

**Scottish Enterprise  
Commercialisation  
Programme Review**

**Working Paper 1:  
Company Engagement with  
the Commercialisation  
Programme**

**Scottish Enterprise**

# 1 Company Engagement with the Commercialisation Programme

This working paper summaries the number of companies who have engaged with the commercialisation programme, the flows between intervention and the number of interventions.

## 1.1 Method

In order to understand the level of engagement, focus and crossover of Scottish Enterprise support across the commercialisation programme it was necessary to map the companies who had engaged with each of the 18 projects that make up the commercialisation programme. The projects are outlined in Table 1.1 below though there were also some projects where no data was collected such as the Kelvin Institute and Commercialisation Breakthrough Service as well as some project additions that had a close fit with the programme, including the GTI business connections project, SPF and Business Growth Fund where information was gathered.

**The projects that make up the commercialisation programme** **Table 1.1**

| Projects                                  |  |
|---|--|
| Intermediate Technology Institutes (ITIs) | Small Company Innovation Scheme (SCIS) |
| Proof of Concept (PoC)                    | SMART                                  |
| Enterprise Fellowships                    | Edinburgh Pre Incubation Scheme (EPIS) |
| Industry Fellowships                      | Otocap                                 |
| High Growth Start-up Unit (HGSU)          | Commercialisation Breakthrough         |
| SPUR                                      | Edinburgh Stanford Link                |
| Prospekt                                  | Scottish Co-Investment Fund (SCIF)     |
| Technology Gateway                        | Scottish SEED Fund                     |
| Commercialisation Toolkit                 | Scottish Venture Fund                  |

The project manager for each project was contacted and asked to provide a list of the companies who have participated in each of the projects.

A matrix was then developed that listed all the companies and recorded which projects they had engaged with. This provided a full list of all companies engaging with the projects as well as the extent to which they were engaging with multiple projects.

## 1.2 Company Engagement with the Programme

In total 1,306 unique companies had engaged with the projects that make up the commercialisation programme. As some companies had engaged with more than one project there were 1,777 company interactions (in effect unique companies accessing more than 1 of the commercialisation projects) across the programme since 2004.

This section covers analysis of:

- company engagement by project
- company engagement by sector
- number of company interactions

### 1.2.1 Company Engagement by project

From the data received on the projects it was possible to get a broad count of the number of companies engaging with each.

Full details are included in Appendix 1: Company Engagement with the Commercialisation Projects.

The key highlights to emerge from this include:

- the Small Company Innovation Scheme accounted for 22% of all companies engaging with the programme
- the Edinburgh Stanford Link accounted for 15% of all companies engaging with the programme
- the Scottish Government SMART project covered 13% of all companies engaging with the programme

The projects can be separated into the level of interaction, with many of the schemes covering one to many engagement, while a smaller proportion are more focused on one to one interactions. The implication is that a large proportion of the companies are accessing one to many projects (seminars, workshops, etc) rather than more focused projects. The projects are also heavily focused on technology development with only a small element of wider business improvement across some of the projects.

### 1.2.2 Company Engagement by sector

The sector of the companies engaging with the commercialisation programme was recorded using data held by Companies House. In almost half the cases there was no Standard Industrial Classification Code held by companies. The analysis therefore only covers around 50% of the companies who have engaged with the commercialisation programme.

Companies were classified to the main Scottish Enterprise priority industry sectors based on the full 4 digit Standard Industrial Classification code. Using this method the majority of the companies (53%) did not fall into a core priority industry category. The remainder were classified as:

- electronic markets (26% of the commercialisation programme companies)
- life sciences (15% of the commercialisation programme companies)
- chemical and energy (3% of the commercialisation programme companies each)

The headline results for this are included in table 1.2 below.

| <b>Sector</b>                              | <b>Number of companies</b> | <b>% of companies</b> |
|--|----------------------------|-----------------------|
| Non-priority industry sectors <sup>1</sup> | 298                        | 53%                   |
| Electronic markets                         | 147                        | 26%                   |
| Life sciences                              | 86                         | 15%                   |
| Chemicals                                  | 15                         | 3%                    |
| Energy                                     | 14                         | 3%                    |

Taking a wider view of the sectors (based on the 2 Digit SIC code which does not match with the key sectors outlined above) there were 40 different broad industry

<sup>1</sup> These companies were classed as non-priority industry sectors based on their 4 digit SIC code  
Ref no

groups who engaged with the programme. Full details are included in Appendix 2: Company Sector.

The key highlights to emerge from this included:

- 28% of companies (157) were classified as other business activities
- 20% of companies (112) were classified as renting of machinery and equipment
- 14% of companies (76) were classified as research and development

These three sectors combined account for 62% of the companies for which details are held who have engaged with the commercialisation programme. This suggests that while a range of companies access the project, there is a very clear use of the projects by service sector companies.

### 1.2.3 Number of Interactions

The matrix was used to assess the extent to which companies use support across the programme and for the different stages of company growth.

The maximum number of interventions accessed by companies was 8, while a number of the spin out companies had not accessed any interventions<sup>2</sup>. The key findings from this analysis suggested that:

- 90% of companies had accessed less than 2 projects, with 76% only accessing 1 project
- 5% of companies had accessed 3 projects
- 2% of the companies had accessed 5 or more projects

Full details are included in Appendix 3: Number of Interactions.

The main implication from this analysis is that most companies are only accessing ad hoc support, rather than using the projects of the commercialisation programme to support the development of their business. It does, however, also show that a very small proportion of companies are accessing a broader range of support in the development of their business.

