

Business Growth Programme

Cardiff Capital Region

Discovery Phase Findings

December 2023



Cardiff Capital Region
6th Floor
Spark
Maindy Road
Cardiff
CF24 4HQ

Grant Thornton UK LLP

30 Finsbury Square
London EC2A 1AG
+44 (0)20 7383 5100
grantthornton.co.uk

21st Dec 2023

Dear Gareth,

Business Growth Programme: Discovery Phase Emerging Findings

We are delighted to present this report setting out the findings from the Discovery Phase.

You will find below details from the key strands of our activity throughout the Discovery Phase, including our data review, our stakeholder engagement and interviews and the surveying of local businesses.

This is then linked to recommendations based on these findings as we move into the build phase of the programme and towards beginning the delivery of business support activities.

Duncan

Duncan Levesley

Director

Grant Thornton UK LLP

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please see grantthornton.co.uk for further details.

Table of contents

BACKGROUND AND DATA ANALYSIS

- Overview
- Discovery Phase
- Stakeholders
- Business ecosystem: Productivity
- Business ecosystem: At a glance
- Business ecosystem: Broad sectors

STAKEHOLDER FEEDBACK

- Business challenges to growth
- Overarching reflections on the existing business support ecosystem
- Stakeholder identified priorities in business support categories
- Stakeholder recommended delivery methods for business support
- Current business support offering in the region
- Sector focus: Creative
- Sector focus: MedTech
- Sector focus: Cyber security
- Sector focus: Compound semiconductors
- Sector focus: FinTech

EOI & BUSINESS FEEDBACK

- Expressions of Interest – received to date
- Business feedback

RECOMMENDATIONS

- Eligibility, recruitment and the application process
- High Growth Group Activity
- High Growth Focused Activity
- Type of content and type of engagement
- Other considerations
- Key challenges and risks to successful delivery
- How the programme aligns with SPF outputs and outcomes

NEXT STEPS

- Next steps and action

APPENDICES

- Appendix A: Business identification
- Appendix B: Businesses within each sector

Background

Background

Overview

The Cluster Development Programme

- Cardiff Capital Region has been allocated a proportion of the South-East Wales regional UK Shared Prosperity Fund budget.
- The funding is being used to deliver a programme called the **Cluster Development and Growth Programme (CDGP)** which is focused on supporting local enterprises within the region's priority clusters – specifically within:
 - ✓ Fintech,
 - ✓ MedTech,
 - ✓ Cybersecurity,
 - ✓ Compound semiconductor, and
 - ✓ Creative industries
- We have been commissioned by Cardiff Capital Region to deliver on the **business growth stream** of work over the next year alongside Business In Focus and Cardiff Met University.
- The purpose of this programme is to support high-growth potential business to grow and achieve their full potential.
- The **Discovery phase** has been used for gathering information and insight to shape and inform how the programme will be structured and delivered to ensure that it meets the needs of the local business community.

Delivery expectations

- Expectations are that there will be two key phases of support, this will be confirmed as the **Discovery phase** is finalised.
 - Stage 1:** Group activities with 75 companies
 - Stage 2:** More focused one-to-one specialised support to 12 high potential businesses
- Whilst support categories are likely to be defined as we gather more feedback, they will broadly sit within the themes of:
 - ✓ Strategy
 - ✓ Operations
 - ✓ Sales
 - ✓ Finance
 - ✓ People
- Based on our experience in delivering other support programs, we have found that the most effective approach is to offer a combination of delivery methods, which may include the following elements: High Growth Workshop Programme, Diagnostic Clarity Process, Growth Advisors, Specialist Advisors, Fundings and Specialist Support Networks, Analyst Resource, Tools and Collateral and Peer-to-Peer Support.

Background

Discovery Phase

- The Discovery Phase has been running over a 2 month period. The information gathered is essential to ensure that the programme:
 - 1) Dovetails with **existing business support** available in CCR
 - 2) Addresses some of the **key challenges** that businesses in CCR are facing
 - 3) Is suited to the **local context**
- There are three key elements to the Discovery Phase as outlined below.

Data analysis

By leveraging our data platforms and collaborating with other reliable data providers, we have developed a comprehensive understanding of the business ecosystem in the Cardiff Capital Region.

This involved examining factors such as business formation rates, employment levels, and growth rates, and benchmarking them to national averages and peers. We have also conducted an in-depth analysis of employment and growth within the priority sectors, as well as the geographic distribution of these clusters throughout the region.

Stakeholder engagement

We have engaged with stakeholders in the business support ecosystem through **19 online consultations** and **two roundtable discussions** with industry experts (see next slide for list).

This engagement has offered us valuable insights into the challenges to growth that businesses encounter, an understanding of the current business support ecosystem, the gaps in the support system, and what needs to be done to address those gaps. Furthermore, we have received various views on the most effective delivery format for business support.

Expression of Interest and Business Survey

In collaboration with CCR, we have developed a Business Survey to gather insights into the challenges and issues faced by businesses, particularly within the five priority sectors. The survey also captures feedback on the existing business support ecosystem, the respondents' experience with it, the support they are seeking, and their views on the most effective delivery format for such support.

This is being disseminated through direct outreach from GT and via the stakeholder distribution lists.

Background Stakeholders

Stakeholders we consulted with during the Discovery Phase are outlined below.

CCR local authorities

- Blaenau Gwent Council
- Caerphilly Council
- Cardiff Council
- Merthyr Tydfil Council
- Monmouthshire Council
- Newport Council
- RCT Council
- Torfaen Council
- Vale of Glamorgan Council
- Bridgend Council

Ecosystem stakeholders

- British Business Bank
- Regional Business Council
- Regional Economic Growth Partnership
- Development Bank
- Admiral Pioneer
- Fintech Wales
- Alacrity
- Tramshed Tech
- Barclays Eagle Labs
- Natwest Accelerator
- Media Cymru
- Compound Semiconductor Centre / CS Connected
- MediWales
- Life Sciences Hub Wales
- Cyber Innovation Hub
- PWC Innovation Investment Capital

Local businesses

- 12 companies with an interest in applying for the programme have shared their thoughts through the Business Survey

Data analysis

Business ecosystem

Productivity (1)

Productivity growth means an economy can produce more without needing to use more inputs. It is a fundamental driver of improvements in living standards.

Productivity is a challenge for CCR, with output per hour worked 11.5% lower than the UK average. However, it is worth noting that CCR's productivity levels are higher than some of the other Combined Authority areas, as shown in the chart to the right, with only Greater Manchester, Glasgow City Region, and West of England ahead.

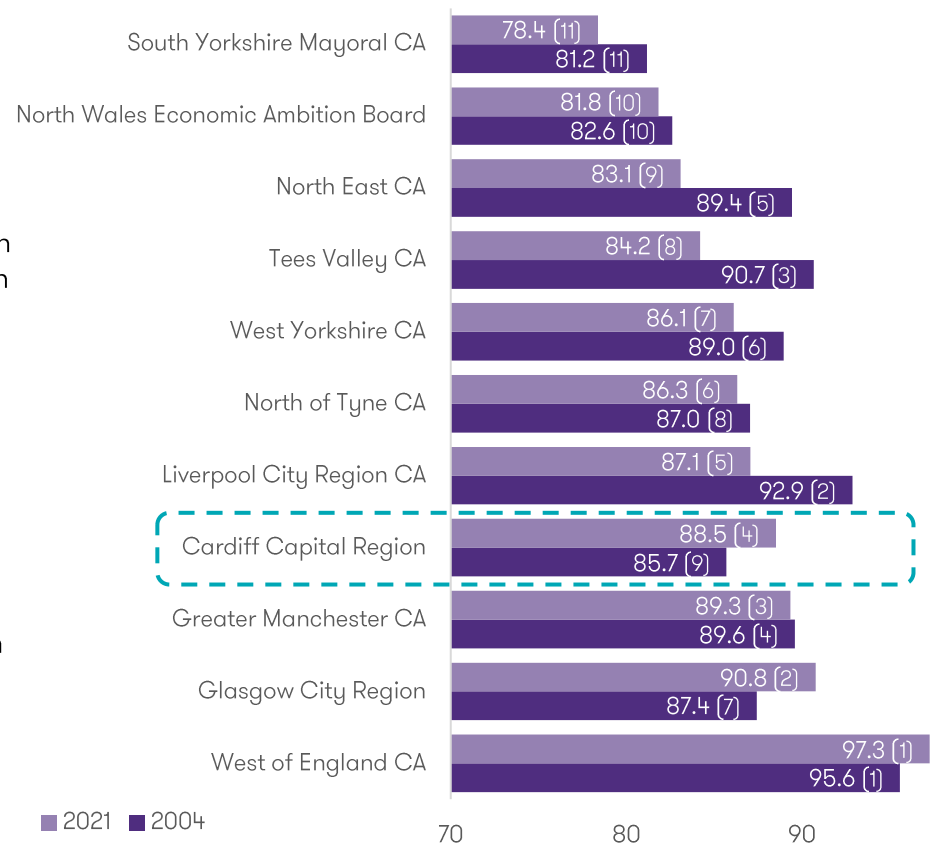
ONS analysis¹ shows that the greatest driver of productivity differences across the UK is from differences at the firm-level *within* industries. This suggests firms in the same industry in Wales are less productive than their average counterpart in the UK.

Internal factors that appear to have a particular influence on a firm's productivity level include whether a firm trades internationally, its management practices, and its ownership; age and size of a firm can also have an influence.

External factors associated with the location of a firm, such as differing local labour markets, existence of agglomeration benefits, and levels of local consumer spending can also affect a firm's productivity performance.

Research from Cardiff Metropolitan University² also finds that “many firms in Wales are poor at strategic planning and have limited management information systems in place for measuring performance ...In particular, many firms acknowledge that they lack the relevant expertise, skills and tools to measure their efficiency at the relevant parts of their value chain.”

Productivity Index, UK=100
(rank amongst selected city regions)



Source: Current Price (smoothed) GVA (B) per hour worked indices; Selected City Regions, 2004 – 2021, ONS

¹ Understanding spatial labour productivity in the UK, 2019, ONS

² Managing productivity in Welsh Firms, 2020, Cardiff Metropolitan University Hodge Foundation

Business ecosystem

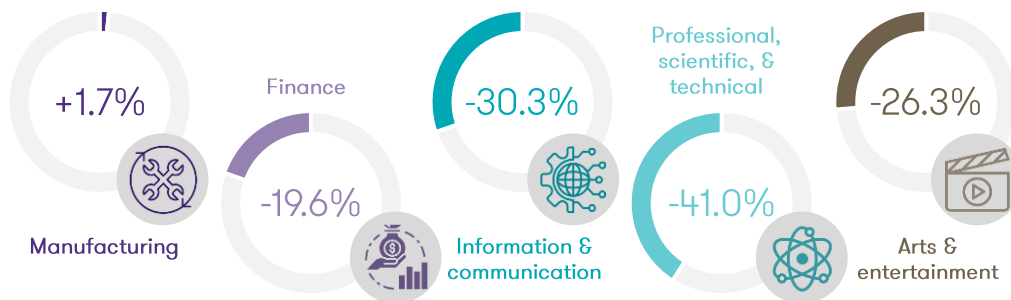
Productivity (2)

Productivity challenges are prevalent across all constituent local authorities, with productivity levels lower than the UK average of £38.33. Therefore, productivity will be a crucial focus for business support services in the region. The programme will prioritize interventions that could directly improve productivity, such as management practices, strategic planning, operational efficiencies, and exports.

