

A NEW CHAPTER FOR GROWTH:

WHAT NEXT FOR BRITAIN'S ENTREPRENEURS?

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The beginning of a new era

FOREWORD FROM LORD WALDEGRAVE

“There has never been a more important time to champion the contribution entrepreneurs make.”

We’re living in an age of unprecedented change. The way we work, the way we live and the world around us are transforming faster than ever before. As Britain heads towards Brexit and a new chapter outside the EU, the old saying “change is the only constant” has never felt more pertinent.

But amidst the uncertainty and questions about Britain’s place on the world stage, there is much to be heartened by. We are a nation powered by ingenuity and we have many burgeoning industries which have the potential to supercharge our economy.

Behind each of these sectors are thousands of brave and bold entrepreneurs, driving innovation and pushing forward with optimism and ambition. We believe there

has never been a more important time to champion the contribution that these entrepreneurs make to our economy and to explore how we can help them meet challenges and make the most of opportunities.

For centuries, Coutts has been the bank of pioneers. We were the first private bank and wealth manager to create dedicated services for entrepreneurs and today, we are proud to work with over 20,000 of the UK’s most talented and innovative leaders.

We have many years’ experience providing invaluable advice to guide our clients through every stage of the entrepreneurial journey. So now, as Britain embarks on a new journey of its own, we want to understand what the future holds for our entrepreneurs and how we can help them. If Britain is to succeed in the future, we need the entrepreneurial among us to lead the way, starting and growing brilliant, world-beating businesses. It is our privilege to support them.



The future is bright

AN INTRODUCTION FROM MICHAEL HAYMAN MBE,
CHAIRMAN, COUTTS ENTREPRENEURS

What does the future hold for Britain's entrepreneurs? This is a question we hear a lot. But in this age of accelerated change, it's safe to say the future is already here.

Just look at some of Britain's fast-emerging new industries: fintech, artificial intelligence, quantum technology, robotics, advanced manufacturing – these are some of the new areas in which our entrepreneurs are excelling and leading the way across the world.

But with change comes uncertainty. As our founders try to make the most of these new opportunities, what challenges do they face and how can they tackle them? This is something we have sought to answer over the past couple of months. We've gathered over 50 of the UK's most dynamic entrepreneurs and business leaders

from across all sectors and industries and encouraged thoughtful debate.

From creating a nation of world-beating scale-ups, to harnessing the power of purpose and attracting top talent, we've tackled some of the most significant issues facing business leaders today. What we've seen and heard has been encouraging and inspiring.

We've learned that while Britain has plenty of ambition, it needs a confidence boost and to celebrate its wins. How with the right attitude, Brexit could be turned into an opportunity. That purpose-led business needs the support of investors if it is to thrive. And that talent, regulation, education and global trade are all top priorities for entrepreneurs.

But mostly, we've seen that despite the prevailing uncertainty – entrepreneurs are brimming with optimism and driven to realise Britain's potential. The future is here and it's as bright as ever.

“We've gathered over 50 of the UK's most dynamic entrepreneurs.”

What we've found...



DYLAN WILLIAMS
MANAGING DIRECTOR,
HEAD OF ENGLAND
& WALES, COUTTS

“You get a real sense for the passion and ambition of the entrepreneur and how they seize on disruption to create opportunities. They face common challenges but you can feel the optimism and confidence they have about the future and the important role they will play in driving change.”



DAVID MCKENZIE
MANAGING DIRECTOR,
MARKET LEADER ENTREPRENEURS
& SOUTH EAST ENGLAND, COUTTS

“What struck me was the sheer determination to work around Brexit – this being seen as just another hurdle that entrepreneurs face. They will get over it quickly and move onto the next challenge.”



PERRY LITTLEBOY
MANAGING DIRECTOR,
COUTTS PRIVATE OFFICE

“The ambition and energy that propels our entrepreneurs to strive is inspiring. This report serves to capture the mood of the moment, but in truth, it underscores the same messages, the same determination we have been hearing these last 10 years. There is an unquestionable will to win.”



MILES KEAN
EXECUTIVE DIRECTOR,
ENTREPRENEURS DIVISION,
COUTTS

“I was delighted to hear the entrepreneurs speak about Britain as a hotbed for talent. They're optimistic about business taking more of a role in developing talent by working closely with schools and universities as well as developing and fostering their own people in their workplace.”



Entrepreneurs and the age of uncertainty

‘Uncertainty’ is one of the most feared words in business. It can stymie investment, put off decision making and discourage spending. For Britain, it has become a buzzword – capturing the mood of many as we navigate uncharted waters and continue moving towards life outside of the EU.

Indeed, the CBI’s latest industrial strategy survey found uncertainty to be taking its toll, with key concerns for business cited as uncertain economic outlook (54 per cent) and what post-Brexit trade will look like (39 per cent).

But there are many among us who see uncertainty as an opportunity. Those who can make the best of any situation and power on towards success. These people are the entrepreneurs leading the UK’s fast-growth and innovative businesses. They are accustomed to unknowns. For founders, each day brings with it a new set of unanswered questions and new challenges. So who better to speak to as we move into the next chapter for Britain?

“ There are many among us who see uncertainty as an opportunity.”



To better understand how changing economic conditions might impact on entrepreneurs, our conversations have centred around five areas of investigation. These are essential elements of modern business and key to the future success of our companies, our industries and our economy.