## 1.3 Conclusions

The analysis of the companies engaging with the commercialisation programme gives rise to a number of conclusions:

- a large number of companies are accessing ad hoc support through the commercialisation programme
- there appears to be no real pattern of flow through the programme, with support accessed in an ad hoc manner
- a high proportion of the companies are outwith the priority industry sectors supported by Scottish Enterprise
- companies are largely accessing support in relation to product focused issues (in effect developing or refining technology) – though this is where the majority of support lies

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<sup>2</sup> It would appear that these spin outs were counted by Scottish Enterprise between 2004-2008 as part of their performance monitoring processes but did not engage with any of the commercialisation projects for which we have data

## **Appendix 1**

### **Company Engagement with the Commercialisation Projects**

**Total Companies Engaging by project**

**Table A1**

| <b>Stage / Project</b>                 | <b>Number of Companies</b> | <b>Percentage of companies</b> |
|--|----------------------------|--------------------------------|
| ITI                                    | 9                          | 1%                             |
| Kelvin Institute                       | 0                          | 0%                             |
| Proof of Concept                       | 42                         | 2%                             |
| Enterprise Fellowships                 | 53                         | 3%                             |
| Industry Fellowships                   | 16                         | 1%                             |
| High Growth Start Up Unit              | 66                         | 4%                             |
| Seekit                                 | No data                    | No Data                        |
| Spur                                   | 116                        | 7%                             |
| Prospekt                               | 8                          | 0%                             |
| Technology Gateway                     | 193                        | 11%                            |
| Commercialisation Toolkit              | 5                          | 0%                             |
| Small Company Innovation Scheme        | 386                        | 22%                            |
| SMART                                  | 224                        | 13%                            |
| Edinburgh Pre Incubation Scheme        | 35                         | 2%                             |
| Commercialisation Breakthrough Service | No data                    | No Data                        |
| Edinburgh Stanford Link                | 262                        | 15%                            |
| Dialogues                              | No data                    | No Data                        |
| Scottish Co-investment fund            | 128                        | 7%                             |
| SEED Fund                              | 29                         | 2%                             |
| Venture Fund                           | 13                         | 1%                             |
| Business Growth Fund                   | 101                        | 6%                             |
| GTI Business Connections               | 12                         | 1%                             |
| SPF                                    | 10                         | 1%                             |
| Direct                                 | 14                         | 1%                             |
| <b>Total</b>                           | <b>1,777</b>               | <b>100%</b>                    |

*Note: totals and percentages are based on the sum of the projects with data available*

**Company Sector**

**Total Companies by Sector<sup>3</sup>**

**Table A2**

| SIC Code   | No. of Companies | % of Total  |
|--|------------------|-------------|
| Oil & gas  | 13               | 2%          |
| Agriculture  | 1                | 0%          |
| Food processing  | 2                | 0%          |
| Textiles   | 2                | 0%          |
| Wood products  | 1                | 0%          |
| Paper products   | 1                | 0%          |
| Publishing and printing  | 4                | 1%          |
| Manufacture of coke and refined petroleum products             | 1                | 0%          |
| Manufacture of chemicals                                       | 19               | 3%          |
| Manufacture of rubber and plastics                             | 7                | 1%          |
| Manufacture of non metallic mineral products                   | 1                | 0%          |
| Manufacture of basic metals                                    | 2                | 0%          |
| Manufacture of fabricated metals                               | 9                | 2%          |
| Manufacture of machinery and equipment not elsewhere specified | 9                | 2%          |
| Manufacture of office machinery and computers                  | 3                | 1%          |
| Manufacture of electrical machinery                            | 19               | 3%          |
| Manufacture of radio, television and computer equipment        | 18               | 3%          |
| Manufacture of medical and precision instruments               | 28               | 5%          |
| Manufacture of motor vehicles and trailers                     | 3                | 1%          |
| Manufacturing not elsewhere classified                         | 4                | 1%          |
| Recycling  | 1                | 0%          |
| Utilities  | 1                | 0%          |
| Collection and purification of water                           | 2                | 0%          |
| Construction   | 12               | 2%          |
| Sale, maintenance and repair of motor vehicles                 | 4                | 1%          |
| Wholesale trade  | 10               | 2%          |
| Retail trade   | 5                | 1%          |
| Land Transport   | 1                | 0%          |
| Post and telecommunications                                    | 1                | 0%          |
| Financial services   | 3                | 1%          |
| Activities auxiliary to financial services                     | 2                | 0%          |
| Real estate activities   | 3                | 1%          |
| Renting of machinery and equipment                             | 112              | 20%         |
| Research and development                                       | 76               | 14%         |
| Other business activities                                      | 157              | 28%         |
| Health & social work   | 7                | 1%          |
| Activities of membership organisations                         | 2                | 0%          |
| Recreation, culture and sporting activities                    | 4                | 1%          |
| Other service activities                                       | 4                | 1%          |
| Extra Territorial organisations                                | 6                | 1%          |
| <b>Total</b>   | <b>560</b>       | <b>100%</b> |

<sup>3</sup> This table was built from 2 digit SIC codes, the priority sectors are built up from 4 digit SIC codes therefore we are unable to map the figures in the above to table with those in table 1.2



**Number of Interactions**

**Total Interactions****Table A3**

| <b>Number of interactions</b> | <b>Number</b> | <b>% of Total</b> |
|-------------------------------|---------------|-------------------|
| 0                             | 29            | 2%                |
| 1                             | 995           | 76%               |
| 2                             | 158           | 12%               |
| 3                             | 69            | 5%                |
| 4                             | 31            | 2%                |
| 5                             | 13            | 1%                |
| 6                             | 7             | 1%                |
| 7                             | 4             | 0%                |
| <b>Total</b>                  | <b>1,306</b>  | <b>100%</b>       |

*Note: The companies with zero interactions represent spin out companies who had not engaged with any of the projects that make up the commercialisation programme between 2004 and 2008*