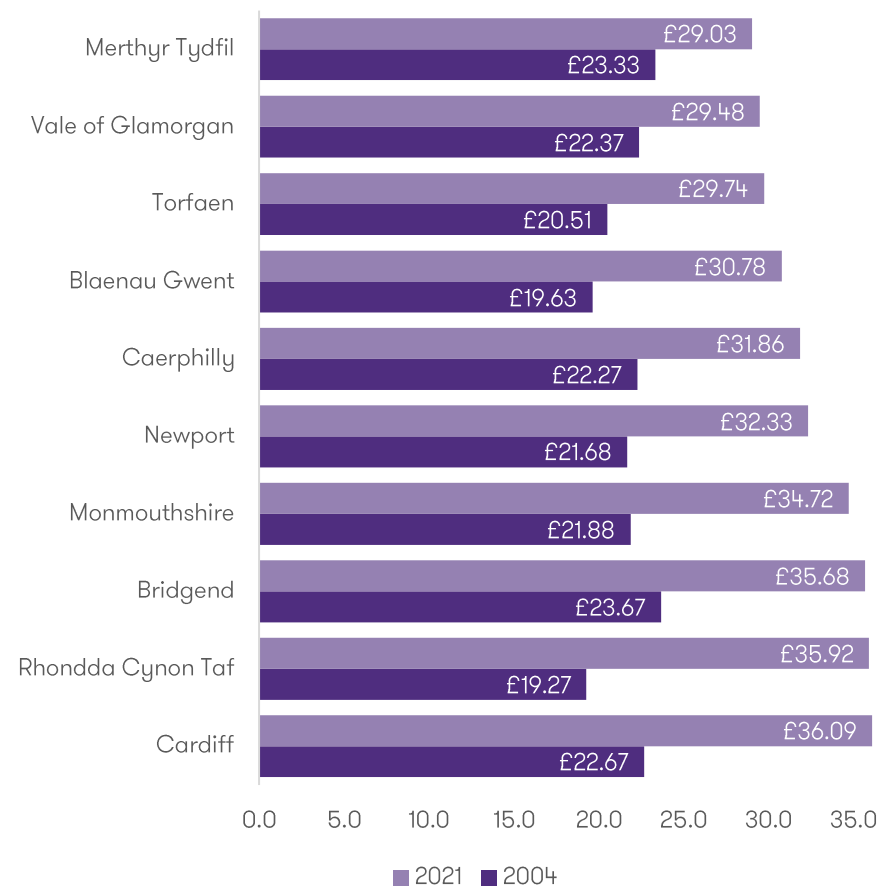
Cardiff has the highest productivity in the CCR, producing £36.09 worth of outputs per hour worked, whilst Merthyr Tydfil produces the lowest at £29.03. The varying productivity levels across CCR also highlight the importance of recognising geographical diversity within the programme.

Since 2004, productivity has grown strongly in Rhondda Cynon Taf (+86%) surpassing the UK average growth of 50%. Only 3 local authorities had productivity growth rates below the UK average: Merthyr Tydfil (+24%); Vale of Glamorgan (+32%), and Caerphilly (43%).

Within Wales, only 3 sectors had higher productivity than those across the UK (manufacturing (+1.7%), real estate (+4.0%), and other services (+2.8%).



Source: Region by industry labour productivity, 1998-2019, Output per Hour ONS



Source: A3: Current Price (smoothed) GVA (B) per hour worked (£); Local Authority District, 2004 – 2021, ONS

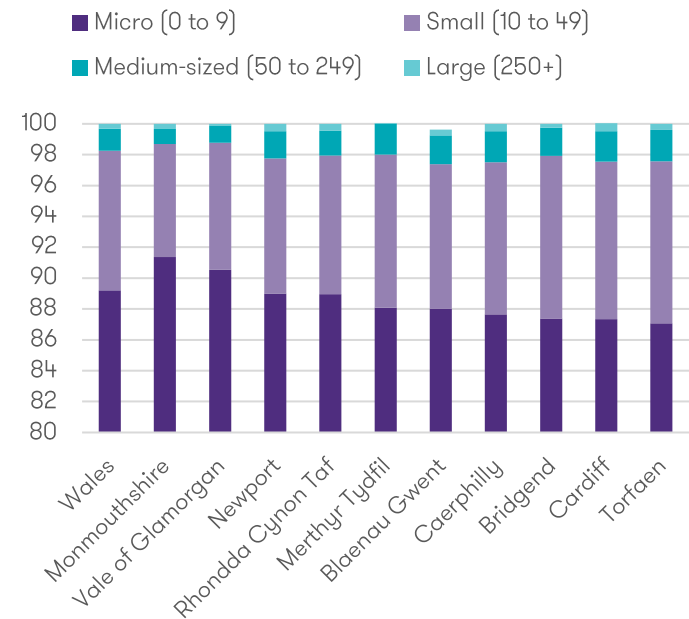
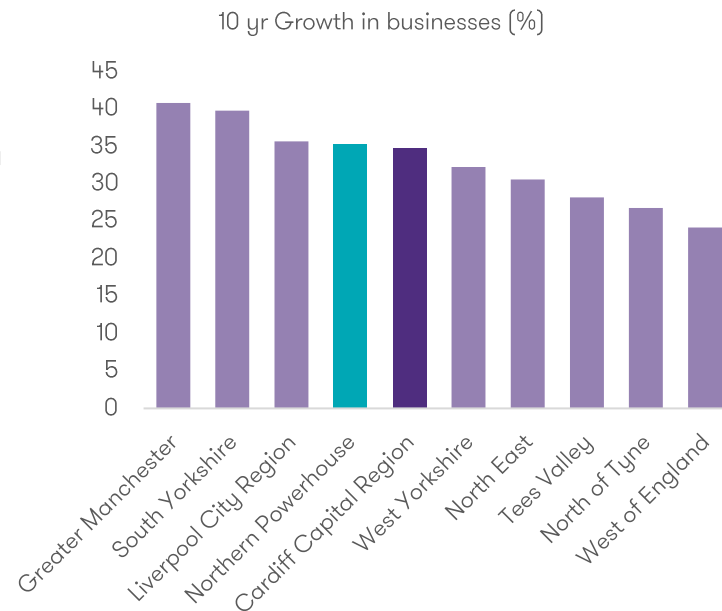
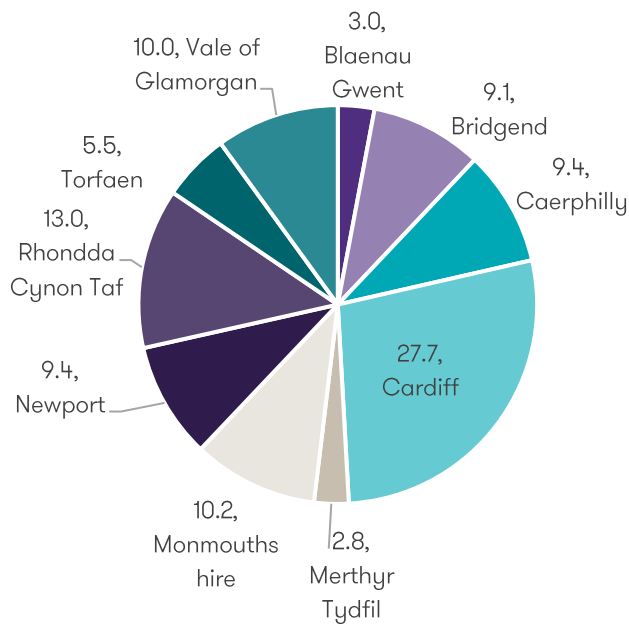
Business ecosystem

At a glance

There are **44,950** active enterprises in CCR, which reflects a **healthy number of companies**. Cardiff is best represented (accounting for 27.7% of all businesses) underlining the challenge of ensuring the programme is regionally representative.

In the past decade there has been a **good level of business growth**. The number of enterprises in CCR has increased by **34.8%**, exceeding the Welsh average of 22.2% and matching that of the Northern Powerhouse at 35.3%.

88.5% of enterprises in CCR are micro (0-9 employees) – the **highest % of all comparator areas**, underlying the **importance of proactive outreach directed at scale up businesses**. Within CCR, Monmouthshire has the highest % of micro businesses.



Source: UK Business Counts (2023)

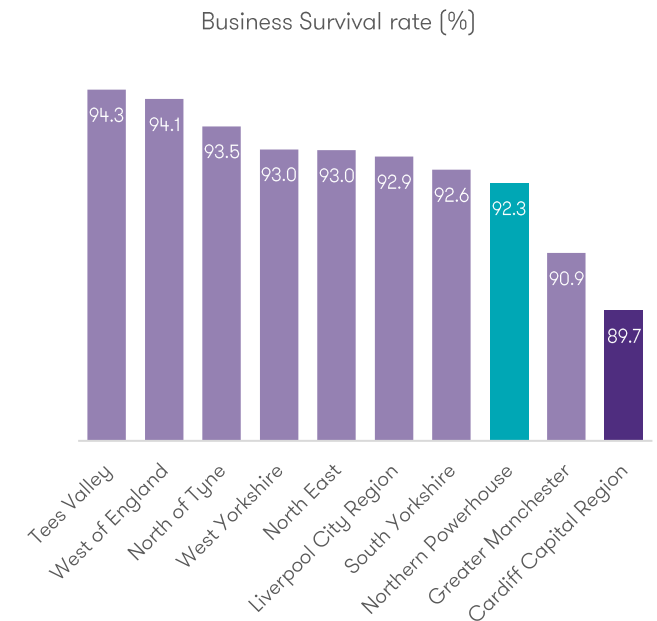
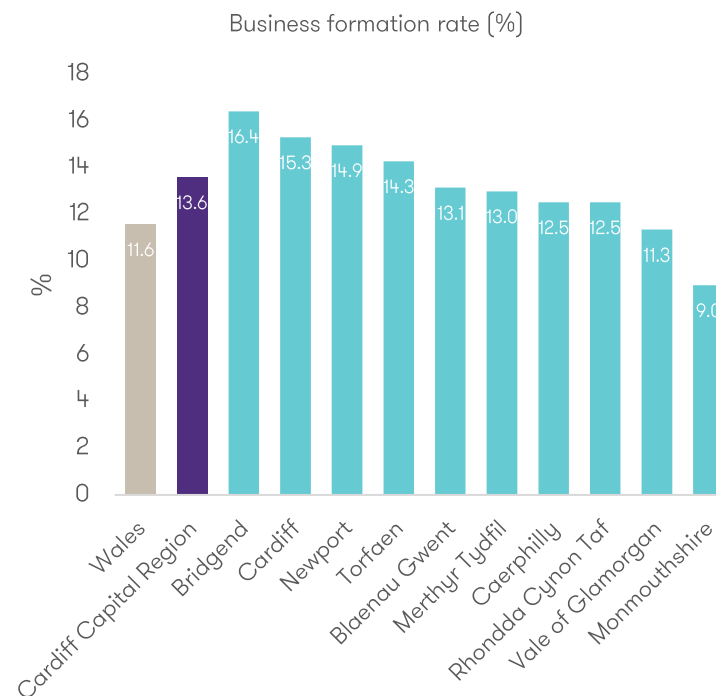
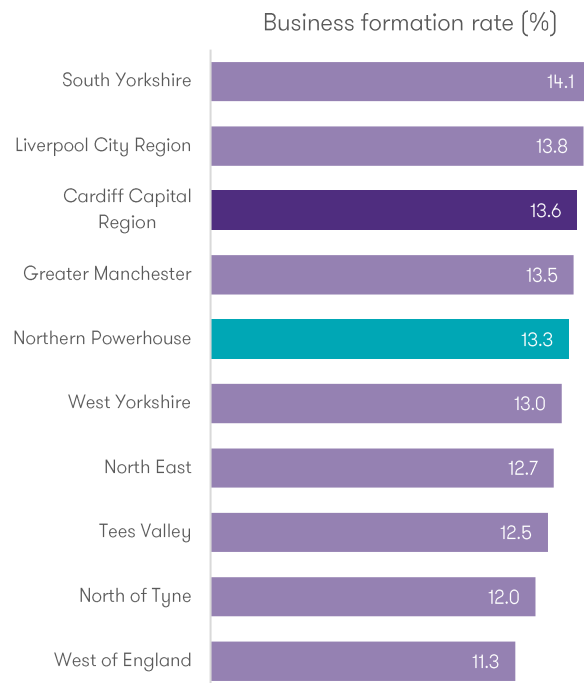
Business ecosystem

Continued

CCR has a **robust business formation rate** of **13.6%** and performs well on a comparative bases, surpassing that of the Northern Powerhouse and closely resembling that of Greater Manchester.

