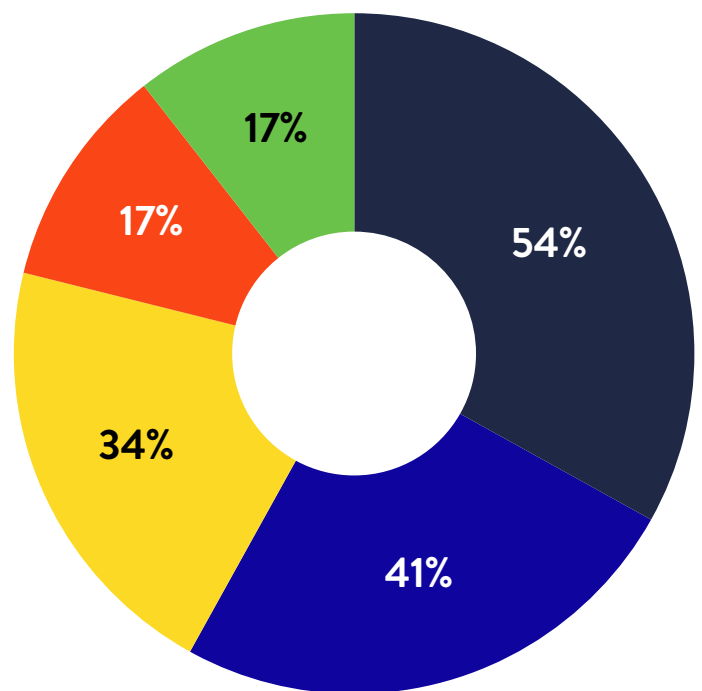
What are the barriers to innovation and growth for the region's startups?

The Quarterly Economic Report, produced by the West and North Yorkshire Chamber of Commerce, highlights that the region continues to be impacted by the wider economic climate.

According to its Q3 survey, while there are signs of improvement on Q2, economic activity remains low and businesses continue to feel the effects of financial instability, changed spending habits and business uncertainty. And, amidst a second national lockdown and the possibility of local lockdowns continuing into next year, it looks like things could be uncertain for a little while yet.

We set out to identify the biggest challenges businesses faced when innovating in a post-COVID climate.

Startups identified the top five barriers as:



HOW STARTUPS CAN OVERCOME THESE HURDLES

ADDRESSING THE FUNDING ISSUE

Lack of funding is the number one barrier impacting startups across Yorkshire, with 38% revealing it's holding back their business growth, and 51% stating it's a barrier to innovation.

This can be first-time investment, not being equipped with the skills to manage funding allocation, or surviving what is known as the "Valley of Death". During these early funding phases a startup tends to operate without any revenue from products and services, relying mostly on their initial invested capital. Surviving this period is a major milestone for startups and generally means they have to become self-sustainable before their initial investment runs dry. Of course, during an uncertain economic climate, this period is all the more difficult.

With almost a quarter (24%) of Yorkshire startups revealing that funding provides one of the biggest opportunities for their business in the next 12 months, it's clear that to survive such uncertain times, startups need to consider their funding options carefully.

Of course, funding support shouldn't be seen exclusively as a cash-injection. An often overlooked solution is accessing smarter ways to enhance business outputs without funding. A good example of this being Knowledge Transfer Partnerships (KTPs), where skills gaps can be met with a smaller cash-injection via a scheme that places a recent graduate or postgraduate to work in a business as part of a one to three-year project to tackle a strategically important issue.

Whilst funding may be seen as a major hurdle for startups, there are creative alternatives to funding barriers to solve problems and these should be considered. Considering grant funding rather than traditional investment is one key way of doing this.

THE VIEW FROM LEEDS CITY REGION ENTERPRISE PARTNERSHIP

Andrew Wright, Chair of the LEP Business Innovation and Growth Panel, offers his thoughts on the economy and the importance of innovation.



“

The Northern Powerhouse is home to nearly a quarter of the UK's population and together we contribute over £300 billion a year to UK plc. The scale of our economy is such that if the North were an independent nation, it would rank among the top 20 in the world.