- FAST-GROWTH SECTORS
- BUSINESS AS A FORCE FOR CHANGE
- NURTURING SCALE-UPS
- EXPORT AMBITIONS
- WORLD-CLASS TALENT

Our debates have been both inspiring and insightful. This document provides a snapshot of each of our themed conversations and gives the unique viewpoint of five of our dinner guests. We hope that by presenting this insight, we can provoke further discussion, start important conversations and inspire others.

Chancellor Philip Hammond spoke at length during the 2017 Budget about the need to create a dynamic and innovative economy. He believes the country's strength comes from being a beacon of enterprise and creativity. Much of this comes down to entrepreneurial ambition. We need driven and determined leaders and founders across the country to believe that we can win on the world stage and make it happen.



CHAPTER ONE

HARNESsing
THE PACE OF
CHANGE

“ We work in an era where politicians have less impact on the story than ever before. What we want from politics is a climate that lets us get on with it.”

PAUL TAYLOR
CEO, THOUGHT MACHINE

Chan

Start-ups that hit billion-pound valuations by their tenth birthday. Artificial intelligence capable of writing novels. Apps and their founders whose actions call into question whether the social contract is still fit for purpose.

There is no doubt that the pace of change recently seen across industries, markets and society has accelerated far faster than was expected just a decade ago.

In this era of unprecedented transformation, the UK has emerged as a country where economies and entrepreneurs can similarly move at pace. A country where ambitious businesses begin every day; where innovative products compete globally, and where new wealth is created at scale. The entrepreneurial flame burns bright in the UK.

However, clear challenges come hand-in-hand with a fast-growth environment. The most obvious is the uncertainty created by the UK's decision to leave the European Union. Although the formal split will not occur until 2019, the unknown of what life will be like outside the EU naturally causes concern.

"We have massive opportunities as entrepreneurs in the UK," says Rupert Lee-Browne, founder and CEO of fintech payments company, Caxton FX. "It's straightforward to start a business here and funding is in good supply. We have the time zone and quality talent on our side too. The problem is we don't know where we're going."

Yet, importantly, the business world is proving resilient and continues to turn. Angus Thirlwell, co-founder of high-street confectioner Hotel Chocolat, says, "Strip away the political distraction and this is a country brimming with creativity. We're inventors and innovators who believe in openness and tolerance. These qualities will stand us in good stead in any turbulence ahead."

Instead, business leaders are focusing on new areas of opportunity, such as how to turn AI and automation to their advantage. "It's about knowing where new gaps in the market and ways to make your business work better are coming from," says founder of fashion technology start-up Metail, Tom Adeyoola. "As an entrepreneur, you want to go where things are moving. You have to maintain that sense of opportunity. China is spending \$10 billion on a quantum computing centre. What will the UK do to match that?"

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One of the challenges arising from the emergence of new technologies is regulation. "It's not about Uber or TfL," says Oz Alashe MBE, CEO and founder of cyber security business, CybSafe. "It's about society making up its mind on what can be tolerated and how we make sure it is good for society. Elon Musk is building a road network underneath the ground – this will hopefully be a great thing. But we're still learning how to legislate for brand new things and with the ever-increasing pace of change with technology it's no surprise there are bumps along the road."

A new approach to regulation is necessary – one that reflects the best of society's intentions whilst not clamping down on innovation. Adeyoola says the answer is "a new social contract. The success of Deliveroo and Uber has challenged the status of employee rights and there needs to be a regulatory response to that."

It's not just new, exciting industries that are forcing entrepreneurs to pause for

thought. Building a profile of the UK as a society that welcomes entrepreneurs and talent is paramount to its future success.

Founder of digital healthcare app babylon, Ali Parsa, says: "I came to this country as a refugee from Iran. The country I chose was open and welcoming. The EU referendum result sent a message that the UK is closed and, so far, the narrative to counter that sentiment has been a bit muddled. It is now our job to put forward the narrative for a positive, open and prosperous Britain."

It is the responsibility of policymakers and business leaders to work together and ensure the world knows Britain and its entrepreneurs are open for business. Going further, the next generation of talent needs to view the UK as a positive place to invest and pursue commercial ambitions.

While future restrictions on overseas talent remain unknown, the future is bright when it comes to homegrown talent, says VentureFounders co-founder James Codling. "Visiting schools recently, I'm encouraged by how many young people want to become entrepreneurs. We have not always had that culture in the UK but we're lucky to have it now. I want to see that culture fostered and more success stories than ever will come out of it."

The pace of change shows no signs of slowing. To avoid being left behind, embracing uncertainty, seeking opportunity, and striving for an economy that delivers for everyone must become guiding principles.

“It is now our job to put forward the narrative for a positive, open and prosperous Britain.”

FEATURED COMMENT

AI and the promise of data

ALI PARSA, BABYLON

Artificial intelligence (AI) was a promise made 50 years ago. We thought we could mimic a human brain but in many ways, the science wasn't working. Then, almost overnight, three or four years ago, we started delivering the promise. We suddenly had computing power which could process fast enough, the science to simulate, and enough data to deliver. Since then we've been developing AI at lightning speed. It's a game-changing industry. Much more so than social networks, on demand economy or ecommerce. This is existential: creating machines that can think better than humans in some areas.