Business formation rates vary across the region from as high as 16.4% in Bridgend down to 9% in Monmouthshire, reflecting the different challenges to growth that local authorities are faced with.

The 1-year **business survival rate in the Cardiff Capital Region is the lowest among the comparator group**, at **89.7%**. This presents a significant challenge for the region and emphasises the importance of providing support that helps improve the robustness of businesses and enhances their chances of survival.



Source: Business Demography (2022)

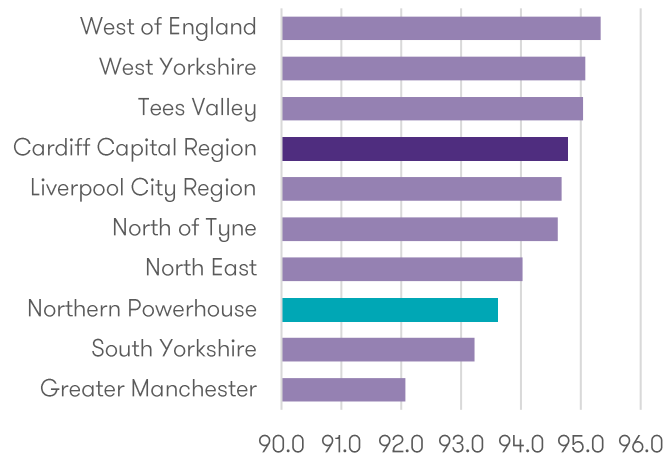
Business ecosystem

Continued

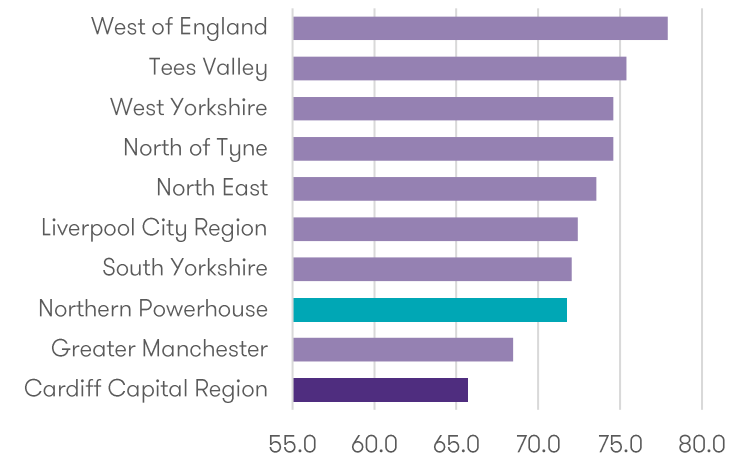
Considering the low business 1-year survival rate in CCR, we have conducted a deeper analysis of this data to understand how it has varied over different survival lengths. It is worth noting that the baseline for this data is 2018, which means that subsequent years will start to show the impact of Covid-19 to some extent. Nevertheless, the relevance of the data remains as we are primarily interested in the relative performance of CCR compared to other areas.

Looking at the data over the years, it is interesting to note that the 1-year survival rate was previously relatively strong for CCR. However, after 2019, the survival rates notably decreased, and CCR consistently benchmarks the lowest among the group of comparator areas. This could potentially indicate that the business survival rates in CCR have been more adversely affected by Covid-19 than other areas, given the significant reduction in survival rates from 2020 onwards.

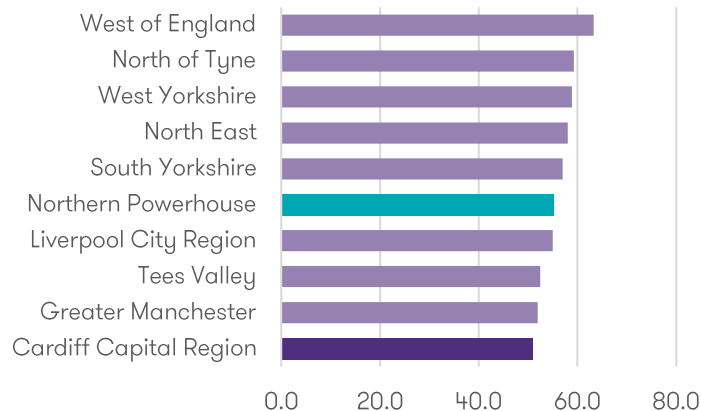
1 year % (up to 2019)



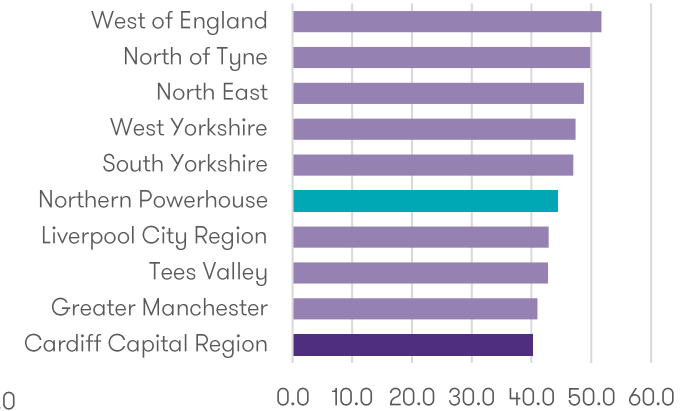
2 year % (up to 2020)



3 year % (up to 2021)



4 year % (up to 2022)

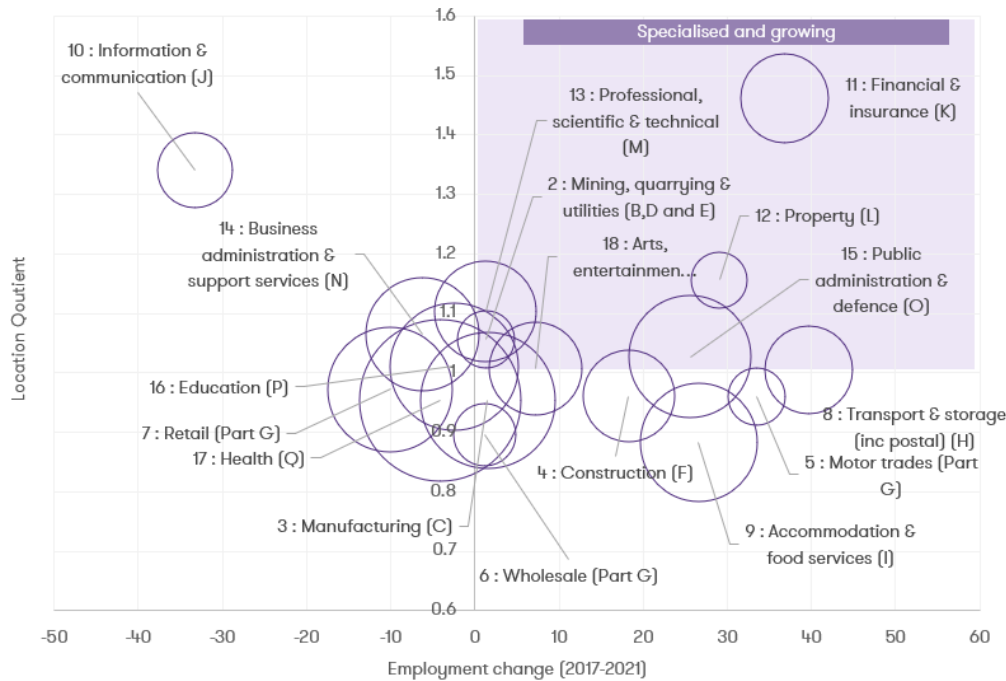


Business ecosystem

Broad sectors

Visualising data on total employees, employment change, and location quotient for each broad sector in one single chart helps to illustrate which sectors are specialized and growing and which ones are declining.

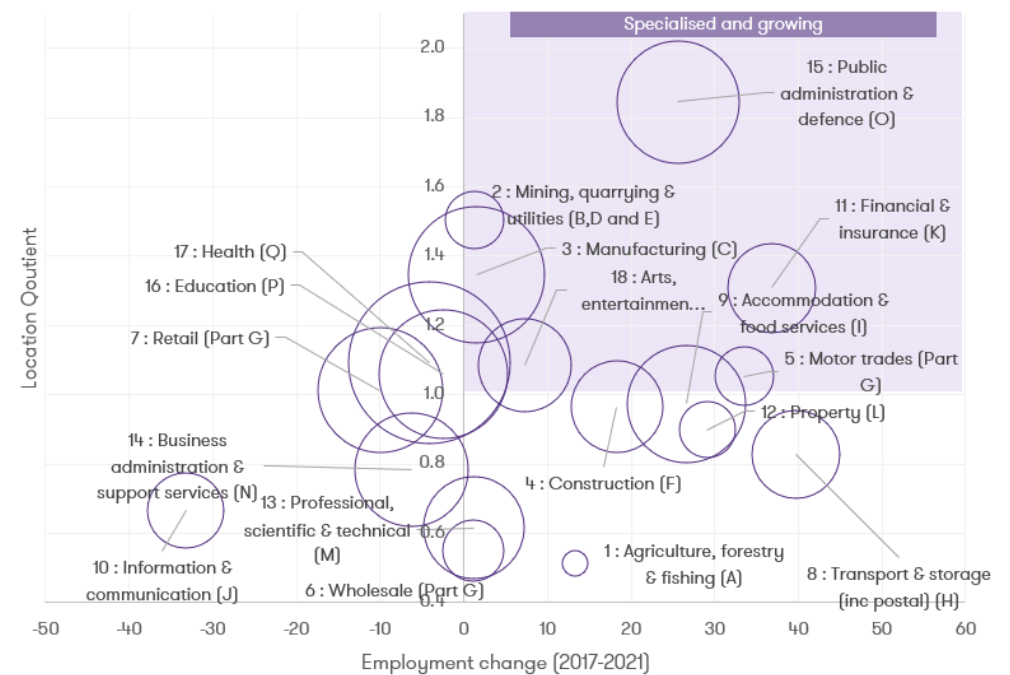
Wales context



The Finance and Insurance sector has the highest location quotient of all sectors (1.5) indicating a high degree of specialisation and it has also seen the second-largest growth rate over the time period, with an increase of 36.8%.

The Information and technology sector also has a high level of specialisation in the region, but has seen a downturn in employment with a reduction of 33% between 2017 and 2021.

England and Wales context



The public administration and defence sector has the highest location quotient of all sectors (1.8) indicating a high degree of specialisation and also has one of the highest growth rates over the time period, with an increase of 25.6%.