We know that businesses that invest in strategies based on innovation, exporting and skills development – supported by national and local Government investment – are the ones that will see the benefits in terms of higher profits, more loyal employees and greater resilience to changes in economic conditions.

The region offers a whole host of investment opportunities for startups and small businesses. I would encourage business owners to reach out for support to build a more inclusive, resilient economic recovery.

”

HOW TO ACCESS ALTERNATIVES TO TRADITIONAL INVESTMENT

KNOW WHAT'S ON OFFER

Funding is much broader than many startups first consider. Our advice is to ensure you have full knowledge of the potential funding available. Whilst Government grants and venture capital pooled investment funds may be common knowledge, typically, businesses only look for grants they are eligible for based on their sector and overlook funding available for research and development (R&D) of products and services. Consider wider funding opportunities and explore all eligible routes – see the resources at the end of this report for further support.

DO YOUR HOMEWORK

There are a whole host of organisations that can offer funding support. Organisations such as NorthInvest and Innovate UK, who directly fund businesses, and the opportunities on offer through KTPs can transform a startup's growth potential and open up new horizons of opportunity. There are also a whole host of partnership possibilities with universities to access funds, as Research Councils look to invest in academic and industry partnerships that will translate research learnings into beneficial outputs, products and services.

COLLABORATE ON APPLICATIONS

The value of collaborating with universities on applications can be huge for startups. Universities have a civic duty to tackle societal issues and support economic growth, and as a result funding is available for startups looking to fulfil these objectives. Within our own community, we find that the members who migrate best between funding stages are collaborating with the University of Leeds on funding applications, who help to align these to wider societal objectives.

KNOW HOW TO NAVIGATE

Attracting investment and securing funding can take a startup from concept to market, but navigating the funding landscape can be complex. Early-stage businesses aren't always aware of the investment opportunities available to them and when it comes to pitching for funding, some don't have the confidence to stand up against tough questioning from investors, despite having a fantastic, unique business idea. Nexus' partnership with NorthInvest addresses this issue by connecting early-stage tech startups to investment, through angel networks and funds, giving them the opportunity to scale-up and grow. Members can also access mentors who can guide them through the process and connect them to real funding opportunities that can take their business to the next level.

BE RELEVANT

True innovation resolves challenges facing society and this is certainly reflected when applying for funding. Investors want to see tangible ideas and business models that show real opportunity. Funding is more readily available for opportunities that respond to societal needs, so it's important to focus on anticipating these changes where possible, rather than just reacting.

A CASE STUDY FOR SUCCESS

RESEARCH TOOLKIT



Nexus member, Research Toolkit, secured grant funding for new product development by capitalising on its membership.

Dr David Wilkinson, Founder of Research Toolkit, said: "One of the main drivers behind our move to Nexus was to access the first-class business support services offered by the Nexus team and collaborators such as KPMG and the LEP. Our Collaboration Manager, Dr Harrison Evans, has made some vital connections for us and was instrumental in securing our LEP funding. It's these introductions and opportunities that show Nexus is serious about supporting innovation and business growth. It's not just lip service – they're constantly adding value for their members."

TAPPING INTO INNOVATION



One of the most important traits of successful early-stage businesses, especially in the context of the pandemic, is the ability to innovate by pivoting to a new concept or methodology. When we examined the projected business performance of the startups we surveyed, those that believed innovation is business critical were 78% more confident about their future than those that didn't.

However, while businesses recognise the need to innovate, over a third (34%) of startups stated that finding the time to invest in innovation is a major barrier to growth, suggesting that putting innovation into practice isn't always simple.

When we think of innovation, many automatically fall on the concept of an individual lightbulb moment. Whilst these are generally still crucial, ground-breaking ideas, inventions, products and services are increasingly about pools of talent, shared expertise and collaboration. To be a successful innovative company in today's climate, businesses must plan to cultivate an innovation culture.

With 49% of startups preparing to focus on developing new products and services this year, it's vital that this holistic and inclusive innovation culture is adopted across a business. However, there can be practical barriers to implementing this, with 43% of startups in Yorkshire saying that they require access to new facilities, technology and R&D in order to innovate.