At babylon, we're applying that science to a very narrow field: clinical work. The mission is to make healthcare accessible and affordable to everybody in the world – in the same way Google has done with information. We're not trying to replace doctors and nurses but AI can make the process of diagnosis more accurate and



“Britain is among the world leaders in AI at the moment... this doesn't mean others won't catch up.”



70 per cent cheaper. This helps doctors and nurses do their jobs more efficiently and therefore see more patients. Of course, diagnosis often means a patient is already sick. We're also working on a way to model the body to the point where we can predict illness and take action much earlier.

Britain is among the world leaders in AI at the moment. Having said that, this doesn't mean others won't catch up. With this kind of technology you are only ever six to twelve months ahead of the pack. There's no time to get cocky because we will fall behind.

Britain must not underestimate the opportunity. This is the new industrial revolution and the winner of the race will be very powerful. But we can't be naive and think, 'it's an open market, let's see what happens.' We must embrace a more competitive spirit.

If we are to succeed we also need government support. Consider the success of Citymapper: it's a world-leader because TfL opened up its database to the company, which was then able to create a product that is streets ahead of anyone else – Google and Apple are trying to catch up. It's naive to think the private sector can achieve this kind of thing without close co-ordination with government in the UK, while other governments help their own local champions.

The opportunity offered by this industry cannot be overstated. More data was created in 2017 than had been created over the previous 5,000 years of humanity.

Entrepreneurs shouldn't be sitting and thinking about Brexit, as important as it might be, they should be thinking about how they can make the most of this opportunity.



CHAPTER TWO

FINDING
POWER IN
PURPOSE

“There’s a huge opportunity for Britain to step forward and define what this new, purpose-driven economy is.”

BEN RAMSDEN
CO-FOUNDER, RESONANCE

Purpose

One of the most significant recent changes in British business has been the move towards social mission and the expectation that brands should have a purpose beyond profit.

The arrival of the B Corp movement in 2015 cemented this, giving purpose-led brands a badge of honour and a commitment to hit social and environmental goals alongside their financial ones.

Rather than simply good CSR, this change has been driven, in part, by consumer tastes. A recent study by Unilever found that 33 per cent of consumers are choosing to buy from brands they believe are doing social or environmental good. "People talk as though there is a conflict between strong shareholder return and positive impact but

it's not true and consumer facing businesses are where we're seeing this change," says Stephen Rapoport, founder of Pact Coffee. "Social impact is more likely to excite consumers rather than businesses buying products. Social media gives individuals a voice and even more incentive to put their money where the positive impact is happening."

While customers are certainly driving some of the change, many entrepreneurs feel that if Britain is going to lead the way in championing purpose-led business, it needs the buy-in of investors. "In order to create a purpose-led economy we need investors to step-up and say what we're doing to build that economy," said Ben Ramsden, co-founder of socially-minded supply chain firm Resonance. Having supportive investors on board will help purpose-driven companies to sell at a more competitive price, argues Rajeeb Dey, founder of professional development platform,

“People talk as though there is a conflict between strong shareholder return and positive impact but it’s not true.”

Learnerly. “If we want this type of business to become mainstream, investors need to think more long-term, help businesses to sell more so they can achieve economies of scale and bring costs down.”

The ability to attract millennial talent emerged as another strong business case for purpose. “The best talent is attracted to companies doing meaningful things,” says Dey. “The next generation is so socially aware now, they’ll walk away from companies who haven’t woken up to this.”

If businesses are increasingly expected to bring about positive social change, are they encroaching on the role of government and if so, is this a trend we’re likely to see more of? “I don’t believe, as business leaders, we can say that politics is not for us,” says Simon Franks, co-founder of LoveFilm and chairman of the philanthropic Franks Family Foundation. “If we don’t get engaged now I fear for the future.

We should make space for a new generation of problem solvers.” While not everyone believes that business leaders should get into politics, many agree that business has a role to play in ensuring employees are upskilled and prepared for the future of work. “Children in schools today will go on to do jobs that don’t exist yet, the government can’t train them for this alone – parents and educators need help,” says Bethany Koby, co-founder of Technology Will Save Us. “The private sector is moving faster and knows more about the future skills needed – their involvement will be key.”

It’s clear that the rise of purpose-driven brands is more than a passing phase – whether they’re actively involved in governance, or simply have an eye on their environmental impact – these companies are here to stay and Britain has a role in supporting them.

FEATURED COMMENT

Purpose-led firms are the future

BETHANY KOBY, TECHNOLOGY WILL SAVE US

The idea that businesses have a role to play in bringing about positive change is nothing new. Brands like Unilever and Patagonia have had purpose at their core for some time but the concept is getting more airtime at the moment for a number of reasons.

Society is starting to consider the role that humans play on the planet, what we've done and what we're going to do to fix it. This is in the consciousness of people more than ever because of the power of social media and that of the internet to disseminate information. Secondly, I think there are examples of business that are of significant influence, which are making enormous strides in taking an active role on their impact in society. Whether it's through the way they treat people, their supply chains, diversity, etc. The last factor is customers. Individually, people are becoming aware of the power we have as consumers. What you do and how you purchase has an impact and this has driven a shift in businesses paying attention and seeing purpose as an opportunity – not as a requirement.

Maybe I'm naive but I believe the trajectory we're on as a society will change these new behaviours into requirements. There are too many problems in the world and these will ultimately dictate a shift. Smart organisations will not wait for dictation

though, they will see this as an opportunity to start differently and do differently.