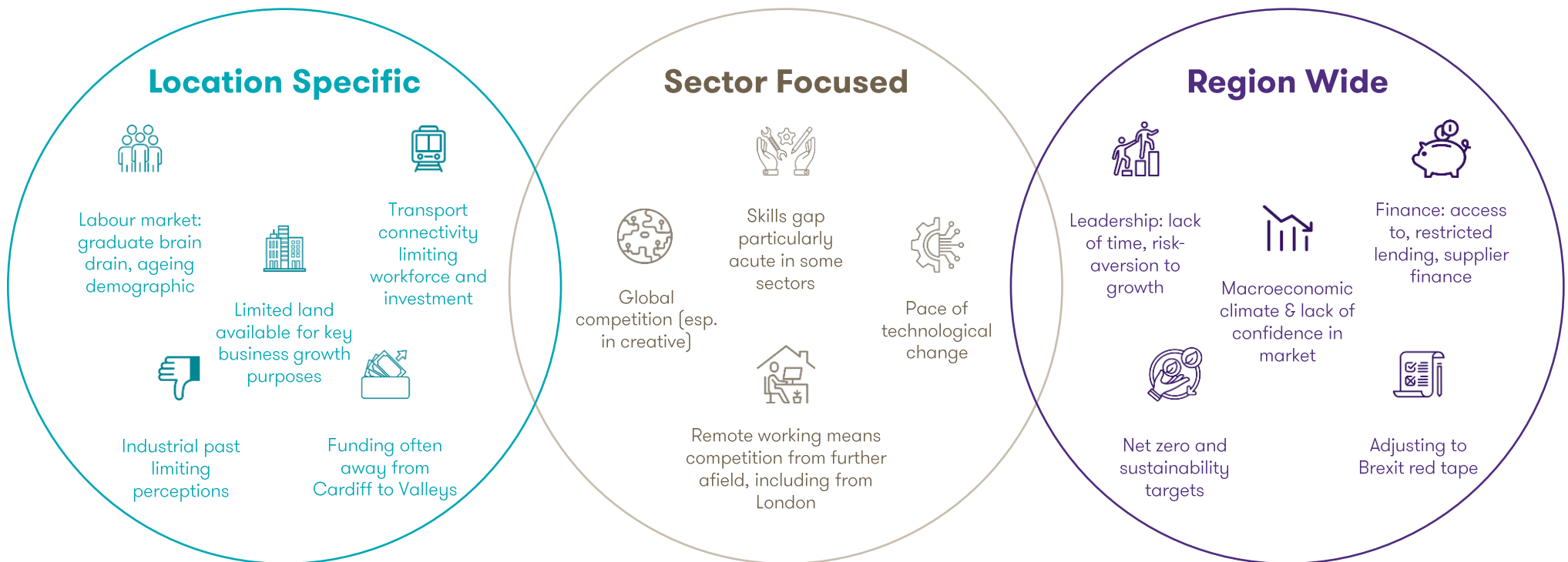
Manufacturing and Financial and Insurance sectors have a high level of specialism, with each having an LQ of 1.3 compared to the UK average. The rate of growth in Financial and Insurance is comparatively higher at 36.8%, while manufacturing has seen a growth of just 1.5%.

Stakeholder Feedback

Business challenges to growth









Stakeholder consultations identified several challenges to business growth. Some of these were specific to certain sectors whilst others presented at a more local level and some were much more widely felt.

Some of the sector specific challenges are explored further on the pages that follow.










Overarching reflections on the existing business support ecosystem

Key and common reflections from stakeholders on several elements of the existing business support ecosystem:


-  General perception that there are a lot of operators in the space, but it is difficult to fully understand the support landscape.
-  'There is good awareness of financial and grant support but less on other forms of support.'
-  Linked to the above, some feel that the grant support landscape is complex with roles and responsibilities spread across different levels of government making it confusing.
-  'There is limited knowledge of the business support available in the Cardiff Capital Region within the business community.'
-  Awareness of wider business support is also hindered by fragmented channels for awareness building which means some offerings can be missed.
-  A number suggested that there is lots of support available for businesses at the early stages, but this support diminishes as the business progresses.
-  There is a desire for business support to be easy to understand and accessible.
-  There is a sense the priority sectors are geographically somewhat limited. Other sectors of particular interest for a range of parts of the region include energy and environment and the food and drink sector.

Key comments on gaps in business support provision:

-  'Much of the available support isn't tailored and can be quite generalised.'
-  'There is a shortage of informal and soft networks.'
-  'Some of existing support lacks specialist skills.'
-  'There is limited support targeted at being investor ready.'
-  'There is a lack of research and analysis provision'
-  'Peer-to-peer networks are limited'
-  'Sustainability and continuation of support needs to be considered'

Stakeholder identified priorities in business support categories

There was acknowledgment across the group that the subject matter would depend on several factors including business size, sector and geographical location within CCR. However, some emerging topics coming through these conversations include:

 <h2>Finance</h2> <ul style="list-style-type: none">• Business models and how they can grow, including financial and cash management• Investor and finance readiness• Access to finance• Support accessing grant funding may help increased CCR statistics on grant access	 <h2>People</h2> <ul style="list-style-type: none">• Management capabilities• Wrap around support on employability and getting people into work• Inclusivity and wellbeing are in demand• Skills are a challenge but issues vary by region and sector• Staff attraction and retention can be an issue	 <h2>Sales</h2> <ul style="list-style-type: none">• Commercialisation• Route to market advice, including procurement navigation• How to take a more strategic approach to sales• Marketing existing products and services more effectively would add value• Market research on new markets is lacking
 <h2>Strategy</h2> <ul style="list-style-type: none">• Self-sufficiency – helping businesses to help themselves and in doing so become more resilient• Early scaling support system• Succession planning• Access to horizon scanning insight• Reviewing business models and growth models would be helpful• Governance is a challenge for some businesses	 <h2>Operations</h2> <ul style="list-style-type: none">• Productivity and innovation need support• Upskilling in AI and smart-tech• Journey to net zero (particularly for manufacturing firms)• Advice on green tech and energy to assist in journey to net zero• Legal advice – particularly around property, employment law, IP and contract proofing for funding. Professional advice on regulations would also be welcome.	

Stakeholder recommended delivery methods for business support

There was acknowledgment across most stakeholders that the most suitable format of delivery would depend on a number of factors including business size, sector and geographical location within CCR. However, overall there are some emerging preferences coming through these conversations:

- **Flexibility is important** – there is a need to tailor to the needs of each business and a feeling many other programmes can be inflexible
- **Bespoke One-to-one support with specialist individuals** is of most value – would particularly help those businesses that don't feel they have capacity to focus on growth
- **Subject matter specialists** are seen as being key and helps to foster a degree of trust with attendees. It was also suggested that having people who have already had experience running their own business would be particularly valued and give a level of credibility to the support.
- **Peer-to-peer** important for sharing of ideas and fostering networks and would be most value if could be provided at a cohort level. Many businesses lack these networks. Some of the peer networks can be too siloed.
- **Building soft-networks** - focused on businesses helping themselves
- **Funding for adviser support** – businesses could connect to trusted specialists using a voucher scheme
- On the question of online or face-to-face, while face-to-face can be valued more, the practicality and efficiency of online should not be overlooked, especially as businesses don't want to take too much time out of the business.



Current business support offering in the region

The business support landscape is vast and complex. During our stakeholder conversations, various business support services were mentioned, including the following (noting this is not exhaustive), showing some of both the overlap and gaps in current provision.

	Sector						Business stage			Location				Support category					Delivery method									
	All	Creative	Semiconductor	Fintech	Medtech	Cybersecurity	All	Pre-start up	Start up	High-growth	UK	Wales	CCR	Subregional	General/mixed	Tech	Finance	Global (incl Brexit)	Sustainability	Leadership & strategy	Infrastructure constraints	Labour market	Bespoke one-to-one	Peer-to-peer	Networking	General (tools, reports etc)	Mixed	
Tech Valleys Programme (Welsh Government)	x						x				x				x	x						x					x	
Business Wales (Welsh Government)	x						x				x				x												x	
Caerphilly SPF (Caerphilly County Borough)	x						x						x	x													x	
Caerphilly Business Club (Caerphilly County Borough)	x						x						x	x											x	x		
NatWest Accelerator (NatWest)		x	x	x	x				x	x				x									x	x	x	x		
Investor Readiness Programme (Tramshed Tech, British Business Bank)		x	x	x	x	x		x	x			x					x										x	
Startup Academy (Tramshed Tech)		x	x	x	x	x		x	x			x		x										x	x	x		
Help to Grow	x						x				x				x		x		x								x	x
Knowledge Transfer Partnerships (University of South Wales)	x						x					x		x									x				x	x
Create (Arts Council of Wales, National Lottery funded)		x					x					x					x											
CScnnected Strength in Places Fund Programme (CScnnected, UKRI)			x									x										x			x		x	
FinTech Wales				x			x					x					x					x			x		x	
Cardiff Medicentre (Cardiff University)					x				x				x								x							
CCR Cyber Innovation Hub (CCR, Cardiff University, University South Wales)						x							x									x			x	x	x	
Wales Cultural and Creative Support Scheme (Welsh Government)		x					x					x					x											
Manufacturing Wales Network			x				x					x		x											x	x	x	
Creative Wales		x					x					x					x					x			x	x	x	

Sectors

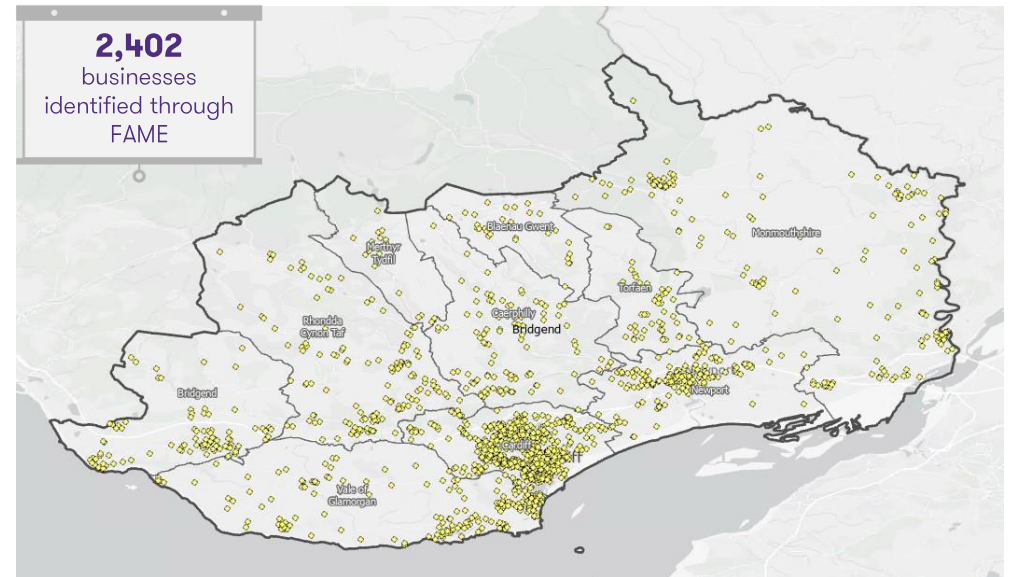
Sector focus

Creative

Issues and challenges specific to the sector include:

-  The DCMS Creative Industries definition covers a large number of SIC codes. Creative Wales and CCR focus support on sub-sectors with particular potential to drive economic growth e.g. motion picture production, gaming production and TV broadcasting.
-  Music, writing and journalism, immersive performance, theatre and animation were also noted by stakeholders as of interest along with related technology, including VR and AI, and Tourism.
-  The majority of enterprises within the region are small or micro enterprises with only a small number of larger anchor companies.
-  On average a Creative enterprise in Wales survives for 7 years, above the UK average.
-  The sector is being transformed by new technologies, and the pace of change is rapid, causing challenges in keeping up.
-  Infrastructure is an issue, including for R&D purposes and a need for developing studio spaces that smaller enterprises can utilise for commercial activity at an affordable cost.
-  There are significant skills gaps within the region's Creative Industries workforce, primarily due to the sectors recent growth, resulting in some barriers to continued economic growth. Sales and business development skills can be an issue.
-  There are challenges with high growth potential business being more focused on the creative process and shorter term requirements rather than focusing on scaling, selling across the UK, and long term business planning and management.

