

# Ahead of the rest

## The Regional Innovation Strategy

The need for the support of hi tech industries and the concept of 'growing your own business' cannot be over-emphasised. The demise of a number of manufacturing companies has provided the Yorkshire and Humber region with a timely reminder that a long term strategy for the support of such industries is essential to create job opportunities of quality and sustainability.

The Regional Innovation Strategy (RIS) began as a two-year initiative in November 1996 to define and implement such a strategy for the Yorkshire and Humber region on a sectorised basis.

The objective was to create a raft of business support services to foster innovation and growth. Funding is provided by Europe to support individual projects until June 30 2001. The idea is that companies across the region will be able to access the support and services designed to remove the constraints to growth.

There are three main strategic themes within the RIS:

- The interaction of further and higher education with business.
- Support for business in the early stages of development, for example science parks, innovation centres and managed workspace.
- A regional strategy to encourage youngsters to aspire to careers in science, engineering and technology.

Electronics is one of 12 sectors identified by the RIS. As with all such initiatives, different 'partners' are invited to become associated with initial design and the development, delivery and continual management/monitoring of the initiative.

The partners can represent either the public (e.g. Tecs, councils, universities and colleges) or the private (companies or individuals) sectors and contribute financially in either actual or 'in kind' payments.

Each industry sector has a lead partner responsible for the identification of projects and their implementation. Bradford & District Training & Enterprise Council is lead partner for electronics industries.

Following research, an initial plan was written defining the requirements of the sector. A total of £2.2m has been awarded by the Government Office for specific projects. The main strands were identified as:

- Deficiencies in current skills and training provisions
- The need for sales and marketing expertise.
- Access to finance for SMEs borrowing over £50k.

*Yorkshire companies dominated the northern section of a national contest to find high-tech fast movers. Three did even better...*

Three Yorkshire companies which starred in Deloitte & Touche Technology Fast 50 Awards — Rhodium, Torch Communications and SquareSum — have made it to the National Fast 50.

The organisers said that the national results, announced this month, demonstrated that geography was not the prime consideration for the development of technological success.

Spokeswoman Fiona Mackechnie said: "What is required is a good blend of entrepreneurial dynamism and specialist expertise. These are qualities which Yorkshire has been producing for generations".

Yorkshire companies dominated the winners of Deloitte & Touche's quest to find the fastest growing technology companies in the North. They included Leeds-based Image Systems Europe and Filtronic of Shipley (see below, right).

Technology companies are one of the fastest-growing sectors of the British economy - reflecting the innovation, flexibility and entrepreneurial drive that have been the hallmarks of the country's industry since the Industrial Revolution. These businesses range from biotechnology through to telecommunications, IT hardware and software.

The sector currently accounts for just over five per cent of all VAT-registered businesses in the UK though it has been growing at an average of more than 25 per cent a year since 1996.

It was in order to recognise, reward and raise the profile of the fastest growing technology companies that Deloitte & Touche launched its own award scheme, the Technology Fast 50. Award ceremonies have been held throughout the country and the winners of the Northern region received their awards at a dinner at the Royal Armouries in Leeds.

"We are a nation of innovators and inventors - but sometimes we just don't shout about it enough", says Fiona Mackechnie, lead partner for the Northern Fast 50 programme.

"We felt it was time to champion the cause of the UK technology industry which, contrary to the doom and gloom written about the UK economy, is in fact growing and growing considerably faster than the rest of the economy".

The criteria for entry in the technology Fast 50 Programme are based on financial performance and revenue growth. Companies are ranked on percentage growth in turnover over three years from 1995 to 1997.

It was open to UK technology companies defined as producing technology, manufacturing technology-related products, technologically



Fiona Mackechnie

intensive or using unique technology in problem-solving, and companies devoting a high percentage of effort to research and development of technology.

Entrants must have been in business for a minimum of three years and the

parent company must be UK-owned.

The Technology Fast 50 Programme originated in San Jose, the centre of California's Silicon Valley, in 1995 and has expanded across the US over the last three years. Both the regional Technology Fast 50 and the national Technology Fast 500 were created to recognise the outstanding contribution of fast-growing technology companies.

Yorkshire has a well-established sector spread across the region, ranging from software producers and satellite decoder manufacturers to telecommunications and biotechnology specialists. Many of the businesses have developed close links with the Yorkshire universities. Indeed a number have actually been spawned by the universities.

"There is no shortage of good ideas in the region" said Fiona. "Nor do we lack the scientific and technological expertise.

"The problem for many companies is all too often a lack of capital. Research can be very expensive — particularly for young businesses that have not had time to develop a strong cashflow. Sound professional advice can often help to resolve this problem".

She added that the government has recognised the strategic importance of a vibrant domestic technology sector and is providing incentives to encourage further development. Deloitte & Touche was determined to play its part in the growth and nurture of these sunrise industries. 

## Competition Winners

Yorkshire companies in the Deloitte & Touche Technology Fast 50 winners Northern Region, placings in brackets.

- Rhodium Plc, Sheffield/Chesterfield (2)
- Torch Communications, Wakefield (3)
- Squaresum plc, Wetherby (7)
- Electronic & Engraving Services, Rotherham (11)
- Apertus Systems, Leeds (18)
- ICIS Technology, Harrogate (16)
- Eurotel Systems, Halifax (17)
- Filtronic plc, Shipley (24)
- Image Systems Europe, Leeds (26)
- Tenhill Computer Systems, Leeds (27)
- Esteem Computers plc, Wetherby (28)
- PanCredit Systems, Leeds (33)
- Results 2000 plc, Elland (39)
- Baan (formerly Coda), Harrogate (41)
- Servelec Group, Sheffield (42)
- Lambson Group, Harrogate (43)
- Insurances Technology Solutions plc, Leeds (44)