Time, resource and funding are all barriers to innovation, and investing in equipment and facilities can be daunting for startups and small businesses, especially for those who are yet to start their investment journey. However, there is help available, and by accessing resources and partnerships within the Leeds City Region innovation ecosystem, startups can alleviate some of these pressures and start realising their ambitions.

THE VIEW FROM

KPMG

Euan West,
Office Senior Partner at KPMG
shares his thoughts on the impact
of COVID-19 on business



“

I've seen so many examples of businesses that have delivered phenomenal change successfully in the past couple of months, it has been impressive and heartening. COVID-19 has forced businesses to pivot in order to succeed – for some these may be temporary changes, but for others it has revealed new markets or ways of working that mean they might never return to their pre-COVID shape. The agility and open-mindedness of many startup businesses is driving this ability to innovate, and will become even more crucial in a post-COVID world.

”

HOW TO OVERCOME THE BARRIERS TO INNOVATION

OUR ADVICE

ACCESS THE LEEDS CITY REGION INNOVATION ECOSYSTEM

The startup journey can be a lonely one, and with so many different factors to consider as you launch your business it can be difficult to find the headspace required for true innovation. Tapping into a community for support can be vital in helping you take an objective look at your business and the opportunities available. The wider Leeds City Region innovation ecosystem is a great way to access support, whether that's joining the ide@ community, a group of aspiring businesses looking to make the jump into entrepreneurship, taking part in BUILD, a 12 week pre-accelerator programme for ideation stage startups with innovation-driven ideas, or asking for support through Leap, an online initiative to support would-be entrepreneurs affected by the COVID-19 crisis.

LEAN ON PARTNERSHIPS

We know that access to the facilities and technology required for innovation is a big investment that can be a potential hurdle for startups, but there's no reason to go it alone. Tapping into partnership opportunities available to startups in the region is a great way to alleviate the pressures of standalone investments. Whether that's accessing the local LEP and Innovate UK, or partnering with Nexus to access world-leading research, talent and facilities, there are a plethora of partnership opportunities that can help your business to grow.

LOOK TO THE FUTURE

It's easy to get stuck in the here and now when you run your own business, but the startups that manage to go the distance are defined by their ability to look to the next products and services that will deliver future societal impact, rather than simply making their existing products smarter for users. Constantly ask what the world will look like, 5, 10 and 25 years from now – how can your products adapt for the future or what new products or services could you develop to meet changing needs?

TURN A CRISIS INTO AN OPPORTUNITY

The COVID-19 pandemic had the potential to, and indeed did, stop many businesses in their tracks. However, in the midst of uncertainty some businesses used the crisis to kickstart their plans for new innovative services and products. In the face of uncertainty, look for opportunities to innovate and adapt your current business, rather than seeing it as a hurdle to your growth.

A CASE STUDY FOR SUCCESS

ITECHO HEALTH



The COVID-19 crisis accelerated plans for an innovative digital health platform, Ascelus, which facilitates 'virtual clinics and has been created by Nexus members Itecho Health, to relieve pressure on the NHS.

Co-founder, NHS doctor Adrian Brown comments: "Our objective with Ascelus has always been to relieve some of the burdens on our health service and increase convenience for patients by allowing efficient virtual clinics, where long-term conditions can be managed through online communication between patients and their clinicians".

"The COVID-19 public health crisis gave that objective an even greater focus. Outpatient visits stopped. Doctors were increasingly having telephone consultations with their patients, which are limited in their scope, and there was growing concern that the most vulnerable patients were avoiding going to hospital for vital check-ups and treatment.

A team of eight medical students from the University of Leeds' School of Medicine joined Itecho Health on a six-week elective to help the team fast-track its plans to an increased number of diseases. Three of the students were then recruited for paid part-time internships for three months.

"We worked with the University of Leeds' School of Medicine on this vital project. Not only did this collaboration with Nexus and the University support our NHS during the current crisis, it enhanced our digital platform for the future care of patients with long-term conditions."