CCR local authority	Creative
Cardiff	43%
Vale of Glamorgan	13%
Newport	10%
Monmouthshire	9%
Rhondda Cynon Taff	8%
Bridgend	6%
Caerphilly	6%
Torfaen	2%
Blaenau Gwent	2%
Merthyr Tydfil	1%



Please see Appendix A for search criteria used to identify businesses in FAME
 Please see Appendix B for list of businesses

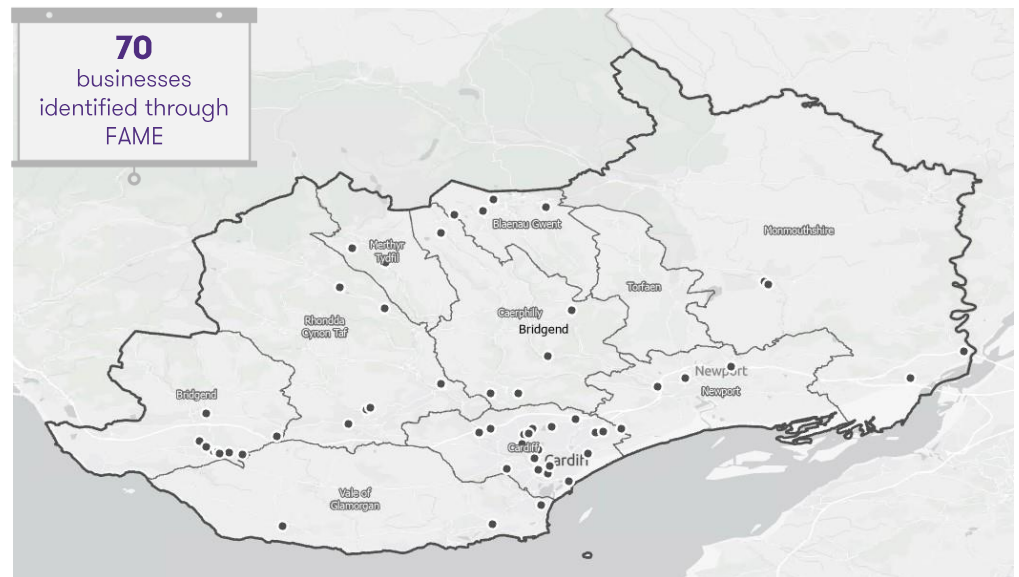
Sector focus

MedTech

Issues and challenges specific to the sector include:

- ③ The sector is not well-defined, and as the market is rapidly growing and changing, it can be challenging to identify businesses within it. For example, across the 70 businesses identified through FAME there were 29 different SIC codes (at the group level). The majority fell within the SIC groups of ‘Manufacture of medical and dental instruments and supplied’ and ‘Research and experimental development on natural sciences and engineering’.
- ③ Anecdotally, CCR expertise covers MedTech and diagnostics, but there is also pharma (including manufacturing), trials, devices, diagnostics, testing and genomics strengths. There is a perceived lack of spinouts in the sector in the region despite strength in the universities. There is also a perceived concentration around the M4 corridor, though manufacturers can be further afield.
- ③ The sector is evolving at such a rapid pace that constant horizon scanning is necessary, for instance, genomics is gaining increasing importance, and there will be a need to hire individuals with relevant skills in the next two years.
- ③ Currently the sector is experiencing a shortage of project managers and technicians.
- ③ Regulations, both domestic and international are a key challenge for the sector.

CCR local authority	Medtech
Cardiff	41%
Bridgend	19%
Rhondda Cynon Taff	10%
Caerphilly	7%
Monmouthshire	6%
Blaenau Gwent	6%
Vale of Glamorgan	4%
Newport	4%
Merthyr Tydfil	3%
Torfaen	0%









Please see Appendix A for search criteria used to identify businesses in FAME
 Please see Appendix B for list of businesses

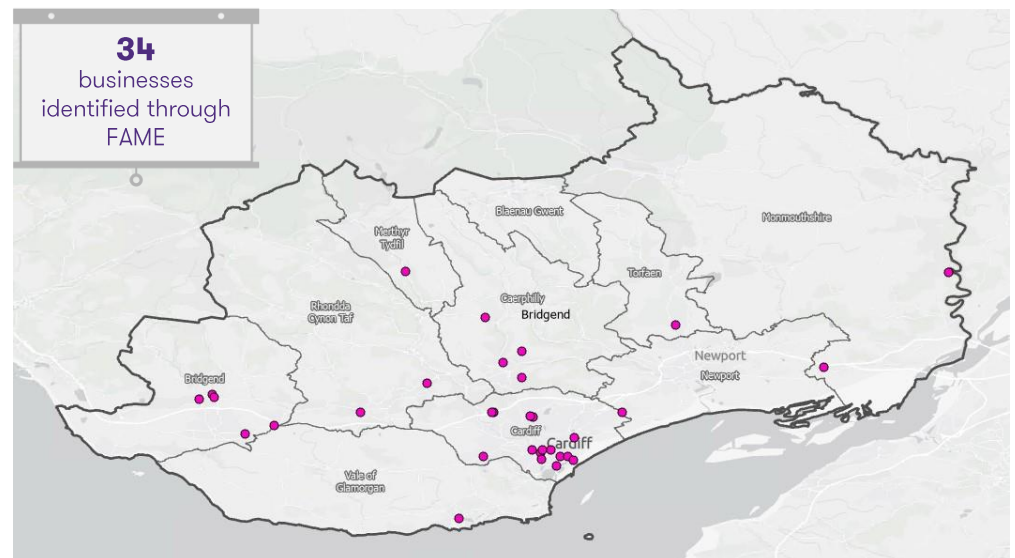
Sector focus

Cyber security

Issues and challenges specific to the sector include:

-  Perception that the labour market is more limited locally compared to elsewhere.
-  The rise in home working has meant that businesses can recruit from afar, particularly given the nature of work.
-  Lack of interaction and engagement across the industry and with academia.
-  Skill shortage in sector is constraining growth.
-  Other cyber cluster bodies with the UK engage more actively in promotion. The sector in Wales could benefit from a 'louder voice'.
-  The sector cuts across other sectors as well, and engagement with businesses in the sector and networking through the programme may also help companies in other sectors adopt improved cyber practices

CCR local authority	Cybersecurity
Cardiff	50%
Bridgend	18%
Caerphilly	12%
Rhondda Cynon Taff	6%
Monmouthshire	6%
Vale of Glamorgan	3%
Torfaen	3%
Merthyr Tydfil	3%
Newport	0%
Blaenau Gwent	0%










Please see Appendix A for search criteria used to identify businesses in FAME
 Please see [Appendix B](#) for list of businesses

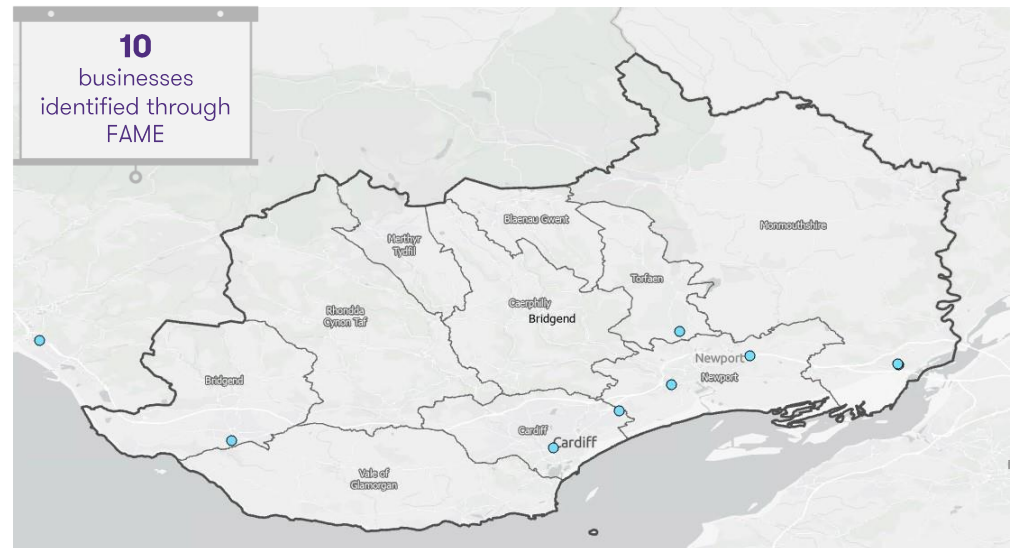
Sector focus

Compound semiconductors

Issues and challenges specific to the sector include:

-  A range of skills are needed in the industry – including industry specific skills and those that need to be developed on-the-job. This includes Operators, Technicians, Engineers, Product Managers, and Technologists.
-  There is currently a lot of staff turnover leading to skills leakage and this a disincentive for firms to invest in skills/staff development.
-  Industry experiencing downturn in demand for consumer products and requiring firms to diversity and develop into new tech product sectors, e.g. Power Electronics. This is a slow process.
-  Upward supply chain can be constrained by IP so growth is often driven by Customer IP or academia but also downward supply chain can experience blockages when a product has undergone qualification and can't change supplier.
-  CS Customers often have primary and secondary sources e.g. for epitaxy. This is for supply risk mitigation and to ensure market pricing is competitive.
-  There are a small number of lynchpin organisations in the region, but also a much wider supplier base that feed into the sector and others. Capacity for growth is a key constraint
-  The key areas for development may be in the start up segment and the SME supplier base. Some of the larger firms need a stronger local supply chain.

CCR local authority	Semiconductors
Newport	33%
Cardiff	22%
Monmouthshire	22%
Bridgend	11%
Torfaen	11%
Caerphilly	0%
Rhondda Cynon Taff	0%
Vale of Glamorgan	0%
Merthyr Tydfil	0%
Blaenau Gwent	0%



Please see Appendix A for search criteria used to identify businesses in FAME
 Please see Appendix B for list of businesses

Sector focus

FinTech

Issues and challenges specific to the sector include:

- ⚙️ Currently a lot of support for start-ups but then support drops off.
- ⚙️ While this is an important sector for the region, the overall number of companies remains reasonably low.
- ⚙️ The majority of activity is in Cardiff, with less firms working in the other parts of the Cardiff Capital Region
- ⚙️ Data for the sector is a challenge with the traditional ways of identifying sector based activity, such as SIC codes, not as useful for this emerging and changing sector.
- ⚙️ FinTech Wales is an active part of the ecosystem as an independent membership organisation representing the sector. Their membership and community covers a range of subsectors within Fintech as well as aligned industries. This includes Cyber, Data and AI, Investment Services, Finance & Credit, Banking, Insurance, Professionals Services, Government, and Education.
- ⚙️ The Fintech Wales Foundry Accelerator has helped 22 start ups. Some of these firms may be moving to a stage of development that this programme can support.