We are also quite likely to see certain businesses pivot to remain relevant. Look at Nokia – it's evolving to become a health-tech company. Before it was a mobile phone company, it manufactured rubber goods. It's a survivor business and is willing to change with the times, which is very interesting.

I think it's also down to new generations of entrepreneurs. My son is six years old, he will look at car companies and think it's the most ridiculous thing that people created vehicles that require fossil fuels. In the same way, he would never start a cigarette company. We've moved so far beyond that – it would be absurd for the next generation to start certain businesses that we know are detrimental to society. This will also change the landscape.

Entrepreneurs are always looking for meaning and relevance. You can see this with the foundations many set up in their 40s, 50s and 60s. They wait until they sell their business then feel it's their time to do something they care about. Now there's more of a sense that entrepreneurs can do it all in one – solve big problems, find meaning and make money. Purpose is a business-led opportunity now, not simply a spiritual one.



**“Entrepreneurs
are always looking
for meaning and
relevance.”**



CHAPTER THREE

SUPERCHARGE
OUR
SCALE-UPS

“ I don’t see a lack of ambition in entrepreneurs but in the supporting cast. Everyone needs to be bought into the scale-up mission.”

JAMIE WILSON
FOUNDER, HOMETOUCH

Supercharge

High-growth businesses are an essential part of the British economy. These small and medium-sized scaling businesses have the potential to supercharge GDP and create millions of jobs.

But despite being ranked as the third best country in the world for start-ups, the OECD ranks the UK as 13th for scale-ups. Many hope that if we can give businesses with scale-up potential more support, we can start to solve the UK's productivity gap. But how do we do it? What are the external factors holding our ambitious companies back and where can we find our advantage?

Our scale-up numbers may need a boost, but we have plenty of potential, according to Greg Mesch, founder and chief executive of CityFibre: "I've started companies in the US, in Ireland and here in the UK and the softest, most fertile ground has been

around London. It's true that companies sell off quicker but the scale-up ingredients are here."

Perhaps it's our attitude to growth. The general consensus is that while Silicon Valley embraces failure and sees it as a badge of honour, in the UK, we are still afraid of it. This fear of failure and lack of self-belief could be leading to a sell-out culture. "I started StairSteady when I was 16 as a GCSE project," says entrepreneur Ruth Amos. "Early into the journey someone offered to buy us but I believed we had much more potential. Every single person asked why I didn't sell. They were all shocked. It's hard to scale-up when you're surrounded by those voices."

Many believe our investment community could hold the key to our scale-up prowess. "I wonder if banks have a role to play?" asks Warren Thompson, managing director, Coutts Private Office. "Founders have a rush to exit to create liquidity. If banks understood the entrepreneur better they might not feel the need to go out the door."

Scale-ups

“The scale-up ingredients are here.”

Indeed, Mike Jackson, founder of tech incubator Webstart Bristol believes an end to financial short-termism could help: “Private equity firms have short timelines. In the US, capital is more patient. Initiatives like the Enterprise Investment Scheme are good in many ways – no other country has tax-based investment. But it does breed short-termism. There is an expectation from investors that you will sell.”

No conversation about Britain’s productivity and growth potential is complete without mention of Brexit. But many entrepreneurs feel that with the right attitudes, our next chapter outside of the European Union will be bright. “Entrepreneurs will always try and find the positive side. We can turn Brexit to our advantage but to do this, what is clear is that scale-ups need access to talent,” says Ed Bussey, founder of Quill.

As well as Brexit, new and exciting fast-growth sectors are also on the horizon. Britain can expect to see a swathe of start-ups and scale-ups rushing in to take advantage of new technologies and industries.

“Movement is going to become a big area of wealth creation,” says Amos. “For example, Elon Musk’s ground-breaking Hyperloop has backing in the UK - we could get from London to Edinburgh in less than an hour.”

New and emerging elements of transport such as space travel, electric vehicles and Hyperloop will require certain skills. Hence why Paola Cuneo, Head of Elite Growth UK and partnership, London Stock Exchange Group believes now is the time to upskill the next generation: “We have some of the top universities here. We keep hearing that we don’t have the right skill sets but we have to develop them in order to deliver the jobs of the future.”

Britain’s productivity has been in the doldrums for some time, but just as the latest ONS figures start to show a rise, entrepreneurial attitudes are similarly buoyant. “The UK punches above its weight in music, entertainment, start-ups and innovation,” says Mesch. “It just needs to believe in itself – this country has got so much to give.”