COMMUNITY AS A SOLUTION



Limited access to advice and guidance is impacting on business growth across the region, with business confidence 54% lower in businesses that don't have the support of a community around them.

Being an early-stage business can be a lonely journey, so creating strong networks is vital. Whether it's getting advice from seasoned entrepreneurs on the best ways to acquire and retain customers, working with partner organisations on R&D or gaining access to relevant skills and talent, tapping into the region's rich and abundant startup support community could make all the difference.

Being part of a community can be as small scale as joining a virtual business group, or could be more in-depth support that can service your wider business needs, such as joining a community like Nexus. As a first port of call, we'd encourage all startups to explore these communities. From Nexus' relationship with Innovate UK to the Santander work café, the Leeds Digital Festival to the work the LEP delivers across the Leeds City Region, accessing the Leeds City Region innovation ecosystem is a great starting point for any entrepreneur.

As well as providing you with a network that uniquely understands the challenges of being a startup, being part of a community can also give you greater access to wider business support. Whether it's being able to access more funding options, skills services that will help you to recruit a talented workforce or the latest research and studies, a community can open up so many doors as you look to grow your business.

HOW TO HARNESS THE POWER OF COMMUNITY

OUR ADVICE

PUT THE 'R' INTO 'R&D'

Harnessing the power of research to create commercial advantage is incredibly important for business development and can accelerate growth. Research is key to business growth and universities can help startups to get the most value and insight from research by bringing academic rigor and the latest and most robust methodology, to ensure early-stage businesses gain a competitive advantage. International research collaborations at the University of Leeds have helped businesses across the region flourish as key R&D learnings are implemented into practical business models.

FIND THE BEST TALENT

20% of startups believe access to relevant skills and talent holds them back from innovating. As a result of the pandemic there is a huge pool of talent available to smart startups choosing to build their teams now, and community support can be a great way of accessing this talent while ensuring a diverse range of skills, ideas and unique perspectives that will help your business to thrive. The Leeds City Region innovation ecosystem offers a range of skills services to help boost access to talent for businesses, including the LEP's apprenticeship support, employment hub and Engage with education programme.

FOCUS ON YOUR OWN DEVELOPMENT

Being an entrepreneur can be all consuming, and it's easy to get so wrapped up in the day to day that you forget to take care of your most valuable asset – you! Being part of a community gives you access to contacts who have been through your challenges already and can offer valuable practical advice and wider support that will help you to develop your business. Communities like Nexus also offer access to continuing professional development (CPD) courses, professional development and executive education, events and mentoring, all of which can help you, and your business', development.

ACCESS THE RIGHT ADVICE

Accessing the right advice can make a world of difference for a startup, regardless of where they are on their journey. Tapping into the expertise of people who have experience and market insight can help entrepreneurs futureproof and overcome the difficult early business stages. Since engaging with Nexus, one third of member businesses have accessed private investment, and more than 80% have secured pre-seed funding.

The research shows that 43% of startups aren't currently accessing funding support, despite it being revealed as a barrier to innovation. Through Nexus partnerships, businesses are able to build and strengthen their relationships with bodies such as the LEP and Innovate UK, meaning these barriers to innovation can be overcome by startups looking to enhance their growth potential.

CONCLUSION



The Leeds City Region innovation ecosystem provides startups across the region with a range of valuable resources to pioneer business models that have the ability to change the world. Through this report we have discovered that this community and support system will be crucial for startups navigating the choppy waters ahead.

The Leeds City Region remains a hotbed of talented entrepreneurs, poised to innovate and adapt as they realise ambitions of joining the growing roster of successful businesses conceived in Yorkshire. Our research shows that Yorkshire startups are confident, but in such uncertain economic times, optimism must be carefully monitored.

Whilst many startups across the region share common barriers to growth, the aim of this report has been to provide insight into these pressure points, and in turn spotlight solutions and opportunities for the startup community. From this, we have learnt the power of innovation, and the parallels between confident entrepreneurs and a potential role innovation has to play in this.

As the region's startups plan for the future, we hope that the insight from this barometer, teamed with the advice from our community, helps to inform startups across the region of the support and rich innovation ecosystem available to them.