CCR local authority	Fintech
Cardiff	58%
Newport	16%
Vale of Glamorgan	13%
Caerphilly	5%
Bridgend	3%
Rhondda Cynon Taff	3%
Torfaen	3%
Monmouthshire	0%
Blaenau Gwent	0%
Merthyr Tydfil	0%



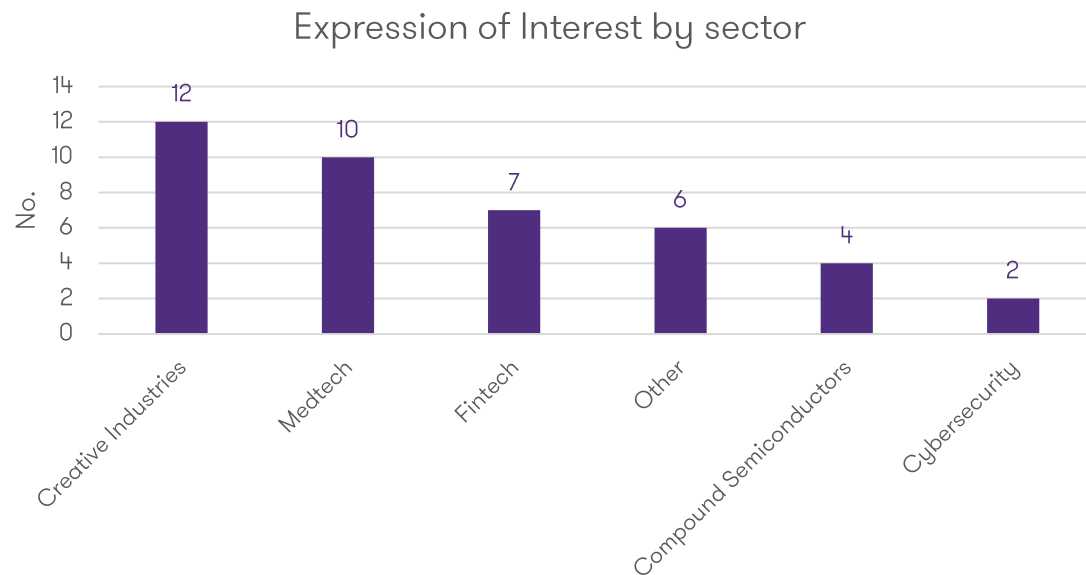
Please see Appendix A for search criteria used to identify businesses in FAME
 Please see Appendix B for list of businesses

Expression of Interest (EOI)

Expressions of Interest received to date

To date we have received 41 Expressions of Interest.

Creative Industries accounted for the highest number of expression (12), followed by Medtech (10) and Fintech (7). Cybersecurity accounted for the lowest number with just 2 expressions of interest so far. Additionally, six companies that identified as being from an 'other' sector submitted expressions of interest. These described their sector as 'Financial services', 'Multi physics simulation', 'Additive manufacturing', 'funeral services', 'media and communications' and 'legal'.



Company name	Sector
MicroLink Devices UK Ltd	Compound Semiconductors
KLA	Compound Semiconductors
Microchip Technology Caldicot Ltd	Compound Semiconductors
MicroLink Devices UK LTD	Compound Semiconductors
Bumpy Box Limited	Creative Industries
Bomper Studio	Creative Industries
DEFY Agency	Creative Industries
Digital Thrive Ltd	Creative Industries
Tree Top Films	Creative Industries
Sarah Tamsin Digital	Creative Industries
Screentec	Creative Industries
Cloth Cat Limited	Creative Industries
Matthew Bushen Digital Ltd	Creative Industries
Kinetic Pixel Ltd.	Creative Industries
Wildflame Productions	Creative Industries
4Pi Productions UK	Creative Industries
Fortium Technologies	Cybersecurity
Prizsm Technologies Ltd	Cybersecurity
Standard Financial	Fintech
Delio	Fintech
Quotes on Site Ltd	Fintech
Sentry Financial Software	Fintech
Smart Money Cymru Community Bank	Fintech
Denovo Solutions Ltd	Fintech
Near Me Now Ltd	Fintech
GX Group	Medtech
Radical Materials	Medtech
Steddy Ltd	Medtech
Concentric Health Ltd	Medtech
Cardiff Scintigraphics Limited	Medtech
Telonostix Ltd	Medtech
Cotton Mouton Diagnostics LTD	Medtech
Carey Medicals	Medtech
AnalytiSci	Medtech
Signumology previously Signum Health Ltd	Medtech
Continuum Blue	Other
Apex Additive Technologies	Other
Ramsay and white LTD	Other
Harding Evans	Other
Green Willow Funerals Limited	Other
Stay Gold Media	Other

Business feedback

What local companies have told us

We have had feedback from thirteen companies so far who are interested in the programme.

Challenges that local companies are facing

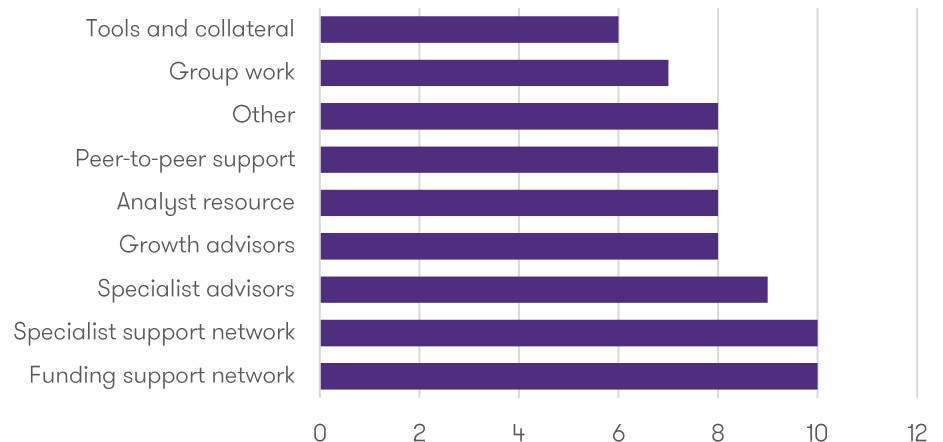
The feedback on challenges so far has been diverse. This has included:



How support should be delivered

We have also asked about preferences for the way support is delivered. Key findings have been:

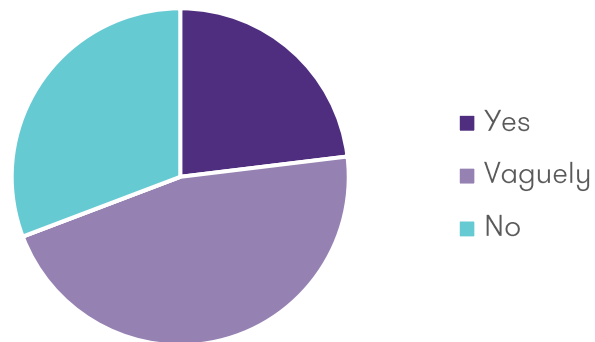
- Group work is preferred monthly or quarterly
- For all types of delivery, there is a reasonably equal split between preferring online, in person or not minding either way
- There is interest in all the types of delivery, with slightly less interest in groupwork and access to tools and collateral



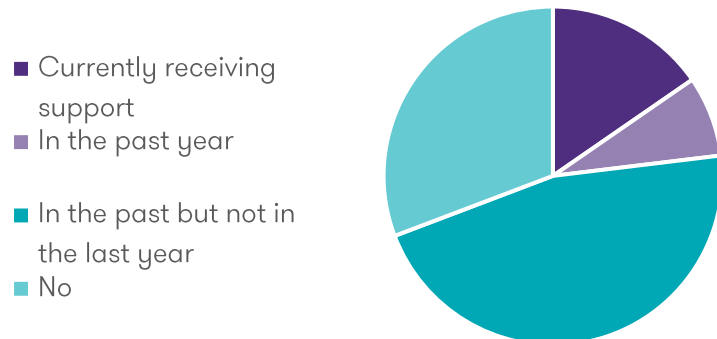
What local companies have told us

Most companies we have spoken to have been through our direct outreach, so they are not necessarily engaged with the local government backed activity available to them.

Are you aware of the government backed business support and growth services that you are eligible for?



Have you received any government backed business support or growth services?



Those that have had some support have typically either had leadership and management support or grants. Aside from grants, the areas seen as most beneficial are:

1. Marketing
2. Leadership and management, business growth support, general business planning support, sales
3. Workforce recruitment

We asked about awareness of CCR, 6 of the 13 were aware of CCR. When asked how much engagement do you have with CCR – the majority said either very little (6) or none at all (6).

We asked what they think the role of CCR is. The responses were:

- to drive growth for Cardiff and surrounding areas
- investment fund, looking to build growth and targeting new tech companies in around this region. would like to submit a business plan to them.
- try to support businesses in the region but haven't been able to give practical help yet which is why this offer is exciting.
- 10 local authority collaboration, joined up thinking and approach to region wide challenges such as transport, economic development and employment

Recommendations

Recommendations for the programme

Eligibility, recruitment and the application process

Overview of initial hypothesis

The initiative is designed to “focus on high-growth potential enterprises in CCR’s priority clusters and located in the region... to support participant enterprises accelerate growth and achieve their full potential.”

The ITT suggested flexibility around support through inclusion in a single cohort, multiple cohorts or tailored 1:1 mentoring/coaching, and whether virtually or in person. The ambition was set to provide peer-to-peer learning, masterclasses led by expert business coaches, and customised support and resources for:

- 12 high-growth, scale up enterprises receiving tailored support.
- Minimum 75 enterprises supported (meaning “business advice, guidance, mentoring and training. This must involve some form of direct interaction with members of the enterprises”).

Starting point for eligibility:

- Scale up companies with high growth potential
- Enterprises that can demonstrate the drive and ability to scale and will firmly commit to the programme

Key findings from discovery phases

- The sectors may create a bias towards the more urban parts of the region.
- The application form and scoring process will need to allow for a balance of multiple factors
- Demand may be strongest for support in the start up community, though it is scale ups where the bigger impact can be delivered. Scale ups (20% growth rate) typically turn over £1-5m with 10-50 employees.

Impact of findings

- More flexibility on sectors may be required
- Successful applicants need to provide a balance across four key attributes, and application scoring needs to reflect this:
 - Commitment
 - Growth potential and job creation potential
 - Regional diversity
 - Sector alignment
- Scale up focus should potentially be on employee scale ups rather than turnover scale ups given the ambition of the programme
- Proactive outreach to scale ups and larger companies will be vital to meet growth objectives in terms of job creation

Recommendations for the programme

High Growth Group Activity

Overview of initial hypothesis

Circa 100 companies to be admitted onto the group programme. These could be split into three cohorts, each receiving four day long workshops run by CMU over 8 months alongside coaching and tutor support on an individual basis. This would culminate in them completing a Strategic Growth Project for their business. After group activities have started, they will be supported to apply for the 12 Focused Activity spaces.

Group activity will focus on:

- Developing detailed analysis of their business strategy
- Understanding specific management techniques to drive growth and productivity
- Developing the financial skills for managers to underpin a growth strategy
- Understanding the strategic growth template that allows these skills to be brought together into the production of a strategic growth plan

Based on previous experience, the modules we expected to deliver included:

- **Strategy:** Business Planning
- **People and leadership:** Developing a Leaders' Mindset; Developing High Performing Teams; Coaching for Performance; Employment & Fair Work; Skills Development and Apprenticeships
- **Sales:** Effective Sales; Exporting
- **Operations:** Business Innovation; Managing Productivity; Net Zero for Business
- **Finance:** Investment Readiness

Key findings from discovery phase

- Businesses would welcome a more flexible approach to group activity
- The topics suggested fit well with what is needed in the market
- There is also demand for more specific topics, such as digital marketing, which are not necessarily crosscutting
- 1-1 is more valued than group work
- Peer-peer is an important aspect of group work
- Productivity focused topics will be of particular value

Impact of findings

- Flexibility on completion of all modules and more dip in / dip out access
- Additional smaller scale group sessions
- Ensuring peer networks are built through the group activities
- Work with service provider community to look at additional session topics
- More focus on the 1-1 part of delivery

Recommendations for the programme

High Growth Focused Activity

Overview of initial hypothesis

12 companies will be selected through an application process to receive more detailed support.