FEATURED COMMENT

Turning UK plc into an asset class of its own

ED BUSSEY, QUILL

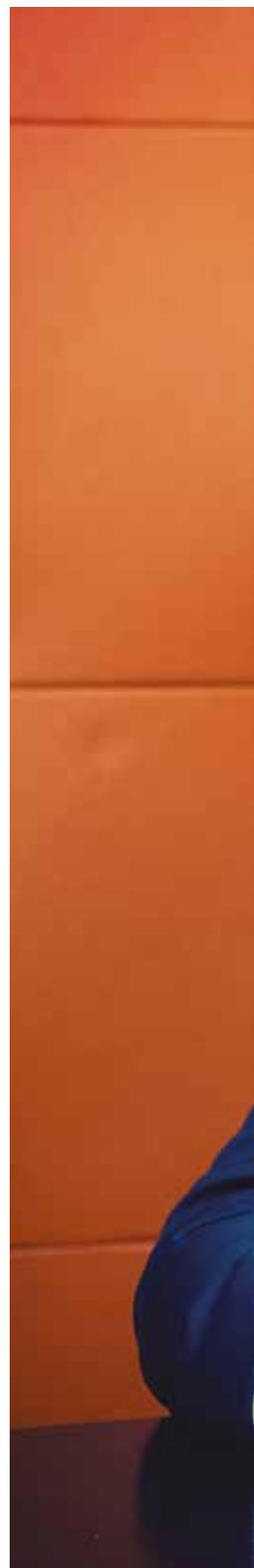
When we talk about scale-ups in the UK, a question often arises about the ambition of entrepreneurs here and whether our firms and founders have the real appetite to go for growth. I feel very strongly about this. I have worked on both sides of the pond and in continental Europe, and I absolutely do not recognise a lack of ambition among my peers, many of whom incidentally have come from around the world to build their businesses out of the UK. One observation I would make is that we're not always as bullish at selling ourselves as our American cousins – but when it comes to underlying ambition, I categorically see no difference.

Can the UK become the best place to scale a company? We're certainly not there yet. We've come a long way in terms of the scale-up capital available, but on average it still takes longer and is harder to raise money in the UK than in the US. The supply and demand is balanced more in favour of investors here, and in favour of founders in the States – I hear this from investors as well as from entrepreneurs.

This is reflected in lower valuations – driven also by other factors such as relative market size – and I believe this also has a knock-on effect with respect to the question about scaling up versus selling out in the UK. It is true that US-based entrepreneurs stay with their companies for longer – this is partly because they're able to hold on to a larger share of their businesses for longer; whereas more UK entrepreneurs feel greater pressure to sell, for fear of losing too much of the value they've worked equally hard to build.

Access to capital, partnered with easy access to talent, are the two biggest barriers to scaling in the UK. With Brexit on the horizon, these challenges could potentially be exacerbated further. But, like many entrepreneurs, I'm a "glass half full-type" so, is there something we can do to turn Brexit into an opportunity?

Putting aside all of the arguments for or against Brexit, I believe we could take this moment and truly create the best place





to start and scale a business. Let's start by turning the UK into a destination for international investment. We already have world-leading investment schemes like EIS, which offer tax incentives for investment to UK residents. We could look at creating a global version of EIS, opening it up to investors around the world. We have some amazing fast-growth sectors here; let's invite the world to invest in them. I'm not talking about creating a tax haven, but rather an investment accelerator for the UK economy and the high-value jobs it needs to create for future generations.

The second point is around talent. How can we open our doors and become a global destination for the world's best talent, making it easy for our scale-up companies to attract and hire the very best people, wherever they come from? With the right regulation around this, we can create an irresistible opportunity to highly-skilled workers.

If we can use the Brexit process to achieve these two outcomes and secure alignment around this mission from business and government (across the political spectrum), it could become an incredibly powerful opportunity for this country. We could turn UK plc into an asset class of its own. Now that's an ambition worth shouting about.

“I believe we could take this moment and truly create the best place to start and scale a business.”



CHAPTER FOUR

GOING
GLOBAL

“ What I’m most proud of is being a British manufacturer and I think people need to remember Made in UK is a strong brand in itself.”

NIMISHA RAJA

FOUNDER, NIM'S FRUIT & VEG CRISPS

Going

Going global is the ultimate goal for many businesses. Breaking into new markets and building an international customer base is something entrepreneurs aspire to and work hard to achieve.

But Brexit has cast uncertainty on the UK's status as a trading powerhouse. The UK's decision to leave the European Union divided the business community and exporters across the country are keen for answers and trade agreements.

For their part, entrepreneurs have – once more – proven their resilience and optimism. Regardless of political persuasion, they appear to welcome the opportunity to realign their vision and find new ways to international markets.

“Entrepreneurs welcome change because it brings opportunities with it,” says Lance Forman, owner of London's oldest fish curer, H. Forman & Son which has exported to over 35 countries. “Big change

gets you off the treadmill, gets rid of the junk and gives you a chance to re-evaluate your situation. That's what Brexit gives the UK: a chance to reinvent its businesses and the country.”

This determination is echoed by serial entrepreneur and experienced exporter Sara Murray OBE, founder of Buddi: “As entrepreneurs, we just get on and do. If there are new regulations to contend with we'll abide by them and grab the opportunities along the way.”

Looking beyond the EU to build commercial relationships can be daunting, but those who have been there and done it return with glowing reviews. “International exporting is about having an open mind,” says Forman. “Your sales do not end at the coastline of the UK. Global transport and communication are easier than ever. The world is our market.”

Interestingly, the stumbling blocks to going global would be familiar for every UK business: hiring and ambition. “If you go international, it means you have to hire people better than yourself,” says

Sir Eric Peacock, non-executive Board Director at UK Export Finance. He adds, "There's an element of British entrepreneurship that is happy to stop at a certain level. Whereas in the US there's a greater hunger to keep growing."

All commercial undertakings need a dash of luck to become seriously successful – and exporting is no different. "When you work with the UK Department of Trade, success can all depend on who is on the other end of the phone," says Nigel Fulton, CEO of Fulton Umbrellas. "We had a very positive experience in Singapore, whereas in China we never made any headway with official representation. Then in Russia the Department for International Trade was no help but, by chance, we found a way to market."

There are tremendous global opportunities for British firms when done right. But in a world of growing uncertainty, you won't get far without the right attitude.