At Nexus we are firm believers that without knowledge, we lack direction. And so, our ambition is that the startups reading this report today, are provided with the insight, support and direction to help them become the pioneers of tomorrow.

DR MARTIN STOW

NEXUS DIRECTOR



The Leeds City Region innovation ecosystem is alive with opportunities for startups. As we face such unprecedented times, it has never been more important for entrepreneurs to tap into this community and access the support they need to survive.

Our study shows that unfortunately these opportunities aren't accessed nearly enough. As we work to rebuild our local economy and place a magnifying glass on innovation as a tool for growth, it's paramount that startups are aware of the support and communities available to them.

At Nexus, we place a strong focus on innovation, adaptability and community. As the pandemic tested startups, being adaptable and innovating solutions to new problems was what helped many businesses overcome extremely challenging times. But, it's the community that surrounds these pioneering startups that allowed for true enablement.

As we work together to survive and thrive in such uncertainty, business communities become even more crucial. From this collective, builds an even stronger ecosystem that startups can utilise to innovate and grow.

Our vision for the Leeds City Region innovation ecosystem is to build an even stronger powerhouse for innovation, recognised nationally and internationally as a benchmark for how universities work seamlessly with businesses to build resilient startups. Ultimately, we see the role of the University of Leeds and Nexus as being critical to the manifestation of this vision, as we work with the most innovative and inspiring businesses across the region and enable their development through strategic partnerships. Key to this is our aspiration to become the benchmark for how businesses and academia work in unison to become a true force for innovation.

This vision is driven by helping regional entrepreneurs to pioneer innovative businesses through accessing support networks and a rich community that helps build greater adaptability and innovation. Of course, in the short term, our focus is firmly placed on supporting the regional economic recovery, and ensuring that businesses have the support and capabilities to thrive and kick-start the economy again.

We hope this study helps place a spotlight on the support available to startups as we work as a collective to help rebuild the local economy through trailblazing innovations.

After all, in this new world, innovation is no longer a choice, but an imperative.

RESOURCES

RESOURCES TO HELP YOU ON YOUR JOURNEY

Across the Leeds City Region there is a wealth of support designed to enable businesses from all sectors to connect with the expertise, talent and facilities of the region's innovation network. By tapping into this innovation ecosystem, startups can work collaboratively to accelerate and de-risk innovation, maximise commercial returns and access funding.

THE LEEDS CITY REGION INNOVATION ECOSYSTEM

THE IDE@ COMMUNITY

What is it?

An online space for anyone with a burning desire to start a business or to be their own boss

Who is it for?

Aspiring business owners wanting to make the jump to entrepreneurship

How does it work?

A community that includes online courses designed to give early-stage startups the tools needed to take the first steps in starting their own business

idea-community.mn.co

LEAP

What is it?

A new online initiative launched by Team Leeds to support would-be entrepreneurs affected by the COVID-19 crisis

Who is it for?

Would-be entrepreneurs looking to launch business ideas that have evolved due to a change in circumstance due to the pandemic

How does it work?

A free online programme featuring the necessary information, tools and mentoring support to kick-start their business ideas

mitreapleedscityregion.com

BUILD

What is it?

A 12-week pre-accelerator programme for ideation stage startups

Who is it for?

Businesses with innovation-driven ideas designed to build a better tomorrow through solving key societal challenges

How does it work?

15 founders from the Leeds City Region will work together on a virtual programme of workshops, inspirational talks, and 1:1 mentoring from Jan - April 2021

mitreapleedscityregion.com/build

TECH NATION

What is it?

A network to help fuel your growth and solve business challenges

Who is it for?

Game-changing founders, leaders and scaling companies that are looking to positively transform societies and economies

How does it work?

As part of the network you'll benefit from peer-to-peer learning, access to world-class coaches, and connections that will help you solve your business challenges

technation.io

AD:VENTURE

What is it?

A fully funded expert network to help take your business from startup to scale up

Who is it for?

Startups and young business in their first 3 years of trading, within the Leeds City Region

How does it work?