They will have a relationship manager and go through our 'Clarity' diagnostic process to identify the key specific issues for them and draw the right combination of support, captured in a clarity report.

The pillars of support will include:

- **Growth Advisors:** One-to-one support from a dedicated all-round expert in growing businesses.
- **Specialist Advisors:** Insight in a range of specialist areas, including key sectors and technical areas.
- **Funding Support Network:** Introductions to a network of possible support with raising finance.
- **Specialist Support Network:** Additional specialists in specific areas from a network of specialist firms
- **Analyst Resource:** Finding the information to inform strategy and planning is vital for growth. Our analyst resource ensures this is at participants fingertips.
- **Tools and Collateral:** A range of established growth models and tools
- **Peer-to-Peer Support:** Monthly peer-to-peer facilitated boardroom meetings will allow participants to support each other.

Key findings from discovery phase

- Businesses need and value a heavily tailored programme
- There is a lack of understanding of the commercial support required and where to get that help
- There is a lack of data and insight to underpin planning and strategy activity
- Support from people who have themselves run businesses is particularly valued
- Peer-peer activity is particularly limited in some sectors

Impact of findings

- Full deployment of our diagnostic process will be needed to focus on the most important aspects to enable their growth
 - All participants will be assigned to a relationship manager who will ensure they are getting what they need from the programme, and plans are met.
 - The need to flex the combination of the pillars of support for each business will allow focus on the key elements for their growth.
 - Extending peer-peer activity across the wider group of businesses may broaden impact
 - Analyst Resource will be a key part of the delivery mix
-

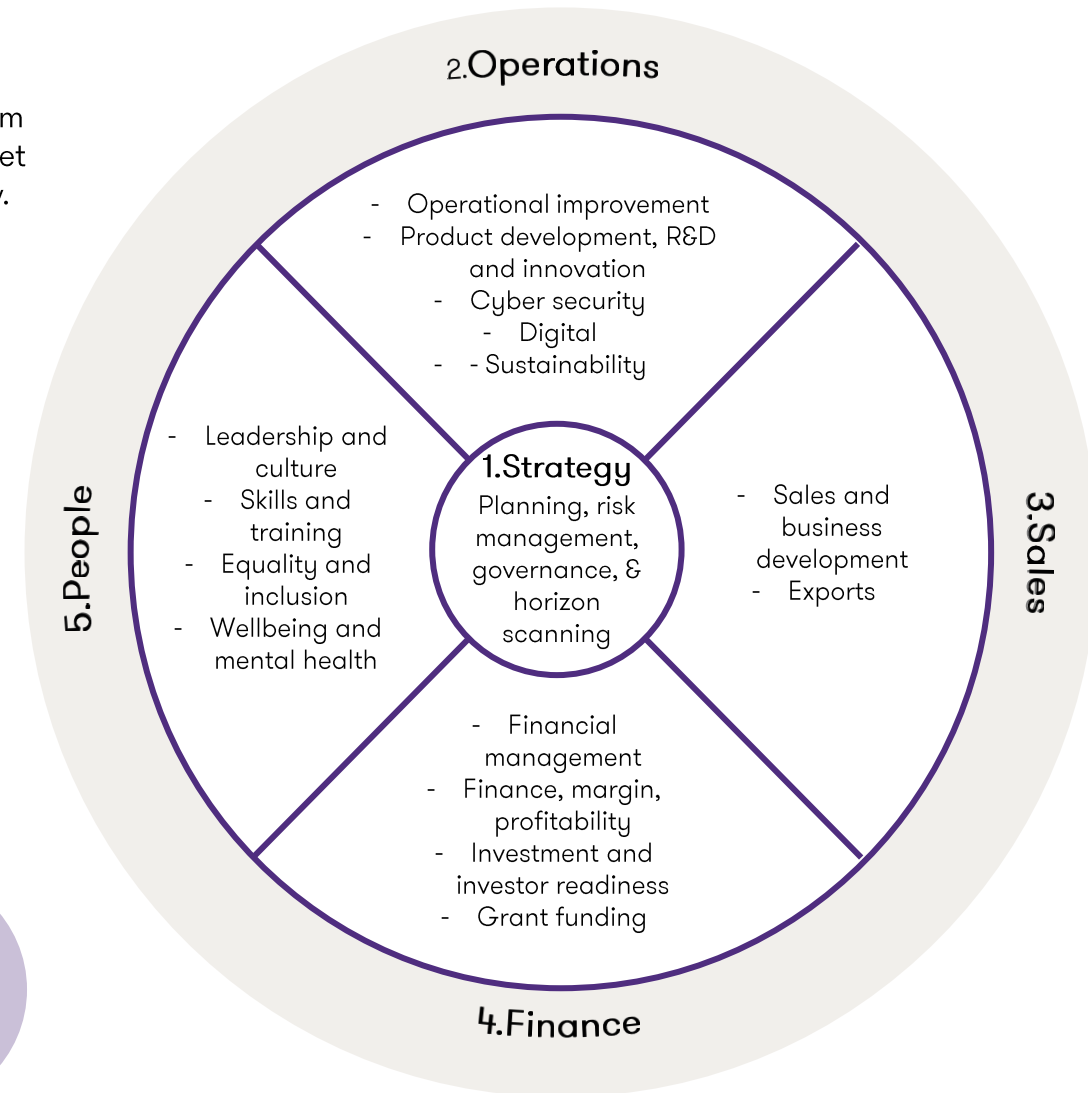
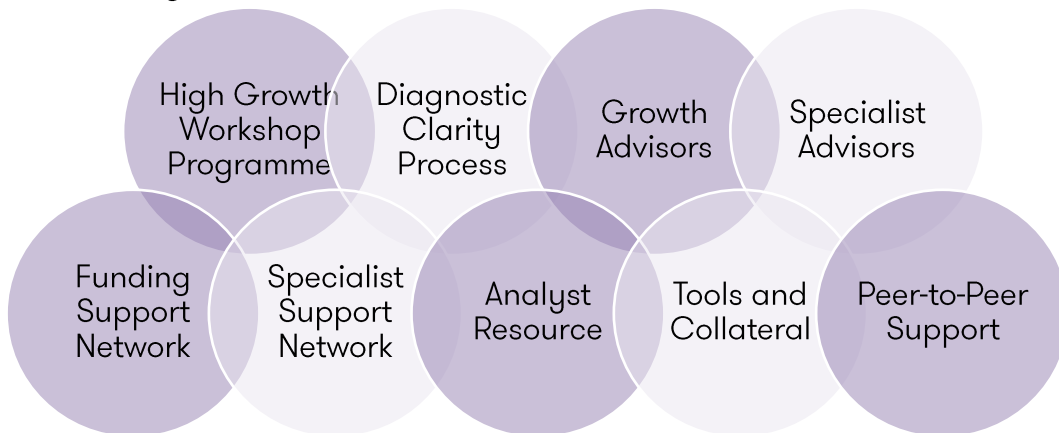
Recommendations for the programme

Type of content and type of engagement

Based on our experience from other programmes and the feedback from the discovery phase, we have developed a model to deliver the topics set out in the visual on the right and methods as set out in the visual below. Flexible use of resource will focus on the areas each business needs.

Feedback from stakeholders, the data, and businesses supports these topics and methods of delivery, in particular:

- Moving to a lighter touch for group work to provide more flexibility and accommodate larger numbers
- Balancing more resource towards specialist one-to-one advice.
- Increasing peer-to-peer networks and activity as they are not prominent enough in the existing business ecosystem.
- Providing more research and analysis within our support, as it is lacking elsewhere



Recommendations for the programme

Other considerations

Notable additional feedback that could not only influence the design of the programme but may have a wider significance for CCR business focused activity includes:

Peer to peer networks

On both a sector specific and sector agnostic basis, there is a view emerging that there is not enough peer-to-peer opportunity across the region. The programme will give the opportunity to create and seed a number of peer groups for self-sustaining support.

Clarity on the other support available and alignment with the range of support in the market

There is the potential for CCR to be a central location for coordination and understanding in the business community around what support is available for them.

The role of service providers and building a network

There is an opportunity to build a clearer pathway for local companies to find the advice and support they need, from services like legal advice and digital marketing services, to recruitment support finding talent and NEDs.

Dovetailing with other parts of the business support ecosystem

There is a range of support available already to businesses in the Cardiff Capital Region. Some of this is already well-established, with a range of programmes and services available to help businesses to develop and grow.

There is a great opportunity for the programme to leverage other initiatives for the benefit of the local business community, we believe it is crucial to collaborate with them to ensure the programme's effectiveness.

Following initial engagement, as part of the build phases we intend to:

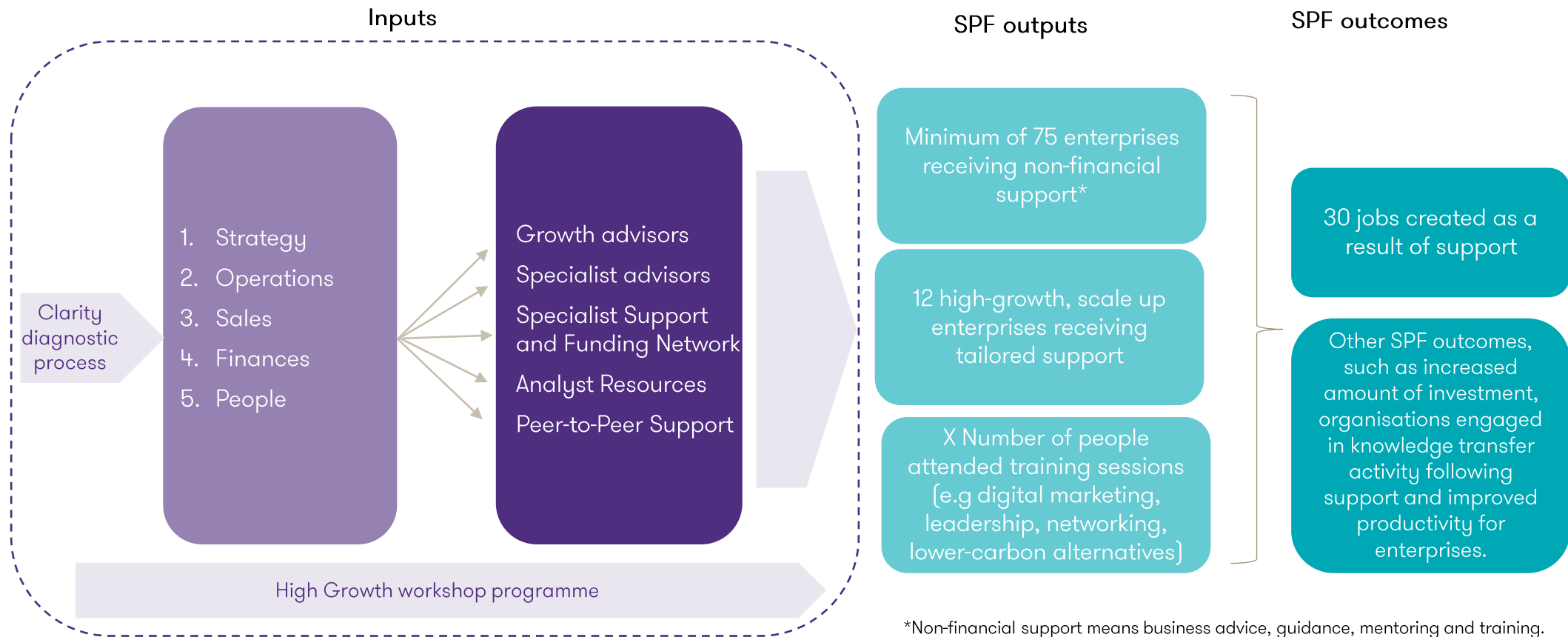
- Engage in further one-to-one conversations to map service offerings, to avoid duplication and enable cross referral.
- Create details for applicants of other offers
- Share more details of the discovery phase findings
- Maintain an open and ongoing dialogue to update each other on the progress and development of the programme.
- Arrange focused sessions that allow input into the programme, and active contribution