"Entrepreneurs look for the window when the door is closed", says author and entrepreneur Annabel Karmel MBE.

“Your sales do not end at the coastline of the UK... the world is our market”

"The UK will continue to be innovative because its entrepreneurs bring the innovation and the can-do attitude. They bring a freshness, vividness, love and enthusiasm to what they do."

The road ahead for British trade may be bumpy but there is clear appetite among Britain's entrepreneurs to make the most of global opportunities. As we enter this new chapter, there's every reason to believe the UK can retain its position as a global trading powerhouse – driven by our innovative and ambitious businesses.

Global

FEATURED COMMENT

Ticking all the boxes for export success

SARA MURRAY, BUDDI

Entrepreneurs are an irrationally optimistic group. They know nine out of 10 start-ups will fail, yet remain convinced theirs is in the minority and destined for success. For entrepreneurs who export, it is a similar determination that takes them to the top. As the country enters a new trading era, it will be this determination, and the entrepreneurs who live and breathe it, who are called on to secure the prosperity of the UK.

Amidst the forecasts and predictions, it is tempting to imagine entrepreneurs are kept up at night by Brexit. But, in reality, that is not the case. To me, Brexit seems to be a conversation that rages in some parts of the country, while entrepreneurs get on with business. While every business will be affected differently – and I think some not at all – I am certain entrepreneurs will rise to the occasion and adapt their businesses accordingly so they continue to thrive.

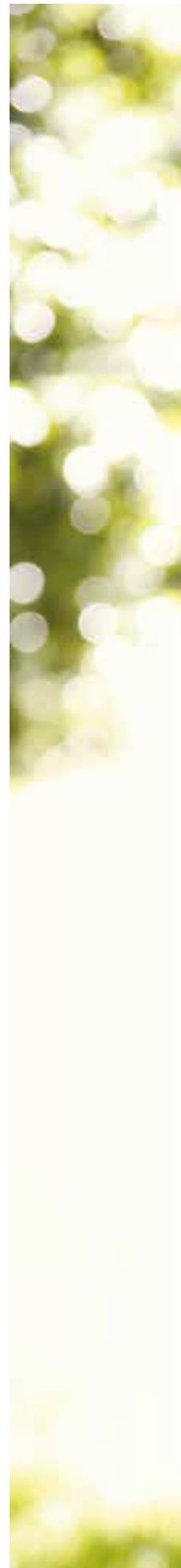
There is a global market waiting for UK products and Brexit acts as an overdue

impetus for entrepreneurs to look into the potential of these markets; enter them for the first time and deepen existing relationships.

Commonwealth countries that trade in English and have respect for UK products continue to present excellent opportunities for exporting. But the world market is not limited to those we have historical relationships with. I went to the signing of the UK's trade deal last year with Colombia, and have since found it easy to trade with – bolstered by a safe, reliable procurement mechanism – and a dynamic, fast-growing market.

UK exports are currently worth £550 billion to the UK economy¹ – a figure that should cause us all to sit up and pay attention. Yet, when it comes to trading policy there seems to be a lot of energy wasted and misdirected. There's an old adage that indecision is worse than a bad decision – the sooner we get an entrepreneur around the negotiating table the better.

Source:
1. <https://fullfact.org/europe/uk-eu-trade/>





The future success of UK exports comes down to the ambition of the people involved. Despite what others may say, we are not held back by the so-called ambition gap in the UK and we are more than capable of shining outside of the EU. What we need to do is shout about our success more. Take engineering firm Renishaw, for example. It is a billion-pound company, with a presence in 70 countries and a world-leader in scientific technology – yet it does not get the attention it deserves.

The future is bright for UK exports. Brexit has made people start talking seriously about truly going global. And as far as I am concerned, the need to fill out a customs form will not deter any ambitious entrepreneur from taking their business to the next level.

Britain is a country built on its exports – and if we can inject our export attitude with a little more ambition, we will eat Brexit for breakfast.

“The sooner we get an entrepreneur around the negotiating table the better.”



CHAPTER FIVE

SHAPING
TOMORROW'S
TALENT

“ If future talent wants to work at companies with the best purpose, big companies will start to live and breathe the values they so often talk about.”

DOMINIE MOSS
FOUNDER, THE RETURN HUB

Talent

We do not need a TV show to recognise Britain's got talent. The UK's economy thrives because of its people – whose skills, ingenuity and resilience are delivering impressive headline statistics on a regular basis. BEIS research shows one business is born every 75 seconds in Britain¹ and the World Bank ranks the UK as one of the best places in the world to start and grow a business.² People make all of this possible.

But as the UK begins a new life outside the EU, continued access to talent is a sticking point. The recent Scale-Up Review found that 90 per cent of scale-ups cite talent as a key factor in their continued growth and their main priority at the moment, ahead of access to markets and infrastructure.³

Many have questions around the UK's future ability to hire the very best from around the world: "We recruit for tech firms who have teams of up to 80 per cent

non-English nationals," says Sophie Eden, founder of recruitment firm Gordon & Eden. "We need answers soon on things like visas."

If the UK wants to remain a home for world-leading talent, there are a number of issues that need to be addressed, such as access to talent, diversity and skills – but many entrepreneurs are confident that by embracing change, these challenges can be turned into opportunities.

