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**Power Up: UK business**  
Collaborate to boost UK growth

There is a big opportunity for corporates and scaleups to form mutually beneficial partnerships, which have the potential to boost productivity and competitiveness.

At the moment scaleups tend to opt for self-sufficiency as they attempt to grow. Of our scaleup community, 56 per cent indicated that they are self-sufficient and do not plan to seek support to access foreign markets.

However, there is a huge opportunity for more collaboration as the scaleups that we surveyed acknowledged that collaboration with corporates had significant benefits. Scaleups identified a number of benefits for collaboration, including: access to networks, funding and commercial expertise. These benefits are important for ambitious scaleups.

There are many means of collaboration and partnership; choosing the appropriate type to meet specific objectives is crucial. Explore the various collaboration models you could adopt for your business.

**To do list:**

- Corporates should seek to collaborate with aspiring scaleups who can complement their capabilities and help stimulate the innovation that they are unable to achieve in-house.
- Corporates should streamline the processes that early stage businesses are subjected to during procurement to make it easier, cheaper and therefore more appealing for young businesses to work with them.
- Aspiring scaleups should target partnerships with corporates who share their vision, can help them develop their offering and are able to connect them to bigger consumer networks.

**A framework to choose an appropriate collaboration style**



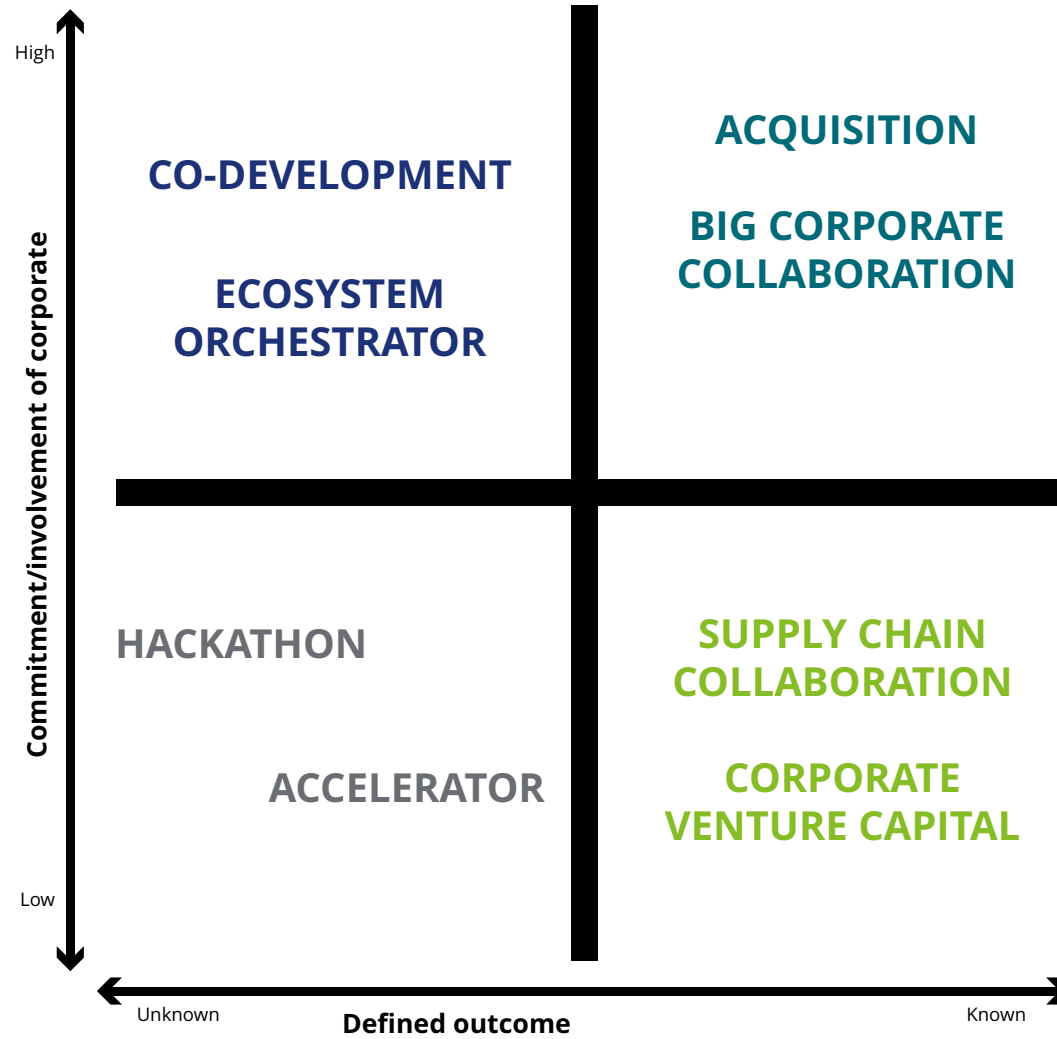
**CO-DEVELOPMENT**  
**What is the deal?** a corporate and early stage business work together to co-develop a product that is jointly owned  
**Best for:** businesses wanting to tap into cutting-edge tech skills, and aspiring scaleups wanting to unlock the expertise and the ability required to grow  
**Works best when:** both parties gain a considerable edge from the partnership  
**Reality check:** clarifying roles and ownership in the joint venture is crucial