You'll be offered a tailored mix of practical advice, coaching, academic support, incubation workspace, finance brokerage, low rate loans and AD:VENTURE startup and growth grants

ad-venture.org.uk

THE DEPARTMENT FOR INTERNATIONAL TRADE (DIT)

What is it?

The DIT Team supports businesses to encourage and support international trade

Who is it for?

New businesses at the start of their international journey, and businesses looking to enter new markets

How does it work?

Get tailored information about overseas markets, access major buyers, governments and supply chains overseas and receive support to participate in overseas trade fairs

gov.uk

FUNDING SUPPORT

The Leeds City Region innovation ecosystem offers a wealth of funding opportunities and partners, including:

- LEP's Investment Readiness Package
- Leeds City Region Business Growth Programme
- Leeds City Region Revolving Investment Fund
- The Northern Powerhouse Investment Fund

If investment is an option, startups should consider harnessing the power of their board, the LEP, investors or other strategic advisors such as NorthInvest to make sure they optimise any opportunities for regional funding outside of London.

Innovation communities such as Nexus can benefit from advice through access to expert partners. Nexus members benefit from:

- Legal advice on investment from Squire Patton Boggs
- Input on business growth from professional services experts KPMG
- Access to NorthInvest to connect them to investment, through angel networks and funds
- Intellectual property (IP) professional services support from HGF

ACCESS TO SKILLS

The Leeds City Region innovation ecosystem offers a range of skills services to help boost access to talent for businesses, including:

- A pool of talented graduates at the University of Leeds
- Staff secondments at the University of Leeds
- Access to the University's postgraduate researcher community
- LEP's Apprenticeship Support
- LEP's Apprenticeship Levy Support
- LEP's Employment Hub
- LEP's Engage with education programme

Startups can partner with universities to access advice and creative options for helping businesses fulfil their people requirements. This can include access to a diverse pool of talent, student placements, flexible recruitment solutions or even introducing staff secondments to embed new knowledge.



NURTURING INNOVATION

The below partnership opportunities are available for startups in the region who are looking to innovate:

- The national partnership with LEP and Innovate UK
- Access the research and innovation expertise and facilities via a partnership with Nexus
- LEP's Connecting Innovation
- LEP's #Grow funding

PROFESSIONAL DEVELOPMENT

It's imperative that businesses receive the right advice at each stage of their journey. Entrepreneurs can retain talent, develop team's specialist skills and enhance productivity through CPD courses.

Apprenticeship programmes can be also be used to upskill a business' existing workforce without having to recruit new talent.

Across the Leeds City Region innovation ecosystem there are various different opportunities for startups to engage in professional development, including:

- CPD courses delivered by the University of Leeds
- Apprenticeship programmes delivered by the University of Leeds
- Great Business site from Gov.co.uk



NEXUS RESOURCES

For information on Nexus membership, visit:
<https://nexusleeds.co.uk/membership-packages/>

For the latest thinking on research expertise visit:
<https://nexusleeds.co.uk/research-expertise/>

For more details on Nexus events visit:
<https://nexusleeds.co.uk/events/>

For more information on Knowledge Transfer Partnerships:
http://www.leeds.ac.uk/info/130572/research_for_your_business/178/knowledge_transfer_partnerships

For more information on how to access funding:
http://www.leeds.ac.uk/info/130572/research_for_your_business/676/access_funding

OUR PARTNERS

SQUIRE 
PATTON BOGGS

 **HGF**

 **KPMG**

 **Leeds City Region
Enterprise
Partnership**

 **NORTH
INVEST**

 **NML**
UK NATIONAL MEASUREMENT LABORATORY
FOR CHEMICAL AND BIO-MEASUREMENT
HOSTED AT LGC

METHODOLOGY

This study has been curated using insight and expertise from leading voices across Yorkshire's business community. The Nexus Business Barometer research includes data from 105 Yorkshire based businesses owners, founders and leaders, 80 of which are categorised as 'startup', having been in business for less than five years.

Businesses were surveyed online between the periods of 27th September 2020 and the 17th October 2020.

The survey was commissioned by Nexus, University of Leeds.

CONTACT

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