"Any business that thinks it will thrive looking the way it did 10 years ago will die in the next 10 years," says Natalie Campbell, co-founder of global social innovation agency A Very Good Company. "Interested in your business survival? Figure diversity out. Realise the person who looks different to you brings value – not a threat. And not value because of some quota but value because they add to your bottom line."

Left unchecked the diversity issue will stop businesses reaching their full potential. It is a similar story for the UK education system and its perceived inability to prepare young talent for what's to come. "I think education has to produce something

Sources:

1. BEIS analysis of 2016 Banksearch Data – quoted in HM Industrial Strategy
2. World Bank (2018). 'Ease of Doing Business Index 2018
3. The ScaleUp Review on Economic Growth 2016, The ScaleUp Institute

that companies can then mould and take to the next level. It is too focused on IQ and not EQ (emotional intelligence)," says social entrepreneur Ian Wason.

The state of teaching and its reluctance to bring technology into the classroom is a similar concern for Julien Calède, co-founder of furniture designer and retailer MADE.com: "Education needs to be looked at. It is the one industry that has not significantly evolved over the last 50 years. We could have so much more technology in the classroom but, so far, it has not happened.

"People do not want to launch education-focused businesses because they do not see much room for the prospect of large-scale commercial success."

The answer, says Campbell, lies in teaching the entrepreneurial mindset: "Give young people the tools they need to be able to adapt to the world and figure it out. It's about resilience and ambition. Do that and it does not matter what the jobs of the future will be. If we get it right we can help the next generation thrive."

True to form, the entrepreneurial community is confident it can play a formative role in preparing UK talent to make the most of future opportunities.

"What we need to do is work with schools so that we can prepare talent – of all ages and backgrounds – to drive the future of responsible capitalism," says serial funder Nik Askaroff. "We cannot leave it with big business or government to develop the talent of tomorrow. We, the entrepreneurs, need to get involved."

As the UK economy enters unknown waters, entrepreneurs will be called upon to chart the course. "What we have coming is fundamentally a new economy," says GainX founder Angelique Mohring. "The pace we're moving at means government cannot plan ahead and corporates are not able to shift on time. So, leadership has to come from the private sector and the entrepreneurs."

Britain's got talent but the message from our entrepreneurs is loud and clear – we must remain open to global talent and our homegrown skills need to be nurtured.

“We cannot leave it with big business or government to develop the talent of tomorrow. We, the entrepreneurs, need to get involved.”

FEATURED COMMENT

Talent's diversity dilemma

NATALIE CAMPBELL, A VERY GOOD COMPANY

The UK's workplaces are still failing to reflect the diverse talent that exists outside the office doors. Just two BAME (minority ethnic) CEOs currently lead FTSE100 companies and only six per cent of top management positions are filled by people of BAME background – despite BAME people making up 14 per cent of the working population.¹ A government-backed review last year found that improving BAME career progression would add £24 billion to the UK economy. So, what's locking diversity out of the workplace?

When I speak to businesses about boosting diversity, the fear is being left out of pocket. Targeted recruitment drives and cultural initiatives can be costly. Yet, the associated costs pale in comparison to the losses that await those businesses that refuse to keep up with the modern world.

Not only will products designed, tested and marketed by uniform teams always risk alienating potential consumers but modern technology means when businesses get

it wrong – a tone deaf soft drink ad campaign springs to mind – it goes viral and causes lasting problems for a company. For a small, entrepreneur-led business, such a mishap could be fatal.

The challenge is clear: how do we get more diverse talent into the workplace so businesses can be the best they can be? The answer lies not just with the employer but with the education system and how it prepares young people for professional success.

The first University Technical College opened in 2012 – a technical school for 14-19 year olds which offer students more than the traditional GCSE and A-Level curriculum. I have followed their progress closely and support how they allow students to specialise from a young age. My godson wants to be an engineer and wants to have his own business. So, instead of sticking with the traditional curriculum, he moved to a UTC where the learning is crafted around his ambitions and he can get ready to live his dreams.

Source:
1. <https://www.theguardian.com/money/2017/feb/28/bme-career-progression-could-add-24bn-a-year-to-uk-economy>



UTCs are a great example of disrupting the system and achieving success – partly because they bring an entrepreneurial mindset to the classroom. It is this mindset, founded on resilience, adaptability and determination, that will empower people of all backgrounds to succeed in the future of work.

It's why I want to see more entrepreneurs playing a role in creating the quality talent pool of the future. I'm a firm believer that entrepreneurs should hack the system and create the change they want to see. But, to do this, entrepreneurs have to view the future talent pool as part of business development. Importantly, do not wait for government policy to make it happen. Get involved now and the public sector will help you amplify and regulate at a later date.

It is tempting to view Brexit as the great disruptor for talent, yet, in entrepreneurial circles, there are more pressing challenges. You need a workforce that wants to be there, cares about what they do and does it productively. Brexit, for now, is nebulous for most small businesses. Instead, entrepreneurs need to focus on opening up to the whole spectrum of talent in the UK and seeking ways to prepare a homegrown talent pool that is world-beating. Get this right and entrepreneurs – and their businesses – will be able to withstand anything the world throws at them.

“I want to see more entrepreneurs playing a role in creating the quality talent pool of the future.”

CONCLUSION

REALISING OUR AMBITIONS

Britain has long been a powerhouse of ingenuity and innovation. Entrepreneurs across all sectors have helped to shape the country into a thriving hub of creativity, where new industries are born and billion pound businesses built.