**ECOSYSTEM ORCHESTRATOR**  
**What is the deal?** a big organisation uses its platform to draw many collaborators together to solve a big challenge or inform service improvement  
**Best for:** organisations who want to build an engaged community either to tackle a socially valuable challenge, better meet the needs of their consumers or get a sense of the capabilities that exist in the ecosystem.  
**Works best when:** the challenge is a popular one that many people want to support  
**Reality check:** it is challenging to monetise this activity quickly and usually requires significant scale and network to manage the community on an ongoing basis



**HACKATHON (OR CHALLENGE PRIZE)**  
**What is the deal?** multi-disciplined teams compete against each other to solve a challenge in return for prizes  
**Best for:** developing a usable prototype and introducing practical innovation  
**Works best when:** the business has a clear challenge to solve which requires capability not available in-house. The prize needs to be sufficient to attract strong talent  
**Reality check:** a hackathon generates ideas but often there is not sufficient impetus to convert the ideas in to a sustainable solution



**ACCELERATOR**  
**What is the deal?** these are short (three- to six-month), cohort-based programmes that provide seed funding and intensive mentoring and training for startups  
**Best for:** ambitious early stage startups who want support (funding or otherwise) to grow quickly  
**Works best when:** the interests between the startups and their 'host' are aligned. Hosts should be able to offer insight from their knowledge and experience in a related field to help startups improve their proposition and business model appropriately  
**Reality check:** relatively few accelerator programmes produce successful, sustainable businesses



**CORPORATE VENTURE CAPITAL**  
**What is the deal?** businesses invest their money in aspiring external scaleups either to obtain a financial return or for strategic advantage. Scaleups benefit from funding and also from credibility by association, access to new customers and potential support for growth  
**Best for:** big businesses who are looking to invest in the future of their business in a lean way, by taking multiple small bets, and early stage businesses who have a viable market proposition and are looking to scale up  
**Works best when:** the big business allows its innovative partner to operate and develop with minimal constraints associated with the investment  
**Reality check:** aligning objectives, culture and timelines too rigorously can dilute the impact of collaboration



**BIG CORPORATE COLLABORATION**  
**What is the deal?** corporates and early stage businesses jointly go to market – this allows corporates to offer more innovative products and services, and gives the aspiring scaleup access to a wider market  
**Best for:** product/service innovation – delivering existing services in different ways, or entering new markets where neither has capability to do so on their own  
**Works best when:** where the values and services of both sides of the partnership are complementary and the scaleups are able to show credible evidence of delivery  
**Reality check:** clear communication as well as defined roles and responsibilities in each project at the outset are essential to deliver successfully



**ACQUISITION**  
**What is the deal?** a business acquires a controlling stake in another company  
**Best for:** big businesses wanting to diversify their offering and smaller businesses wishing to scale their market presence  
**Works best when:** smaller businesses are open to the culture and identity of the larger firm, but are allowed to keep their own identity and operating style  
**Reality check:** small businesses can get lost in a big company unless they receive top level sponsorship



**SUPPLY CHAIN COLLABORATION**  
**What is the deal?** big businesses outsource part of their supply chain to aspiring scaleups with the aim of improving quality and/or efficiency  
**Best for:** process innovation, which improves delivery of existing products or services  
**Works best when:** the shared objective is clear but the aspiring scaleups are given space and freedom in their delivery method  
**Reality check:** it can be challenging to strike the right balance with procurement to incentivise performance and allow freedom in delivery

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