Key challenges and risks to successful delivery

Risk	Reason	Mitigation
Take up: insufficient take-up or under representation of sectors and localities	If the programme fails to engage and attract enough businesses (particularly across sectors and localities) there could be a risk that the project doesn't achieve its ambitions	Flexible lead generation work with experienced team engaged in proactive onboarding. Simple and easy application process.
Companies dropping out of the programme	If the programme fails to address the actual needs of businesses, if applicants are not engaged and committed or companies lack the time and resource commitment.	Careful vetting in application, expectation management, over-recruitment, feedback process and excellent service. Simple, non-bureaucratic process. Flexibility to focus on issues of most importance.
Duplication of business support	Without a detailed understanding of the existing business support ecosystem there is a risk that there could be duplication of provision.	Working closely with well-established providers and engaged stakeholders/representatives. Ongoing feedback from business participants.
Insufficient evaluation	A lack of robust evaluation can make it difficult to measure the programme's success and identify areas for improvement.	Embedded feedback process, ongoing monitoring and cross-referencing with SPF outcomes.
Time pressure of delivery phase	With tight timeframes and seasonal disruption there may be pressure to mobilise delivery resources.	Experienced team who have delivered similar programmes before and a well-developed training and induction process for the specifics of the programme

How the programme aligns with SPF outputs and outcomes

As a UK Shared Prosperity Fund (SPF) project, CDGP must deliver against SPF outputs and outcomes. The link between these are set out below.



*Non-financial support means business advice, guidance, mentoring and training. This must involve some form of direct interaction with members of enterprises

Next steps

Next steps and actions

Discovery Phase

Agree findings

Build Phase

Recruitment of businesses

- Finalise stakeholder toolkit and marketing materials
- Refocus on data to attract expressions of interest
- Add additional data sets based on Discovery Phase
- Data analysis on EOI's and conversion to applications
- Business News Wales advert

Application process confirmation

- Firming up application form and assessment criteria, taking into account four criteria areas above – including light touch application for Group Work and detailed application for One-to-One
- Building the application form (MS Form) including in English and Welsh
- Unsuccessful applicant Factsheet

Operational processes

- Drafting participant paperwork
- Community Benefits delivery
- Establishing reporting, monitoring and evaluation metrics
- Resource planning for delivery
- Content creation and alignment
- Training and induction programme
- Operations manual creation

Delivery Phase

- First cohort group work
- Commencing One-to-One delivery
- Building Peer-to-Peer networks
- Delivering internal training

Other considerations for discussion:

- CCR as a hub for business support
- CCR's facilitation of a voucher scheme
- CCR's role in building a business service community
- CCR's role in fostering peer networks

Appendices

Appendix A: Business identification

FAME search criteria for the priority sectors

Sector	Method approach	Detail (where applicable)
Creative	SICs defined by the DCMS on p8 in this document.	SIC codes: 3212 - Manufacture of jewellery and related articles, 5811 - Book publishing, 5812 - Publishing of directories and mailing lists, 5813 - Publishing of newspapers, 5814 - Publishing of journals and periodicals, 5819 - Other publishing activities, 5821 - Publishing of computer games, 5829 - Other software publishing, 591 - Motion picture, video and television programme activities, 592 - Sound recording and music publishing activities, 601 - Radio broadcasting, 602 - Television programming and broadcasting activities, 6201 - Computer programming activities, 6202 - Computer consultancy activities, 7021 - Public relations and communication activities, 7111 - Architectural activities, 7311 - Advertising agencies, 7312 - Media representation, 741 - Specialised design activities, 742 - Photographic activities, 743 - Translation and interpretation activities, 8552 - Cultural education, 9001 - Performing arts, 9002 - Support activities to performing arts, 9003 - Artistic creation, 9004 - Operation of arts facilities, 9101 - Library and archive activities, 9102 - Museum activities
Fintech	It is impossible to do an accurate Fintech search using SIC codes. This list is effectively the Fintech Wales list run through FAME, with a few additional companies added.	

Appendix A: Business identification (cont.)

FAME search criteria for the priority sectors

Sector	Method approach	Detail
Medtech	This is based on a Government database run through FAME rather than a SIC code search as its more accurate	
Cybersecurity	Mix of SIC codes and keyword searches	<p>SIC codes: 582 - Software publishing, 62 - Computer programming, consultancy and related activities, 63 - Information service activities, 692 - Accounting, bookkeeping and auditing activities; tax consultancy, 7022 - Business and other management consultancy activities, 749 - Other professional, scientific and technical activities nec</p> <p>Word search: cyber* OR "threat intelligence" OR endpoint OR "IT security" OR "managed security" OR "network security" OR "threat detection" OR firewall* OR authenticat* OR infosec OR "information security" OR "data security" OR "info risk" OR "Information risk" OR "access control" OR "penetration test*" OR "pen test*" OR "digital forensic*" OR "digital security" and</p>
Compound Semiconductors	There are no UK SIC codes so this list is based on a search for keywords only	<p>Word search: semiconductor* OR fabless OR semi-conduct* OR microchip* OR "integrated circuit" OR "computer chip" OR photonic* OR microelectron*</p>

Appendix B: FAME Businesses within sectors

Semiconductors

Company name
Spts Technologies Limited
IQE PLC
Microchip Technology Caldicot Limited
Nexperia Newport Limited
Photronics (UK) Limited
Compound Semiconductor Centre Limited
Kla-Tencor Limited
ESI Process U.K. Limited
Microsemi Solutions UK LTD
Microlink Devices UK LTD

Appendix B: FAME Businesses within sectors

Cyber Security

Company name	
HID Corporation Limited	Team Metalogic Limited
Saglobal (Europe) LTD	Clear Stream Technology LTD
OGI Networks Limited	Glo-Networks Limited
Prelude Software Limited	Excellence IT (UK) Limited
Techsol Group Limited	Aspect Business Communications LTD
Custom Computer Services (Wales) Limited	Arcanum Information Security Limited
Alphalogix LTD	Rock I.T. Specialists Limited
ONE Future Communications Limited	Extrascope Limited
Fortium Technologies Limited	Alphabyte IT Limited
JPS Technical Services Limited	Pervade Software Limited
Ikona (I.T.) Limited	Original Business IT Solutions Limited
CSG Computer Services LTD	Touch Voice and Data Limited
NET Consulting LTD	Mypinpad LTD
Butterfly Projects LTD	Enclave Networks Limited
B2B IT Services Limited	Steer IT Solutions LTD
Einfinity Limited	Mobilise Cloud Services Limited
Method4 Limited	Flyform LTD

Appendix B: FAME Businesses within sectors

Medtech

Company name			
	Creo Medical Limited	THE Sure Chill Company Limited	Isca Healthcare Research Limited
	Minerva Laboratories Limited	Heritage Medical Limited	Digital Health Labs Limited
Biomet UK Limited	Sofinn (UK) Limited	Radical Materials LTD	Xobaderm Limited
Rociale Healthcare Limited	Roma Medical Aids Limited	Continuum Blue Limited	Balsamee LTD
EKF Diagnostics Holdings PLC	Technovent Limited	Steddy Limited	Cotton Mouton Diagnostics LTD
Invacare Limited	Dacey LTD	Reval Continuing Care Limited	Medidata Exchange Limited
Axiom Manufacturing Services Ltd.	Principality Medical Limited	Authentic World Limited	Telonostix Ltd.
Eurocaps Limited	Reliatec Limited	Rescue and Medical Limited	Workout Online Ltd.
Gyrus Medical Limited	Ultrawave Limited	Primacare Limited	Signum-Health LTD
Direct Healthcare Group Limited	Ultrasound Technologies Limited	Bawmed UK LTD	Concentric Health LTD
Markes International Limited	Cardiff Scintigraphics Limited	Momentum Bioscience Limited	Llusern Scientific LTD
Pelican Healthcare Limited	Grid Xitek Limited	Ruskinn Technology Limited	
Flexicare Medical Limited	V-Trak LTD	MBI (Wales) Limited	
Rewity Limited	Biometrics Limited	Alesi Surgical Limited	
Zenith Print and Packaging Limited	Cymru Healthcare Supplies Limited	R & D Surgical Limited	
Biomet UK Healthcare Limited	Bush Healthcare Limited	Biplas Medical Limited	
Medaphor Limited	Eakin Surgical Limited	Clinithink Limited	
Trakcel Limited	Hospital Innovations Limited	Osseo Regenerative Technologies (UK) LTD	
Lion Laboratories Limited	Onics LTD	Learna Limited	
Brainbox LTD	Nordic Care Services LTD	Health Economics and Outcomes Research LTD	
Zoobiotic Limited			

Appendix B: FAME Businesses within sectors

Fintech

Company name	
Admiral Group PLC	Finalrentals Limited
Lexisnexis Risk Solutions UK Limited	Foxbow Limited
Pepper Money Limited	GO Compare Limited
Activequote Limited	Identity Technology Limited
Sonovate Limited	Kitty POT LTD
Acquis Insurance Management Limited	Mazuma GB Limited
Delio LTD	Mypinpad LTD
Wealthify Limited	Payzip Limited
Absolutely NO Nonsense Admin LTD	Pension THE Pennies LTD
Comparison Creator Limited	Peppercorn AI Technology Limited
Defigo Finance Limited	Proveit Limited
Monmouthshire Building Society Charitable Foundation	Sero Life Limited
Aurus Technologies LTD	TCI Futures Limited
Confused.Com Limited	Tiq-Toq LTD
Credas Technologies Ltd.	Validient LTD
Digital Asset Services LTD	Voltric Mobility Technologies Limited
Driverly Company Limited	Wagonex Limited
Dynamo Cover Limited	Yoello Limited
Equidox LTD	Zero Fintech LTD

Appendix B: FAME Businesses within sectors

Creative (Focused down)

Company name
BAD Wolf LTD
Boom Cymru TV LTD
Gorilla TV Limited
Oxford Scientific Films Limited
Testun Cyfyngedig
Afanti Media Limited
Wordley Production Partners Limited
4wood TV and Film LTD
Cloth CAT Limited
H&C TV Limited
Bumpybox Limited
Storm and Shelter LTD
Cardiff Productions Limited
Wildflame Productions Limited
Nimble Dragon Sports Entertainment Limited
Nimble Dragon Productions Limited
Adnoise Limited
Visaura LTD
Hungry Bear Gaming Limited
Craith 3 LTD
THE Light / Y Golau CYF

As the full list of businesses in Creative Industries was so large, for the purposes of our direct outreach we focused the list down to only include businesses within the following subsectors:

- Motion Picture production activities
- Motion picture projection activities
- Motion picture, video and television programme post-production activities
- Publishing of computer games
- Television programme production activities
- Television programming and broadcasting activities
- Video production activities