Britain is undoubtedly entering a new chapter in its history. One that will be defined by the pace of change and our new position outside of the EU. In this era, our entrepreneurs, their resourcefulness and agility will be key to our future success.

With that in mind, we set out to discover how Britain's entrepreneurs feel about the future. Where they see the new opportunities and the challenges and how, as a trusted partner, we might be able to support them. We've hosted some fascinating debates and gathered valuable insight, much of which we've illustrated throughout this report.

What has been most heartening is the resilience, determination and drive that we have seen from our guests. Britain's entrepreneurial ambitions run high and, by all accounts, they look set to be realised.

As the country's new chapter unfolds, Coutts will continue to speak with entrepreneurs up and down the country – collecting their insight and expertise. We look forward to sharing our future findings with you.



THIS IS
THE SIGN
YOU'VE BEEN
LOOKING FOR

**Here are
some of our
key findings:**

**BRITAIN NEEDS A
CONFIDENCE BOOST**

Britain has so much to be proud of and we have lots of ambition but we need to believe in ourselves. If we can inject some more confidence, we might see our entrepreneurs scaling up instead of selling out.

BREXIT BRINGS OPPORTUNITIES

Brexit is a bump in the road but entrepreneurs will always find a way. Our biggest challenge is turning this moment of uncertainty and change into an opportunity.

TALENT IS A TOP PRIORITY

Safeguarding talent is essential. Our fast-growth companies must be able to access the skills they need now. Looking into the future, as some jobs are destroyed and others created, the most useful skill we can teach the next generation is agility and the ability to embrace change.

**ENTREPRENEURS CAN
DRIVE CHANGE**

Business leaders and their organisations have a role to play in shaping the future of Britain. Standing on the sidelines is not enough, entrepreneurs need to drive the changes they want to see.

**INVESTMENT WILL FOLLOW
CONSUMER TASTE**

Britain has become a hotbed of purpose-led businesses. As consumer tastes continue to move towards these socially-minded companies, we'll see an even stronger business case for purpose and impact investment.

REGULATION IS KEY

TfL stripping Uber of its licence in September 2017 shone a light on the difficulty regulators face when grappling with new innovation. A new approach to regulation is necessary – one that reflects the best of society's intentions whilst not clamping down on innovation.

CONNECT WITH TEACHING

Education needs bringing up to speed with what the world today demands. Technology has a larger role to play in the classroom but so too does the entrepreneurial mindset. The worlds of education and business should be brought closer together to make this happen.

GO GLOBAL

Brexit will create growth opportunities for the country's entrepreneurs – strong trading partners exist outside of the EU, we should look to global marketplaces for new opportunities.

About Coutts Entrepreneurs

Coutts has extensive experience in looking after the needs of the UK's most talented and innovative entrepreneurs across every sector, with a dedicated client group of private bankers fully committed to our entrepreneur clients. We appreciate the changing financial requirements that an entrepreneur will face through every stage of their entrepreneurial journey, yet understand how the demands of running a business leaves very little time to manage important financial affairs.

The nuances and successive stages of entrepreneurship means that entrepreneurs need to think differently about how they manage wealth. Your private banker at Coutts can provide:

- **Initial capital injection** – working with your finance team to assist with equity loan needs.
- **Mortgages** – providing a variable rate, a fixed-rate mortgage, or a combination of both. Or specialist lending solutions such as a mortgage reserve account or an offset select mortgage.
- **Investment opportunities** – funnelled through one point of contact who understands your business and growth potential.

- **Coutts Concierge*** – the next best thing to having your own personal assistant. Wherever you are, whenever you need it.
- **Debit, Credit and Charge cards** – which include multicurrency capabilities, 0% Non-Sterling Transaction fees, and a currency delivery service direct to your door.
- **Coutts Connect** – a networking site designed exclusively for clients to join and build upon their existing Coutts network.

At Coutts, we are with you for the journey, connecting and advising the UK's most successful entrepreneurs, delivering tailored, expert wealth management and banking services. Our networking events are heavily subscribed – entrepreneurs like nothing better than meeting and talking with other like minded people and the ecosystem generated is both fun and informative.

Please feel to contact us for further information; we would be delighted to hear from you.

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* provided by Ten Lifestyle Management

About Seven Hills

CAMPAIGNING FOR CHANGE MAKERS

Our mission is to campaign for change makers; the entrepreneurs, investors, philanthropists, business leaders and innovators that are realising the positive potential of business. We create campaigns that help businesses, people and organisations to stand out, grow faster and make a difference.

Through our best-in-class media team, our in-house design studio and our events, editorial and digital specialists, we are engaged in major creative campaigns focused on growth, culture and helping organisations cut through in a fast evolving business landscape.

Our goal is to unlock the amazing potential of people we work with – our clients, our partners and our team. We have created some of the leading initiatives to champion and accelerate the growth prospects of Britain's entrepreneur and scale-up community, including StartUp Britain, Pitch@Palace and MADE: The Entrepreneur Festival.

In 2015, we authored the Penguin bestseller 'Mission: How the Best in Business Break Through' which explores the explosive growth of a new generation of mission-driven businesses.

Since our launch in 2010, we have been recognised as one of the stand-out communications consultancies operating in Europe today. We were named Global and EMEA Corporate Consultancy of the Year by The Holmes Report in 2014 and we have been shortlisted as a finalist in the EMEA category every year since.

